
 <b>ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY</b>	Subject: Pass-through Entity Policies and Procedures V1.1	
	Implementation Date: September 6, 2022	
General Counsel Signature: 	Date: 9/6/2022	
Executive Director Signature: <i>Deatrice J. Adams</i>	Date: 9/8/2022	

## I. Policy Statement

It is the policy of ICJIA to allow grantees to enter into subaward agreements under the limited circumstances set forth below.

### A. Limitations

ICJIA shall require or allow grantees to enter into subaward agreements based on the following criteria:

1. ICJIA has determined the pass-through entity has the capacity to sufficiently monitor the collaborative partner's or subrecipient's programmatic performance, as well as compliance with all ICJIA subgrant requirements and one or more of the following:
  - a. The NOFO requires that the grant supports one or more collaborative partner or subrecipient agency to perform part of the work of the program.
  - b. ICJIA determines that the activities of the collaborative partner or subrecipient agency described in the grant agreement are programmatic and not the activities of a subcontractor.

### B. Subrecipient Selection

Unless otherwise specified in a NOFO, grantees shall select subrecipients through a competitive process that meets ICJIA requirements. Subawardees selected through an ICJIA-compliant competitive process for ongoing grant-supported program periods must be rebid at least every 36 months.

The program manager may make exceptions to the competitive selection requirement for programs or individual grants by stating in the NOFO that a competitive process is not required. In addition, the Program Manager may request an exception to this policy through ICJIA's exception process. Reasons to seek an exception may include time constraints for grant activity or to leverage pre-existing service networks or community relationships. In assessing whether to seek an exception, the program manager should first review whether the relationship between the pass-through entity and the proposed subawardee would

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

be better categorized as contractual. The program manager should also assess potential conflicts of interest, as detailed in the *ICJIA Conflict of Interest policy*.

#### C. Subrecipient agreement Requirements

The subrecipient contracts must meet ICJIA standards and are subject to ICJIA review and approval. These standards include:

1. The subaward agreement must fully describe the programmatic services to be performed by the collaborative partner or subrecipient.
2. The subaward agreement must detail monitoring and oversight responsibilities of the pass-through entity, including, but not limited to, performance and expenditure monitoring.
3. All subaward agreements shall allow ICJIA, the pass-through entity, and auditors access to all records and financial statements pertaining to the grant agreement.
4. The subaward agreement shall prohibit issuance of additional levels of subgrant awards. The FSGU Director and General Counsel may make exceptions to this rule through ICJIA's exception policy in limited circumstances.

## II. Procedure

#### A. Determination of subrecipient or subcontractor status

1. When the pass-through entity's grant narrative and budget include payments to another entity in return for services, the agency is acting as a subcontractor or as subrecipient.
2. The grant specialist shall make this determination based on the criteria outlined in the ICJIA Subaward Checklist, subject to the approval of the ICJIA Office of General Counsel.
3. When a NOFO allows for non-competitive subrecipient selection and the pass-through entity misidentifies a subcontractor as a subrecipient, the subcontract shall be subject to ICJIA competitive procurement standards.

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

## B. Competitive Subaward Selection

1. To select a subgrantee, the pass-through entity/grantee shall prepare a competitive NOFO that includes:
  - a. The maximum amount of funding available under the subaward.
  - b. The application deadline, which shall be at least 30 calendar days from the date of NOFO release.
  - c. The expected period of performance.
  - d. Any administrative requirements attached to the available funding, including, but not limited to:
    - i. FEIN number and SAM.gov registration.
    - ii. Not appearing on the State of Illinois Stop Pay list.
    - iii. Being in good standing with the Illinois Secretary of State (non-profits).
  - e. Any programmatic limitations, prohibitions, and requirements.
  - f. Compliance with 2 CFR 200 and a description of funding restrictions.
  - g. A line item budget template to be completed by each applicant.
  - h. A program narrative template to be completed by each applicant that includes:
    - i. A requirement to detail the services to be provided and the applicant's goals and objectives.
    - ii. Performance measures that will be used to assess program implementation.
    - iii. An Implementation Schedule that details tasks to be completed, staff positions assigned to complete these tasks, and target dates for task completion.
  - i. The method for submitting applications.
  - j. The criteria and methods to be used to review, score, and select applications for funding.
2. The pass-through entity/grantee shall submit the draft NOFO to their ICJIA grant specialist for review. The grant specialist shall review the NOFO to ensure that it includes a request for services consistent with the grant agreement and the components detailed above. The grantee must complete and provide requested revisions. OGC is responsible for the final review.
3. Upon completion of application review, the pass-through entity/grantee shall provide a letter to the grant specialist that includes a list of proposed subrecipients, a description of how they were selected, and a draft of the subaward agreement(s). The grant specialist shall submit this letter and the draft

