

**Accomplish
Subrecipient
Payments
within 30 Days**

**Presented by Julia “Lolita”
Cervera**



Learning Objectives

At the conclusion of this activity, the participant will be able to:

1. Identify the authoritative source documents for the legislative and programmatic requirements governing payments to recipients and subrecipients.
2. Understand the issues delaying payments.
3. Understand that non-compliance is sometimes more of a timing than a process issue.

What Are the Types of Awards:

Federal Grant

Federal Cooperative Agreement

Federal Contract

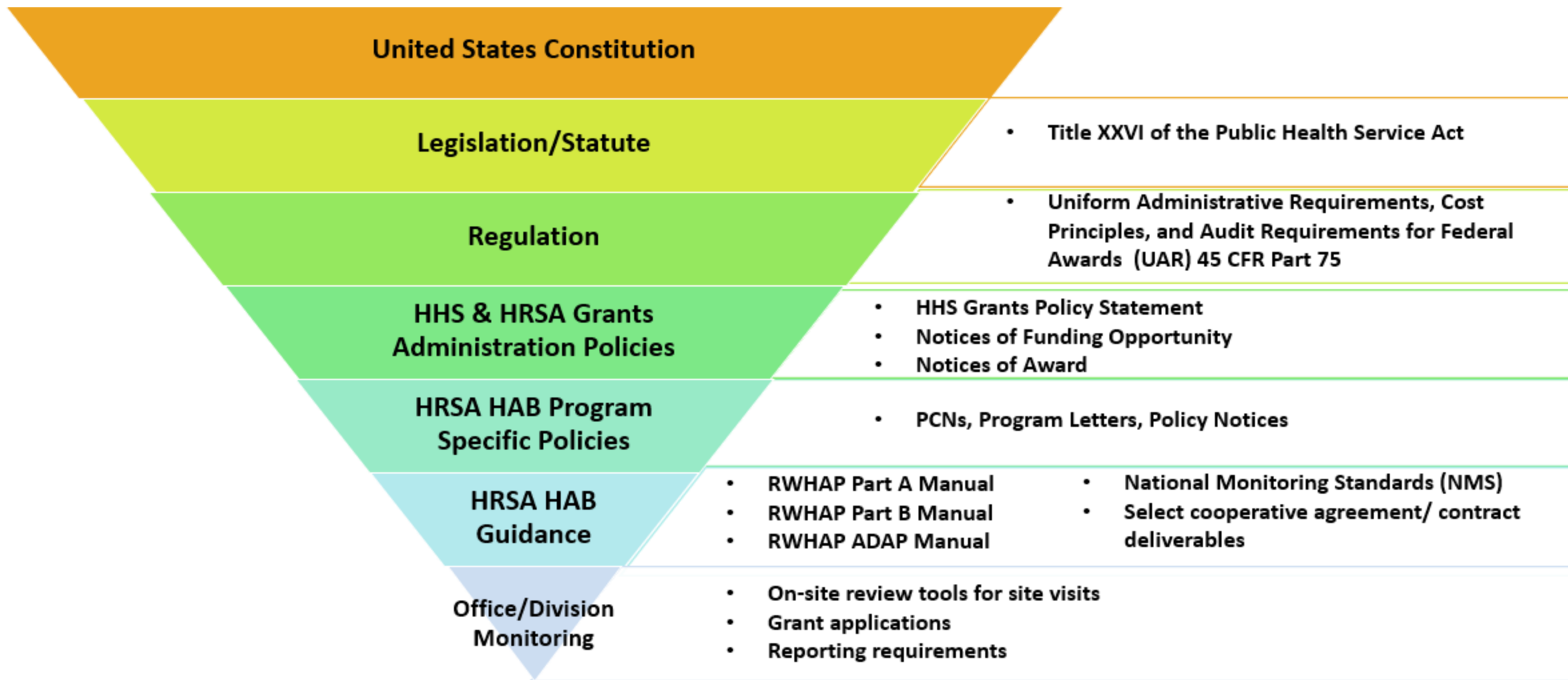
	45 CFR 75.332	Contract cost and price	
	Federal Grants	Federal Cooperative Agreement	Federal Contracts
Basic Purpose	A flexible instrument designed to provide money to support a public purpose. Assistance with few restrictions.	A flexible instrument designed to provide money to support a public purpose. Assistance with involvement between parties.	A binding agreement between a buyer and a seller to provide goods or services in return for consideration (usually monetary). Procures goods or services.
Terms & Conditions	Governed by the terms of the grant agreement	Governed by the terms of the cooperative agreement	Governed by Federal Acquisition Regulations
Scope	Conceived by Principal Investigator Flexible as to scope of work, budget, and other changes	Conceived by Principal Investigator Typically flexible as to scope of work, budget, and other changes	Conceived by sponsor. Relatively inflexible as to scope of work, budget, and other changes
Solicitation	Application kit or guidelines	Request for application	Request for proposal or quote
Effort	Diligent efforts are used in completing research and the delivery of results	Diligent efforts are used in completing research and the delivery of results	Significant emphasis placed on delivery of results, product, or performance
Sponsor Involvement	None	Substantial involvement	Approves activity, expects results
Payment	Payment awarded in annual lump sum	Payment awarded in annual lump sum unless otherwise specified in the cooperative agreement	Payment based on deliverables and milestones
Rebudgeting	Flexible	Usually flexible	More restrictive
Reporting	Annual reporting requirements	Reporting requirements determined by the cooperative agreement	Frequent reporting requirements
Flexibility	Principal Investigator has more freedom to adapt the project and less responsibility to produce results	Substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement.	High level of responsibility to the sponsor for the conduct of the project and production of results

