

Money Matters

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Subrecipient Fiscal Monitoring

- **Subrecipient vs Contractor Determination**
- **Required Subaward Content**
- **Select Fiscal Requirements**
 - Limit on Administrative Expenses
 - Vigorously Pursue
 - Program Income
 - Imposition of Charges/Cap on Charges
 - Salary Rate Limitation
 - Gift Cards and Vouchers
- **Sample Fiscal Monitoring Questions**



Subrecipient Fiscal Monitoring

Subrecipient vs. Contractor

Subrecipient vs. Contractor

- **Subrecipient** carries out programmatic activities to meet the goals and objectives of the funded project
- **Contractor** provides goods and services within normal business operations for the benefit of the recipient (ancillary to the operation of the Federal program)



Subrecipient Monitoring

Subrecipient vs. Contractor

Subrecipient	Yes	No
Able to determine who is eligible to receive Ryan White HIV/AIDS Program (RWHAP) assistance?		
Has its performance measured in relation to whether objectives of the RWHAP are met?		
Responsible for programmatic decision making?		
Responsible for adherence to programmatic and fiscal requirements specified in the RWHAP Part B grant?		
Using the funds to provide core medical or support services to low-income people living with HIV (PLWH), as opposed to providing goods or services for the benefit of your organization?		

45 CFR §75.351(a)



Subrecipient Monitoring

Subrecipient vs. Contractor Continued

Contractor	Yes	No
Provides goods or services within normal business operations?		
Provides similar goods or services to many different purchasers?		
Normally operating in a competitive environment?		
Providing goods or services that are ancillary to the operation of the RWHAP-funded program?		
Subject to programmatic and fiscal compliance requirements of the RWHAP as a result of the contract?		

45 CFR §75.351(b)



Subrecipient Monitoring

Required Subaward Information - 45 CFR §75.352(a)

- Federal Award Identification
- Subrecipient Name and Unique Identifier
- Federal Award Identification Number (FAIN)
- Federal Award Date
- Subaward Period of Performance Start and End Date
- Amount of Federal Funds Obligated and Committed to Subrecipient
- Federal Award Project Description
- Identify HRSA as the Awarding Agency
- RWHAP Part B Recipient's Name and Awarding Official Contact
- CFDA Number and Name
- Disposition and Use of Program Income (§307)



Subrecipient Monitoring

Required Subaward Information -- 45 CFR §75.352(a)

- All programmatic requirements imposed by you, the RWHAP Part B recipient, to ensure you meet the terms of the RWHAP award including, but not limited to:
 - Allowable core medical and support services (PCN 16-02)
 - Payor of Last Resort/Vigorously Pursue
 - Distribution of funds (admin, planning and evaluation, CQM, core medical services, etc.)
 - Clinical Quality Management (CQM)
 - Imposition of charges/Cap on charges
 - Reporting requirements necessary for you, the RWHAP Part B recipient, to meet their required reporting



Subrecipient Monitoring

Required Subaward Information -- 45 CFR §75.352(a) Continued

- Indirect cost rate
- Nature and frequency of programmatic and fiscal monitoring and reporting
- Single audit requirements
- Access to subrecipient records and financial statements by the recipient and auditors
- Appropriate terms and conditions concerning closeout of the award



Subrecipient Fiscal Monitoring

Limitation on Administrative Costs -- §2618(b)(3)(D) of the PHS Act

Aggregate 10% limit on all subawards for administrative activities—including ALL indirect costs

Subrecipient	\$1.6M	10%	\$160,000
Community Health Center	\$400,000	3%	\$12,000
HIV Health Care	\$450,000	7%	\$31,500
ACME AIDS Health	\$350,000	28%	\$98,000
Local Health Center	\$400,000	4.625%	\$18,500

- Subrecipient administrative costs include usual and recognized overhead activities, including **all indirect costs**; (B) management oversight (administration and monitoring); and (C) quality assurance, quality control, and related activities



Subrecipient Fiscal Monitoring

Payor of Last Resort--2617(b)(7)(F) of the PHS Act

Funds may not be used for payments for any item or service to the extent that payment has been made, or reasonably can be expected to be made, with respect to that item or service under any State compensation program, insurance policy, Federal or State health benefits program or by an entity that provides health services on a prepaid basis (except for a program administered by or providing the services of the Indian Health Services)



Subrecipient Fiscal Monitoring

Program Income--45 CFR § 75.307(e)

- Recipients are required to track and report all sources of service reimbursement as program income on the annual Federal Financial Report (FFR) and in annual data reports. All program income earned must be used to further the objectives of the RWHAP
- Additionally, it is the responsibility of the recipient to monitor and track program income earned by subrecipients. Subrecipients should retain program income for “additive” use within their own programs. Consequently, program income earned by subrecipients should not be reported on the recipient’s FFR
- See PCN #15-03 available online at:
https://hab.hrsa.gov/sites/default/files/hab/Global/pcn_15-03_program_income.pdf



Subrecipient Fiscal Monitoring

Imposition of charges/cap on charges--§2617(c) of the PHS Act

- No charges may be imposed on clients with incomes below 100% of the Federal Poverty Level (FPL)
- Charges to clients with incomes greater than 100% of FPL are determined by the schedule of charges. Annual limitation on amounts of charge (i.e., caps on charges) for RWHAP services are based on the percent of client's annual income, as follows:
 - 5% for clients with incomes greater than 100% and not exceeding 200% of FPL
 - 7% for clients with incomes greater than 200% and not exceeding 300% of FPL
 - 10% for clients with incomes greater than 300% of FPL



Subrecipient Fiscal Monitoring

Salary Rate Limitation

- Individual's full time salary: \$255,000.

