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Reference: Final Subrecipient/Vendor Guidance for State Funds

GUIDANCE - Subrecipient and Vendor Determinations (State Funds)

OF INTEREST TO:

Workforce Florida Inc., Regional Workforce Boards (RWBs), Early Learning Coalitions (ELCs), and other subrecipients of federal funds from the Agency for Workforce Innovation (Agency). This guidance also applies to subrecipients of the above and any affiliated or related entities for the Florida Single Audit Checklist.

SUBJECT:

Process for determining whether a contracted entity is a subrecipient or a vendor.

PURPOSE:

To provide guidance for determining whether payments to third parties create subrecipient or vendor relationships for state funds.

DEFINITIONS:

Fund Recipient: A recipient and/or subrecipient of state funds.

EFFECTIVE DATE:

Issuance of this guidance represents approval by Agency management of the indicated procedures and related administrative forms. These procedures will be effective as of the date of this guidance paper.

If you have questions or concerns regarding the guidance provided here, please contact the Financial Management Systems Assurance Section (FMSAS) at (850) 245-7481 or by e-mail at FMSAS-OEL@flaawi.com or FMSAS-RWB@flaawi.com.

AUTHORITY:

- I. 215.97(2) F.S.

**STATE SUBRECIPIENT AND VENDOR DETERMINATION CHECKLIST
(215.97, F.S.)**

Florida Single Audit Act. State awards expended by a recipient/subrecipient are subject to audit under Section 215.97, F.S., the “Florida Single Audit Act”. The Florida Single Audit Act Checklist for Non-State Organizations – Recipient/Subrecipient vs. Vendor Determination (DFS-A2-NS) (Effective 7/05) shall be used to determine the applicability of the Florida Single Audit Act to non-state organizations. State agencies, recipients, and subrecipients that provide state financial assistance to non-state organizations shall complete this form and retain it in their records. Whenever a non-state organization is determined to be a recipient or subrecipient of state or federal financial assistance, the standard audit language contained on Form DFS-A2-CL (Effective 7/05) must be included in the document that establishes the State’s, recipient’s, or subrecipient’s relationship with the non-state entity. A copy of forms DFS-A2-NS and DFS-A2-CL may be obtained at the Department of Financial Services Website at <https://apps.fldfs.com/fsaa> and at the Agency for Workforce Innovation Purchasing Office intranet site at: <http://www.floridajobs.org/generalservices/purchasing.html>

<u>YES</u>	<u>NO</u>	
_____	_____	<p>1. Are funds for this contract subject to the Florida Single Audit act? If yes, then forms DFS-A2-NS and DFS-A2-CL must be completed and included in the contract routing package for Agency review and approval.</p>

Determination (circle one)	Subrecipient	Vendor	AWI Contract Number :
Date:			Contract Manager Name:
			Contract Manager Signature:

FLORIDA SINGLE AUDIT ACT CHECKLIST FOR NON-STATE ORGANIZATIONS - RECIPIENT/SUBRECIPIENT VS. VENDOR DETERMINATION

This checklist and the standard contract audit language may be obtained electronically from the Department of Financial Services' website (<https://apps.fldfs.com/fsaa>).

If a Florida Single Audit Act State Project Determination Checklist has not been previously completed, please complete it now. (Applies only to State agencies)

This checklist must be used by State agencies to evaluate the applicability of the Florida Single Audit Act (FSAA) to non-state organizations after a state program has been determined (using the Florida Single Audit Act State Project Determination Checklist) to provide state financial assistance (i.e. is a State Project as defined in 215.97 (2), F.S.). This checklist assists in determining if the non-state organization is a vendor, recipient/subrecipient, or an exempt organization.

Recipients and subrecipients of state financial assistance must also use this checklist to evaluate the applicability of the FSAA to non-state organizations to which they provide State resources to assist in carrying out a State Project.

Name of Non-state Organization: _____

Type of Non-state Organization: _____

(i.e. nonprofit, for-profit, local government; if the non-state organization is a local government, please indicate the type of local government – municipality, county commission, constitutional officer, water management district, etc.)

