

Reallocating Federal and State Grant Funds (As a Pass-Through Entity)

If an organization receives federal or state grant funding and then chooses to reallocate these funds as a pass-through entity, the organization **must** ensure that all applicable laws, regulations and rules are being obeyed by its subrecipients. Grant subrecipients are required to comply with all applicable federal and state regulations, the same as original grant recipients.

The following guide will assist organizations in determining which requirements apply to funds allocated to a subrecipient based upon the source of the funding (state or federal).

The following federally derived definitions apply:

- (A) *Non-Federal entity* means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
- (B) *Non-State entity* means a local government, institution of higher education (IHE), or nonprofit organization that carries out a State award as a recipient or subrecipient.
- (C) *Recipient* means a non-Federal/non-State entity that receives a Federal/State award directly from a Federal/State awarding agency to carry out an activity under a Federal/State program. The term recipient does not include subrecipients.
- (D) *Subrecipient* means a non-Federal/non-State entity that receives a sub-award from a pass-through entity to carry out part of a Federal/State program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal/State awards directly from a Federal/State awarding agency.
- (E) *Pass-through entity* means a non-Federal/non-State entity that provides a sub-award to a subrecipient to carry out part of a Federal/State program.
- (F) *Sub-award* means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal/State award received by the pass-through entity. It does not include payments to a contractor or payments to an individual who is a beneficiary of a Federal/State program. A sub-award may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

The following table indicates which requirements must be followed based on the type of grant funding that is being awarded.

	State Funds (i.e., Library Cooperative Grants)	Federal Funds (i.e., LSTA)
<p>Grant Agreement</p> <p>An agreement, including at a minimum, scope of work, deliverables, financial consequences and all applicable language is required by Section 215.971, Florida Statutes and Section 287.058, Florida Statutes. The agreement must be signed by both the pass-through entity and subrecipient.</p>	Yes	Yes
<p>Allowable Use of Federal Funds</p> <p>Federal grants have limitations on what items and services may be purchased using grant funds. Some items and services are allowable costs, meaning that they may be purchased using grant funds, while others are not. To determine whether or not common programmatic expenditures are allowable see the <i>Code of Federal Regulations, 2 CFR 2 Subpart E – Cost Principles</i>.</p>	No	Yes
<p>Allowable Use of State Funds</p> <p>Expenditures shall be in compliance with the state guidelines for allowable project costs as outlined in the Department of Financial Services’ Reference Guide for State Expenditures (dated February 2011), which are available online at myfloridacfo.com/Division/AA/Manuals/Auditing/Reference Guide For State Expenditures.</p> <p>Grant funds may not be used for construction, food or other expenditures not allowable under <i>Florida Statutes</i>.</p>	Yes	Yes
<p>Interest Earned</p> <p>Interest earned on Grant funds must be returned and then forwarded to the Division.</p>	Yes	Yes
<p>Final Reporting</p> <p>Final report on the use of grant funds required.</p>	Yes	Yes

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<p>Monitoring</p> <p>Monitoring of subrecipients to assist them in carrying out their projects, to verify that projects are being implemented as proposed and to help identify and support areas of improvement.</p>	Yes	Yes
<p>Certification Forms</p> <p>Federal grant subrecipients must provide the required certification forms as applicable.</p> <ol style="list-style-type: none"> 1. Debarment Form. All subrecipients must complete this form to certify that the organization has not been deemed ineligible to receive federal funding. The form is available at info.florida.gov/services-for-libraries/grants/lsta/guidelines-applications-and-forms. 2. Federal Funding Accountability and Transparency Act (FFATA). The form is available at info.florida.gov/services-for-libraries/grants/lsta/guidelines-applications-and-forms. All subrecipients must complete this form. The FFATA Act requires that information on federal awards and executive compensation be made available to the public through a single searchable website, USASpending.gov. 3. Internet Safety Certification Form. This form applies only to public libraries (as subrecipients) and is available at info.florida.gov/services-for-libraries/grants/lsta/guidelines-applications-and-forms. 4. Lobbying Activities Form. Complete this form if your organization (as subrecipient) lobbies Congress for the passage of any federal act or law, or if your organization pays for a lobbyist to lobby Congress. The form is available at info.florida.gov/services-for-libraries/grants/lsta/guidelines-applications-and-forms. 	No	Yes