What Type of Federal Award is Ryan White HIV AIDS Part B?

75.101 (2) For requirements other than those covered in subpart D of this part, §§75.351 through 75.353, subpart E of this part and subpart F of this part, the terms of the contract and the Federal Acquisitions Regulations (FAR) apply

Federal Requirements Governing Payments to Recipients and Subrecipients

Which Are the Key Authorities?



Requirements Apply to Payment of Invoices

45 CFR 75.305

The non-Federal entity must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in this part.

For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance.

Requirement that Applies to Payment of Invoices

45 CFR 75.305

Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the HHS awarding agency sets a specific condition per § 75.207, or when the non-Federal entity requests payment by reimbursement.

When the reimbursement method is used, the HHS awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the HHS awarding agency or pass-through entity reasonably believes the request to be improper.

Why Address Non-compliance Findings?

- Compliance issues have agency wide consequences such as increasing the risk of the having disallowances due to non-compliance that need to be paid to the federal government from jurisdiction funds. Therefore, organizational systems play a part in non-compliance. Assess the systems to identify barriers, draw conclusions about the data, and discuss solutions that can bring the award to compliance.
- Recipients must have a clear understanding of the key legislative/programmatic requirements and expectations on how to make effective decision making in such system as procurement, contracting, budgeting, accounting, invoicing, payment, and reporting when implementing the Ryan White HIV/AIDS Program Part B grant.

Organizations Systems Analysis

Goal: Modify timeline to ensure subrecipients have an executed contract by March 1 to 31st

Procurement

- **Goal:** To select a procurement process for the provision of RWHAP Part B services that is appropriate for a subrecipient.
- **Applicable Authorities:** 45 CFR 75.351 Subrecipients vs. Contractors; 45 CFR 75.33 Pass through entity review; 45 CFR 75.327. Type of procurement instrument that promotes the best interest of the grant program project.
- **Current Procurement Process:** Using the procurement process for purchasing goods and services that are available in the community at large and require a procurement process that cannot be challenged in the courts.
- **Current Timeline:** 6 months, September to February
- **Process adjustments:** Request for application for sub-awards (45 CFR 45)
- **New timeline:** 3 months, August to October

Budgeting

- **Goal:** The budget of subrecipients must reflect the uses of grant funding as required by the legislation. The RWHAP legislation requires the funding of 10% for recipient administration; 5% for recipient quality; 85% for core and support services, of which 10% is for subrecipient aggregate administration and of the remainder 75% (limitation 75% for core medical services) unless a waiver has been awarded.
- **Applicable Authorities:** Section 2604, RWHAP Part A legislation, Uses of Funds of title XXVI of the Public Health Service Act, 42 U.S.C. 300ff-11-300ff-20.; 75.308 Budget and program plans – revisions
- **Current Budgeting Process:** Requiring the Notice of Award before starting the budgeting process.
- **Current Timeline:** 3 months, March to May
- **Process adjustments:** The jurisdiction is going to accept HRSA estimate letter provided in August of each year. RWHAP Part B Grant is a formula grant that varies very little and is built into the US budget.
- **New timeline:** 3 months, October to December

Legal Agreement

- **Goal:** To have the legal agreement executed within 45 days of the start of the grant year.
- **Applicable Authorities:** 45 CFR 75.201, Use of grant agreements; 45 CFR 75.203, Notices of funding opportunities; 2603 (B) DISTRIBUTION FACTOR Formula Grant; 2603 (B) DISTRIBUTION FACTOR Supplemental Grant Based on Need
- **Current Contracting Process:** Requiring the Notice of Award before starting the contracting process.
- **Current Timeline:** 4 months, March to June fully executed contract
- **Process adjustments:** The jurisdiction is going to accept HRSA estimate letter provided in August of each year. RWHAP Part B Grant is a formula grant that varies very little and is built into the US budget.
- **New timeline:** 4 months, December to March fully executed contract

