**Terms for Subrecipient Arrangements: Checklist[[1]](#footnote-1)**

**The subrecipient arrangement should contain provisions that address the following:**

* Mutual agreements by the parties vis-à-vis the purpose of the grant award
* The subrecipient will support and promote the purpose for which the grant was awarded by performing certain duties and providing certain services
* In consideration of the subrecipient’s performance, the recipient will make the grant funds available to the subrecipient
* Agreement by the subrecipient to comply with all terms and conditions of the grant award, as well as applicable federal law, regulation and policy with which the recipient must comply
* Detailed scope of work consistent with the approved grant application
* Requirement that the subrecipient request and obtain the recipient’s approval prior to implementing any significant modifications to the scope
* Payment terms, including
* Ceiling amount/ not-to-exceed amount
* Budget, drafted in accordance with the recipient’s approved budget and approved by the recipient prior to implementation
* Procedures for payment (e.g., timing and documentation)
* Any special terms and conditions of the grant (e.g., allowable and unallowable costs, draw restrictions, cost reimbursement, financial reporting)
* Retention by the subrecipient of liability for disallowances of any costs the subrecipient claims
* Requirement that the subrecipient request and obtain the recipient’s approval prior to implementing any significant modifications to the approved budget
* As necessary, establishment by the subrecipient of financial and programmatic management policies in accordance with 45 C.F.R. Part 75
* Monitoring and oversight by the recipient, including:
* The recipient’s right to conduct site visits and/or limited scope audits and offer technical assistance, as necessary
* Preparation and provision by the subrecipient of programmatic and financial reports, as well as its annual independent audit (if applicable)
* The subrecipient’s compliance with other record-keeping and reporting requirements consistent with federal law and regulations (e.g., 45 C.F.R. Part 75; OMB Circular A-133 Compliance Supplement), including access to and maintenance of records
* Establishment of minimum performance standards consistent with 45 C.F.R. Part 75, as well as monitoring requirements to ensure compliance with these standards
* Agreement by the subrecipient to cooperate and assist the recipient in collecting data and other information and preparing any reports required by terms of the grant and grant-related requirements
* Liability and mutual indemnification
* Terms required by federal procurement requirements found in 45 C.F.R. Part 75
* Term and early termination and/or immediate suspension
* Termination/suspension for convenience
* Termination/suspension, by either party, for cause (e.g., breach, loss of required insurance, loss or suspension of any licenses necessary to perform, criminal indictment)
* Termination/suspension, by either party, if the grant funds are terminated, suspended or materially reduced
* Termination/suspension by the recipient if the subrecipient performs in an unsatisfactory manner or inconsistent with grant representations and requirements
* Termination/suspension by the recipient if the recipient reasonably believes that federal funds are being, or will be, used for other than their intended purposes
* Other contracting terms common to procurement contracts (See [Federal procurement requirements: Introductory guidance](https://www.healthcentercompliance.com/subscriber/pca-toolkit/volume-2/836))
* Terms relating to compliance with laws applicable to federal programs (e.g., Title VI of the Civil Rights Act of 1964, Davis-Bacon Act, Uniform Relocation Assistance and Real Property Acquisition Act of 1970)

1. The Authors of these materials include attorneys at the law firm of Feldesman Tucker Leifer Fidell LLP. The advice and recommendations consist of general guidance based on federal law and regulations and do not necessarily apply to all PCAs-HCCNs under all facts and circumstances. Further, these materials do not replace, and are not a substitute for, legal advice from qualified legal counsel. [↑](#footnote-ref-1)