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

subaward(s) to OGC for review and approval of the selection process and draft subawards. OGC will review the list of subawardees to ensure none are on the stop pay list; no agreement may be signed until they are no longer on the stop pay list. The grant specialist shall notify the grantee of any required revisions and submit the revised draft to OGC. The grant specialist shall notify the grantee when OGC has approved the selection process and subawards and request copies of the executed subaward contracts.

#### C. Subaward Agreement Initiation

1. The grant specialist will send the pass-through entity the following files to be completed for each subaward agreement:
  - a. Subaward Agreement Boiler (Word).
    - i. Grantees may elect to use their own subaward boiler but must submit their draft boiler to the grant specialist for OGC review to ensure the document meets minimum requirements. This approval process may delay subaward approval.
  - b. Subaward Narrative Template (Word)
  - c. Uniform Application State Grant Assistance (Word)
  - d. Blank Subaward Budget Template (Excel)
  - e. Blank ICJIA Programmatic Risk Assessment (Excel)
2. Constructing a Subaward
  - a. Pass-through entity will send the above-listed files to each subaward agency to be completed and returned.
  - b. Pass-through entity will review files completed by the subrecipient for accuracy, allowability of services and budgeted costs, completeness, and to ensure that the activities described conform to those listed in the agreement.
  - c. Pass-through entity will complete Exhibits A-G of the subaward boiler using the subrecipient narrative and Programmatic Risk Assessment (PRA).
3. ICJIA's Office of General Counsel (OGC) must review at least one subaward. ICJIA will determine the number of subaward agreements the pass-through entity must submit for review and approval prior to execution. The number of subawards reviewed will be determined by the program manager, Federal and State Grants Unit director, and, if necessary, OGC. This determination will be based on the following:
  - a. Pass-through entity's experience being responsible for grant oversight.

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

- b. Pass-through entity experience with grants from the state or federal fund.
  - c. Dollar value and complexity of the subgrant program to be implemented.
  - d. Whether the pass-through entity uses ICJIA's subaward template and if the grantee has more than one different boilers.
- 4. The pass-through entity will submit the required number of completed draft subaward packages to the grant specialist for ICJIA review and approval. The package must include:
  - a. Completed Uniform Application.
  - b. Completed unexecuted subaward agreement
  - c. Completed subaward budget.
  - d. ICJIA Programmatic Risk Assessment.
- 5. ICJIA reserves the right to request review of additional subaward agreements. ICJIA shall review additional agreements if the reviewed draft subawards require significant or repeated revision.
- 6. An ICJIA grant specialist will review the subaward packages to ensure the materials:
  - a. are complete;
  - b. are consistent across program description and budget;
  - c. Clearly articulate program activity and costs.
  - d. Conform to GATA financial guidelines.
  - e. Describe activities within the scope of the grant agreement.

The specialist may request clarification on or revision to the subaward materials.

- 7. Once the grant specialist is satisfied that the subaward package meets all requirements, they will forward the package to OGC and then to the Office of Fiscal Management (OFM) for review and approval. OGC and OFM may request clarification on or revision to the materials.
- 8. Once OGC and OFM approve the subaward package, the grant specialist will send the pass-through entity notice documenting ICJIA approval and request a copy of the fully executed subaward agreement.
- 9. Upon execution of the subaward agreements, the pass-through entity will email the grant specialist a PDF of all executed subaward agreements, including those that were not pre-approved by ICJIA.