	State Funds (i.e., Library Cooperative Grants)	Federal Funds (i.e., LSTA)
<p>Acknowledgement of Grant Funding</p> <p>Both the Institute of Museum and Library Services (IMLS) and the Division of Library and Information Services (DLIS) require public acknowledgement of funding for activities and publications supported by grant funds.</p> <p>Any announcements, information, press releases, publications, brochures, videos, webpages, etc. created as part of a state or federally funded project must include an acknowledgment that the specific funds were used to create or make them possible.</p>	Yes	Yes
<p>Audits of Federal Funds</p> <p>Each subrecipient shall submit to an audit performed in accordance with 31 USC 7501-7, Requirements for Single Audits and 2 CFR 2 Subpart F, Audit Requirements if the organization expended at least \$750,000 in federal financial assistance. Audits must be submitted to the Department of State.</p>	No	Yes
<p>Audits of State Funds</p> <p>Each subrecipient shall submit to an audit pursuant to Section 215.97, Florida Statutes. If a subrecipient is not required by law to conduct an audit in accordance with the Florida Single Audit Act because it did not expend at least \$750,000 in state financial assistance, it must submit a Financial Report on its operations pursuant to Section 218.39, Florida Statutes within nine months of the close of its fiscal year.</p>	Yes	No
<p>Limited English Proficiency</p> <p>Title VI of the Civil Rights Act requires that all subrecipients of federal grants take reasonable steps to ensure meaningful access to the information, programs and services they provide. This includes access for limited English-proficient persons.</p>	No	Yes

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<p>Drug Free Workplace</p> <p>The subrecipient will provide or continue to provide a drug-free workplace by complying with the requirements in 45 <i>CFR</i>, Subtitle A, Subchapter A, Part 76, Subpart F, Drug-Free Workplace Requirements (Grants) (gpo.gov/fdsys/pkg/CFR-1999-title45-vol1/pdf/CFR-1999-title45-vol1-part76-subpartF.pdf).</p>	No	Yes
<p>Non-Discrimination</p> <p>As required by the Civil Rights Act of 1964, (eoc.gov/laws/statutes/titlevii.cfm), the Rehabilitation Act of 1973 (uscode.house.gov/view.xhtml?path=/prelim@title29/chapter16/node332&edition=prelim), the Education Amendments of 1972 (uscode.house.gov/view.xhtml?path=/prelim@title20/chapter38&edition=prelim), and the Age Discrimination in Employment Act of 1975, as implemented by 45 <i>CFR</i> Part 1180.44 (uscode.house.gov/view.xhtml?path=/prelim@title42/chapter76&edition=prelim), the pass-through entity certifies that the subrecipient will comply with the following nondiscrimination statutes and their implementing regulations:</p> <ol style="list-style-type: none"> 1. Title VII of the Civil Rights Act of 1964, as amended (42 <i>USC</i> § 2000 et seq.) (eoc.gov/laws/statutes/titlevii.cfm), which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity receiving federal financial assistance; 2. Section 504 of the Rehabilitation Act of 1973, as amended (29 <i>USC</i> § 701 et seq.) (uscode.house.gov/view.xhtml?path=/prelim@title29/chapter16/node332&edition=prelim), which prohibits discrimination on the basis of disability in federally-assisted programs; 	Yes	Yes

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<p>3. Title IX of the Education Amendments of 1972, as amended (20 <i>USC</i> §§ 1681-83, 1685-86) (uscode.house.gov/view.xhtml?path=/prelim@title20/chapter38&edition=prelim), which prohibits discrimination on the basis of sex in education programs and activities receiving federal financial assistance; and</p> <p>4. The Age Discrimination in Employment Act of 1975, as amended (42 <i>USC</i> § 6101 et seq.) (uscode.house.gov/view.xhtml?path=/prelim@title42/chapter76&edition=prelim), which prohibits discrimination on the basis of age in federally-assisted programs.</p> <p>The subrecipient grantee shall insert a list of similar provisions in all subcontracts for services acquired through grant funding.</p>		
<p>Copyright</p> <p>When publications, films or similar materials are developed, directly or indirectly, from a program, project or activity supported with state grant funds, the subrecipient (and any of its subcontractors, if applicable) shall grant the Department of State, for any state governmental purpose, an irrevocable, royalty-free, non-transferable, non-exclusive right and license to reproduce or otherwise use, to make derivative works from, and to display and distribute any copyrighted material developed under a sub-grant.</p> <p>In addition, the subrecipient (and any of its subcontractors, if applicable) grants the federal awarding agency (when federal funds are involved), for any federal governmental purpose, a royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use the copyright in any work developed under a sub-grant, including any rights of copyright ownership the subrecipient purchased with federal grant support.</p> <p>The subrecipient shall include the aforementioned paragraphs in all of its subcontracts.</p>	Yes	Yes