Invoicing

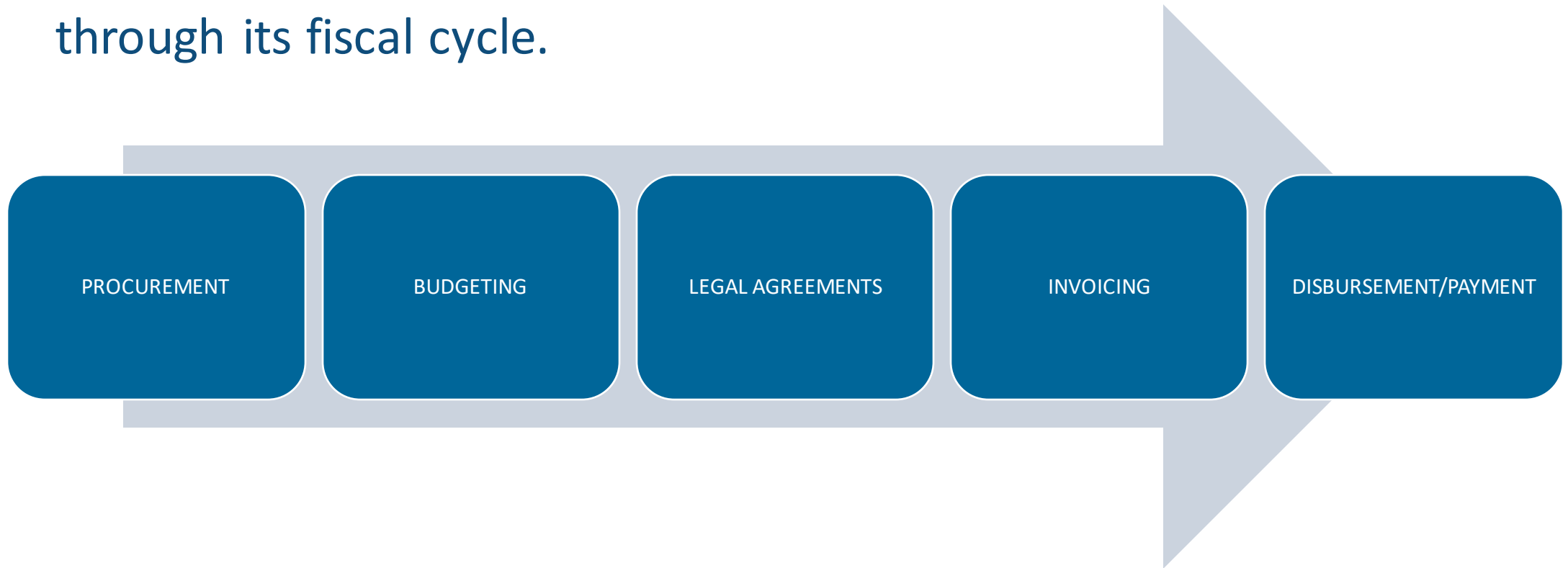
- **Goal:** The payment of invoices within 30 days of receipt of the invoice/bill/reimbursement request.
 - **Applicable Authorities:** 45 CFR 75.305 PAYMENT; : 45 CFR 75, SUBPART E COST PRINCIPLES
 - **Current Invoicing Process:** Invoice review request more than one document per invoice increasing approval time.
 - **Current Timeline:** 1 month, July
 - **Process adjustments:** Streamline review process
 - **New timeline:** 1 month, April invoice for March
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Disbursement/Payment

- **Goal:** The payment of invoices within 30 days of receipt of the invoice/bill/reimbursement request.
- **Applicable Authorities:** 45 CFR 75.305 PAYMENT; 45 CFR 75, SUBPART E COST PRINCIPLES
- **Current Disbursement Process:** Net 30
- **Current Timeline:** 2 weeks September
- **Process adjustments:** RWHAP Part B invoices will be expedited
- **New timeline:** 1 week, March invoice received by April 15 will be paid no later than May 15 (30 days).

SUMMARY

- Payment of invoices within 30 days is dependent on the recipient's organizational systems and adherence with federal requirements through its fiscal cycle.



QUESTIONS



Contact Information

Julia “Lolita” Cervera

Email: lolitacervera@carolina.rr.com

Phone: 305-788-6084