Awarding Agency: _____

Title of State Project: _____

Catalog of State Financial Assistance (CSFA) Number: _____

Contract/Grant/Agreement Number: _____

PART A

<u>YES</u>	<u>NO</u>	
—	—	1. Is the non-state organization a district school board, charter school, community college, public university, government outside of Florida, or a Federal agency?
—	—	2. Is the relationship with the non-state organization only to procure commodities (as defined in 287.012(5) F.S.)?
—	—	3. Does the relationship with the non-state organization consist of only Federal resources, State matching resources for Federal Programs or local matching resources for Federal Programs?
—	—	4. Does the relationship with the non-state organization consist of only State maintenance of effort (MOE) ¹ resources that meet all of the following criteria?
—	—	A. Do Federal Regulations specify the requirements for the use of the State MOE resources and are there no additional State requirements?
—	—	B. Do contracts contain sufficient language to identify the State MOE resources and the associated Federal Program?
—	—	C. Do A-133 audit requirements apply to the State MOE resources and do contracts stipulate that the State MOE resources should be tested in an A-133 audit in accordance with Federal Program requirements?
¹ MOE refers to the Federal maintenance of effort/level of effort requirements as defined by OMB Circular A-133 Compliance Requirement G (Matching, Level of Effort, Earmarking).		
If any of 1-4 above is yes, the recipient/vendor relationship determination does not need to be completed because the FSAA is not applicable to the non-state organization.		

PART B

Recipient/Vendor Relationship Determination:

The following should be analyzed for each relationship with a non-state organization where it has been determined that the state program provides state financial assistance (i.e. is a State Project) and the non-state organization is not exempt based on the questions above. This relationship may be evidenced by, but not limited to, a contract, agreement, or application.

YES NO

- 1. Does State law or legislative proviso create the non-state organization to carry out this State Project?
- 2. Is the non-state organization required to provide matching resources not related to a Federal Program?
- 3. Is the non-state organization required to meet or comply with specified State Project requirements in order to receive State resources? (State Project requirements include laws, rules, or guidelines specific to the State Project such as eligibility guidelines, specified types of jobs to be created, donation of specified assets, etc. Specified State Project requirements do not include procurement standards, general guidelines, or general laws/rules.)
- 4. Is the non-state organization required to make State Project decisions, which the State agency would otherwise make? (e.g. determine eligibility, provide case management, etc.)
- 5. Is the non-state organization's performance measured against whether State Project objectives are met? (e.g. number of jobs to be created, number of patients to be seen, number of disadvantaged citizens to be transported, etc. Performance measures may or may not be related to State performance-based budgeting.)

If **any** of the above is **yes**, there is a **recipient/subrecipient relationship** and the non-state organization **is** subject to the FSAA. Otherwise the non-state organization is a **vendor** and is **not** subject to the FSAA.

PART C

Based on your analysis of the response above and discussions with appropriate agency personnel, state your conclusion regarding the non-state organization.

(Check one) Recipient/Subrecipient: Vendor: Exempt Organization:

Comments:

Print Name: _____

Telephone Number: _____

Title:

Signature: _____

Date: _____

Note it is the program personnel's responsibility to notify Finance and Accounting of which non-state organizations have been determined to be recipients and are receiving state financial assistance (i.e. disbursements must be coded as 7500 object code in FLAIR).

Note it is possible to have a contractual agreement with a non-state organization under Chapter 287, Florida Statutes, and still consider the non-state organization a recipient under the Florida Single Audit Act.

If a recipient/subrecipient relationship exists the standard contract audit language, including Exhibit 1 (DFS-A2-CL), must be included in the document that established the State's, recipient's, or subrecipient's relationship with the non-state entity.

Questions regarding the evaluation of a non-state organization or if it has been determined that the non-state organization is a recipient and a CSFA number has not been assigned, contact your FSAA State agency liaison or the Department of Financial Services, Bureau of Auditing at (850) 413-3060 or Suncom 293-3060. Reference may be made to Rule 69I-5, FAC.

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TDD equipment via the Florida Relay Service at 711.