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

D. Subaward Oversight: Programmatic Monitoring:

1. The pass-through entity must develop and implement a programmatic monitoring policy for oversight of the subawards. The pass-through entity must also provide subrecipients with programmatic reporting tools to document the information needed to complete ICJIA Periodic Performance Reporting (PPR). Upon ICJIA's request, the pass-through entity must provide samples of these tools explain how they will be used to inform the PPR.
2. Financial Monitoring: The grant specialist will provide the pass-through entity with sample fiscal reporting templates for subrecipients. The Pass-through Entity is not obligated to use ICJIA templates, but the templates must include all of ICJIA's required fields. The pass-through entity is required to develop and implement written policies detailing fiscal reporting processes and tools to:
  - a. Collect subrecipient expenses by budget category.
  - b. Assess subrecipient spending relative to the approved subaward budget.
  - c. Track any required match expenses, program income, or interest income.
  - d. Submit a subaward closeout that accurately reconciles all grant expenses and disbursements.
  - e. Allow the pass-through entity to request clarification or revision to submitted fiscal reports.
  - f. Establish standards to guide the pass-through entity as they review and approve fiscal reporting and to request, review, and approve invoices, receipts, reports, and other materials documenting reported expenses.
3. Disbursal of Funds
  - a. The pass-through entity shall not disburse grant funds to a subrecipient before the agreement is fully executed and a copy is submitted to the ICJIA grant specialist.
  - b. The ICJIA grant specialist shall not approve a grantee's request for funds related to a subaward unless the subaward agreement is in the grant file.
  - c. In accordance with the ICJIA Pre-Award Cost Policy, the pass-through entity may allow subrecipients to incur costs before executing the subaward agreement. In that case, the pass-through entity shall develop and implement a pre-award cost policy consistent with ICJIA's policy.
4. Time and Effort Reporting: The pass-through entity must have and enforce a policy requiring the subrecipient to report staff time and effort spent on the grant program. The policy must meet the following standards:
  - a. Reporting is applied consistently to both grant-supported and non-grant supported activities.

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

- b. The actual percentage of employees' time spent is recorded and documented by funding source.
  - c. Charges for salaries and wages are based on those percentages and records that accurately reflect the work performed. These records must:
    - i. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
    - ii. Be incorporated into the official records of the subrecipient agency.
    - iii. Reasonably reflect total activity for which the employee is compensated by the pass-through entity, not to exceed 100% of compensated activities, including overtime compensation.
    - iv. Comply with the established accounting policies and practices of the pass-through entity.
  - d. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards.
- 5. Budget Revision: Subgrantee budget revisions shall be submitted to and approved by the pass-through entity before the subgrantee may expend or obligate the funds requested in the budget revision. ICJIA may require the pass-through entity to submit proposed budget revisions for ICJIA approval. The pass-through entity must submit a copy of all subrecipient budget revisions to ICJIA.
- 6. Site Visit Monitoring: The pass-through entity shall conduct in-person or virtual subrecipient site visits that minimally conform to the following standards:
  - a. Grants initiated through the NOFO process: Site visits must be completed within the first 12 months of the start of a new 36-month funding cycle. Subsequent site visits must be conducted, at minimum, at least once during the subsequent 24 months of program activity. The pass-through entity may conduct site visits more frequently.
  - b. Grants not initiated through the NOFO process: Site visits must be completed within the first six months of the 12-month funding cycle.
  - c. The pass-through entity shall provide the grant specialist a schedule of planned subrecipient site visits. The grant specialist will observe at least one site visit conducted by the pass-through entity within the first 12 months of activity. During this observation, the grant specialist will answer questions, provide technical assistance, and ensure that the pass-through entity is meeting all site visit requirements.
  - d. Before the site visit, the pass-through entity will complete a *desk review* which will include the following:
    - i. A request from the subrecipient financial and programmatic backup documentation for at least one month of the funded subaward.
    - ii. Using the *ICJIA Subaward Site Visit Guide/Report*, the pass-through entity shall complete a review of the financial and programmatic

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

documentation to identify issues to be raised during the site visit.