50% of time will be devoted to the project

Direct salary	\$127,500
Fringe (25% of salary)	\$31,875
Total amount	\$159,375

- Amount that may be claimed on the Federal grant due to the legislative salary limitation:

- Individual's base full time salary *adjusted* to Executive Level II:
\$187,000

50% of time will be devoted to the project

Direct salary	\$93,500
Fringe (25% of salary)	\$23,375
Total amount	\$116,875



Subrecipient Fiscal Monitoring

Gift Cards and Vouchers—§2612(f) of the PHS Act

RWHAP funds may not be used to make cash payments to intended clients of RWHAP-funded services. This prohibition includes cash incentives and cash intended as payment for RWHAP services. Where direct provision of the service is not possible or effective, store gift cards, vouchers, coupons, or tickets that can be exchanged for a specific service or commodity (e.g., food or transportation) must be used. Store gift cards that can be redeemed at one merchant or an affiliated group of merchants for specific goods or services that further the goals and objectives of the RWHAP are also allowable as incentives for eligible program participants



Subrecipient Fiscal Monitoring

Gift Cards and Vouchers—§2612(f) of the PHS Act Continued

Recipients are advised to administer voucher and store gift card programs in a manner which assures that they cannot be exchanged for cash or used for anything other than the allowable goods or services, and that systems are in place to account for disbursed vouchers and store gift cards

- Note: General-use prepaid cards are considered “cash equivalent” and are, therefore, unallowable. Such cards generally bear the logo of a payment network, such as Visa, MasterCard, or American Express, and are accepted by any merchant that accepts those credit or debit cards as payment. Gift cards that are cobranded with the logo of a payment network and the logo of a merchant or affiliated group of merchants are general-use prepaid cards, not store gift cards, and therefore are also unallowable



Subrecipient Fiscal Monitoring

Sample Fiscal Monitoring Questions

1. What kind of accounting system does your agency use?
2. How do you allocate costs among different funding sources and RWHAP Part B categories?
3. How do you determine allowable RWHAP service category costs charged to the RWHAP Part B subaward/contract?
4. How do you determine allowable administrative costs charged to the RWHAP Part B subaward/contract?
5. How do you compare and adjust budgeted expenses to actual expenditures? Who does this? How often is this done? How is this information used?
6. How do you ensure adherence to the funding limits set by your approved RWHAP Part B subaward budget?



Subrecipient Fiscal Monitoring

Sample Fiscal Monitoring Questions Continued

7. Do you have written procedures and staff training on RWHAP Payor of Last Resort requirements?
8. Do you have intake procedures and assist all clients in applying for Medicaid, Medicare and other benefits? (obtain copy)
 - Where is it documented that you have assisted clients with this?
 - Is this performed in a consistent manner among staff?
 - What are your procedures for reconciliations and back billing to other third party payment sources? Who performs the task and how often?
 - If RWHAP funds were used to provide services for a client that was eligible and subsequently enrolled in Medicaid, are there written procedures regarding the necessary administrative adjustments?



Subrecipient Fiscal Monitoring

Sample Fiscal Monitoring Questions & What You Should Know

9. Does your agency follow up on client self reports of income and insurance?
 - Who does this?
 - How often is this performed?
 - Do you have a policy defining how this is to be implemented consistently at your agency?
 - If RWHAP funds were inadvertently used to provide services to a client whose income exceeds the eligibility threshold or who obtains insurance, are there written procedures regarding the necessary administrative adjustments?

10. How do you charge, obtain, track, and document client charges and caps within your financial systems including enrollment fees, deductibles, co-pays, nominal charges for service, etc.?
 - Do you have a publicly available income-based schedule of charges?
 - Does your agency identify the source of reimbursement for each patient?
 - Does your system allow for more than one source of reimbursement for each patient (ex. If patient has both Medicare and Medicaid)?
 - How do you monitor caps on RWHAP client charges?



Subrecipient Fiscal Monitoring

Sample Fiscal Monitoring Questions & What You Should Know Continued

11. Do you have written policies and procedures for tracking and spending RWHAP program income?
 - Does your chart of accounts and general ledger enable you to track revenue by funding stream? (If so, how?)
 - What systems are in place to ensure that to the extent available, you spend program income generated by the subaward prior to requesting funds?
12. How do you determine and track the allocation of employee's personnel expenditures when employees are engaged in activities supported by several funding sources? (includes RWHAP Parts A, C, D; HRSA CHC grants; CDC STI grants, etc.)
13. Do you have written procedures to ensure compliance with the salary rate limitation?
14. Do you maintain file documentation of payroll, accounts payables, and hard copy expenditure data? How?
15. Do you provide vouchers or gift cards to intended clients of RWHAP services?
 - Do you have written procedures regarding the tracking, distribution, and use of vouchers and gift cards (e.g., how do you verify that clients utilize medical transportation vouchers solely for medical purposes)?



Evaluation Survey

- Please use the following link to complete a short evaluation of this session
- The link may also be found on your agenda

https://www.surveymonkey.com/r/ARSV2017_MoneyMatters



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