

DHHS POLICIES AND PROCEDURES

Section IV:	General Administration
Title:	Subrecipient Monitoring Manual
Chapter:	Procurement and Suspension and Debarment
Current Effective Date:	3/30/05
Revision History:	12/01/02
Original Effective Date:	12/01/02

Procurement and Suspension and Debarment

The purpose of this requirement related to procurement is to verify that subrecipients follow policies and procedures for procurement that are at least as stringent as those of the state. In addition, for federal funds this requirement pertains to verifying that federal funds are not used to award funds to any subrecipients who have been suspended or debarred by the federal government. In addition, federal funds may not be used to purchase goods or services costing over \$100,000 from a vendor that has been suspended or disbarred from federal grant programs.

Suggested Monitoring Procedures:

For subrecipients assessed as low risk:

1. Review the internal control information to verify that the information indicates that all purchasing and procurement policies are in compliance with state and federal law and regulations.

For subrecipients assessed as medium risk:

In addition to the procedure outlined above for low risk recipients:

1. Inquire of the subrecipient to verify that the agency requires certification statements from all of their subrecipients attesting that the subrecipient agency has not been suspended or debarred.
2. Request a copy of the agency's internal purchasing procedures to verify that the procedures are at least as stringent as the state's and that open competition is encouraged in procurement.

For subrecipients assessed as high risk:

In addition to the procedures outlined above for low and medium risk subrecipients:

1. Select a random sample of purchase orders or other procurement documents to determine compliance with state laws and procedures and other applicable policies.

2. Review the subrecipient's files on their subrecipients to verify that the required certification statements related to suspension and debarment are on file.

Documentation:

Monitoring Tool/Instrument

Working Papers

Summaries

Monitoring Results Report

For questions or clarification on any of the information contained in this policy, please contact [Office of the Controller](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).