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<p>Travel</p> <p>All travel, whether paid from grant funds or funds used as match on a grant, must be made in accordance with Section 112.061, Florida Statutes. The state reimbursement amounts for travel expenses must be used, even if local policies are different. State travel forms must also be used.</p>	Yes	Yes
<p>Procurement</p> <p>The subrecipient shall provide maximum open competition when procuring goods and services related to the grant-assisted project in accordance with Section 287.057, Florida Statutes.</p>	Yes	Yes
<p>Conflict of Interest</p> <p>The subrecipient hereby certifies that it is cognizant of the prohibition of conflicts of interest described in Sections 112.311 through 112.326, Florida Statutes and affirms that it will not enter into or maintain a business or other relationship with any employee of the Department of State that would violate those provisions. The subrecipient further agrees to seek authorization from the General Counsel for the Department of State prior to entering into any business or other relationship with a Department of State Employee to avoid a potential violation of those statutes.</p>	Yes	No
<p>Employment of Unauthorized Aliens</p> <p>The employment of unauthorized aliens by the subrecipient is considered a violation of Section 274A (a) of the Immigration and Nationality Act (8 USC 1324(a)). If the subrecipient knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of any grant agreement.</p>	Yes	Yes
<p>Accessibility</p> <p>The Rehabilitation Act prohibits discrimination on the basis of disability in programs receiving federal financial assistance. Section 508 of the Act requires electronic and information technology to be accessible to people with disabilities.</p>	No	Yes

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This pertains to, but does not solely focus on, webpages and information found on the Internet. Electronic and information technology, including webpages, developed or purchased with federal funds must follow Section 508 of the Rehabilitation Act .		
All programs and facilities related to any grant agreement must meet the standards of Sections 553.501 through 553.513, Florida Statutes and the Americans with Disabilities Act of 1990 (ada.gov) .	Yes	Yes
Providing Access to Grant Records The subrecipient must make all grant records of expenditures, copies of reports, books, and related documentation available to the pass-through entity, the DLIS or a duly authorized representative of the State of Florida for inspection at reasonable times for the purpose of making audits, examinations, excerpts and transcripts.	Yes	Yes
Retention of Records Financial records, supporting documents, statistical reports and all other records, including electronic storage media pertinent to the project must be retained in accordance with retention requirements of the funding program.	Yes	Yes
Accounting Requirements An accounting system must be maintained that provides a complete record of the use of all grant funds. The accounting system must be able to specifically identify and provide audit trails that trace the receipt, maintenance and expenditure of state funds. Accounting records must adequately identify the sources and application of funds for all grant activities and must classify and identify grant funds by using the same budget categories that were approved in the grant application.	Yes	Yes

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<p>Lobbying</p> <p>Grant funds cannot be used to lobby the state legislature, the state judicial branch, any state agency, an officer or employee of any federal agency, Member of Congress, officer or employee of Congress or an employee of a member of Congress.</p>	Yes	Yes
<p>Delinquent in Repayment of Federal Debt</p> <p>Subrecipient must certify that they are not delinquent in the repayment of any federal debt.</p>	No	Yes
<p>Liability</p> <p>The Division will not assume any liability for the acts, omissions to act or negligence of the pass-through entity or the subrecipient, their agents, servants or employees; nor may the pass-through entity or subrecipient exclude liability for their own acts, omissions to act or negligence to the Division.</p> <p>a) The subrecipient shall be responsible for claims of any nature, including but not limited to injury, death and property damage arising out of activities by the subrecipient, its agents, servants, employees and subcontractors. The subrecipient shall indemnify and hold the Division harmless from any and all claims of any nature and shall investigate all such claims at its own expense. If the subrecipient is governed by Section 768.28, Florida Statutes, it shall only be obligated in accordance with this Section.</p> <p>b) Neither the state nor any agency or subdivision of the state, including a pass-through entity, waives any defense of sovereign immunity or increases the limits of its liability by entering into any agreement with a subrecipient.</p> <p>c) The Division shall not be liable for attorney fees, interest, late charges or service fees, or cost of collection related to any agreement entered into between a pass-through entity and a subrecipient.</p>	Yes	Yes

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<p>d) The subrecipient shall be responsible for all work performed and all expenses incurred in connection with the project.</p> <p>e) The subrecipient may subcontract as necessary to perform the services set forth in any agreement with the pass-through entity, including entering into subcontracts with vendors for services and commodities, provided that such subcontract has been approved in writing by the pass-through entity prior to its execution and provided that it is understood by the subrecipient that the pass-through entity shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and that the subrecipient shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract.</p>		

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