These materials shall minimally include:

1. Time sheets and time certifications,
  2. Documentation of expenses paid during the period being sampled.
  3. Training documents, participant logs, and other data collection tools and reports demonstrating the activities performed during the period sampled.
- iii. Using the *ICJIA Subaward Site Visit Guide/Report* the pass-through entity shall conduct the subaward site visit, which shall include the following components:
- a. Meeting with program and administrative staff
    1. Tour of program area/observation of program activities
    2. Review of programmatic reporting procedures
    3. Review of performance metrics
    4. Provide technical assistance
    5. Review of fiscal procedures
    6. Review of the results of desk review of financial and time documentation
    7. Review of spending and need for budget revision
    8. Equipment reconciliation/inventory
    9. Summary of next steps
  - b. To assess the pass-through entity's proficiency in conducting site visits, the entity must submit subrecipient site visit planning materials for review and approval by the grant specialist. The grant specialist may request additional information prior to approving the plan.
  - c. When ICJIA requires the pass-through entity to provide post-visit materials, the following must be submitted to the entity's grant specialist within seven days of the site visit:
  - d. Completed site visit guide
  - e. Draft site visit letter to subrecipient which details:
    1. Summary of the visit.
    2. Issues to be resolved.
    3. Any corrective action needed.
    4. Corrective action due dates.
    5. Next steps.
  - f. ICJIA Grant Specialists must inform the pass-through entity of approval or any necessary revisions needed to the report in writing.



ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

- g. Once ICJIA approves the material, the pass-through entity must send the approved letter to the subrecipient and schedule any required follow-up activities.
- h. If serious issues are identified on the site visit, the pass-through entity will immediately advise the grant specialist and work with the program manager to develop the plan to address the issue. This plan may include use of the *ICJIA Corrective Action Plan* template, which details the issues identified, steps required to address the issues, and deadlines for completion.
- i. The pass-through entity will report site visit activity in pass-through entity Periodic Performance Reports, detailing:
  - 1. The number of site visits conducted.
  - 2. Subrecipient achievements.

#### 7. Subaward Closeout

- 1. At least 30 days before the end of the subaward period of performance, the pass-through entity must request in writing the subrecipient's Final Financial Report, Final Data/Progress Report and Property Inventory be submitted no later than 15 days after the end of the performance period.
- 2. The pass-through entity must review and approve the closeout documents, make any final disbursements or request required refunds within five days of receipt but no later than 20 days after the end of the performance period, and send the subrecipient a letter approving the closeout.
- 3. The pass-through entity will include these final subaward expenditures in the grant closeout PFR and subaward programmatic information in the grant Final Progress Report and submit the closeout materials to ICJIA no later than 30 days after the end of the grant period of performance.

#### 8. ICJIA Grant Monitoring

- 1. All pass-through entity agreements will include standard tables detailing the entity's Objectives, Performance Measures, and Implementation Schedule steps related to the execution and oversight of subaward agreements.
- 2. Grant specialists shall monitor each pass-through entity's performance in adhering to the *Pass-through Entity Policies and Procedures Policy*.

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	
Subject: Pass-through Entity Policies and Procedures	Implementation Date: 9/6/2022

3. In addition to standard grant site visit requirements detailed in the *ICJIA Site Visit Policy*, grant specialists will use the *ICJIA Pass-Through Entity Supplemental Site Visit Report* as a guide to conduct the entity site visits. In the report, grant specialists must document:
  - a. A completed desk review of:
    - i. The subrecipient's financial oversight, including disbursement processes, tools to ensure timely grant disbursement to subrecipients, policies ensuring that Advance Payments or Working Capital Advances made comply with funding source guidelines or ICJIA requirements.
    - ii. Subaward oversight of reported matching fund. accounting, including processes and tools for reporting soft match and volunteer hours.
    - iii. Subaward programmatic oversight processes and tools.
    - iv. Subaward specific condition oversight and monitoring.
    - v. Subrecipient performance successes and barriers and technical assistance provided to subrecipients.
    - vi. In the case of federal grants, subaward civil rights compliance processes and tools.
  - b. The entity's subrecipient site visit observation, detailing:
    - i. The entity's proficiency in identifying and addressing programmatic and fiscal issues outlined in the pre-site visit desk review.
    - ii. Time and effort reporting.
    - iii. Pass-through entity discussion of subrecipient staff duties described in the subaward agreement.
    - iv. Pass-through entity review of outstanding PRA-generated specific conditions.
    - v. In the case of federal grants, a review of subrecipient civil rights training and Civil Rights Compliance Questionnaire.