



**PRE-AWARD INFORMATION SHEET**

The proposed Recipient must provide the following information on behalf of itself and all Subrecipients and certify that the information is accurate and complete.

**NOTE:** This Pre-Award Information Sheet template is provided as a convenient method of documenting the information required to process SCEP financial assistance awards. The use of the Pre-Award Information Sheet template is not required, but the data elements within the Pre-Award Information Sheet template are required.

Recipient Name:		Award Number:	
UEI:			
Business Officer:		BC Phone Number/Email:	
Project Investigator (PI):		PI Phone Number/Email:	

A. TYPE OF ORGANIZATION – Please indicate the type of organization of the Recipient by selecting one of the following:

- State Energy Office
- Indian Tribal Government

B. BUSINESS ASSURANCES AND PAYMENT INFORMATION

1. DISCLOSURE OF POTENTIAL IMPROPRIETIES

Below, please disclose if any of the following conditions exist. If the answer to any question (a) through (g) below is yes, provide a detailed explanation in an attachment to this form.

- a. Is the proposed Recipient, Subrecipient(s), or any of the Recipient’s or Subrecipient’s principals<sup>1</sup> under investigation for or charged with a covered offense<sup>2</sup>?
  - Yes
  - No
- b. Has the proposed Recipient, Subrecipient(s), or any of the Recipient’s or Subrecipient’s principals been convicted of a covered offense in the last five years or had a civil judgment rendered against them for one of those offenses in that time period?
  - Yes
  - No

<sup>1</sup> For this form, “principal” means: (1) An officer, director, owner, partner, PI, or other person (as defined in 2 C.F.R. 180.95) within the Project Team with management or supervisory responsibilities related to this project and any resulting transaction; or (2) A consultant or other person, whether or not employed by the Recipient, Subrecipient, or their principals, or paid with Federal funds, who (a) is in a position to handle Federal funds, (b) is in a position to influence or control the use of those funds, or (c) occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the transaction, including but not limited to, any Co-PIs.

<sup>2</sup> For this form, “covered offenses” include: (1) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction; (2) Violation of Federal or State antitrust statutes, including those proscribing price fixing between competitors, allocation of customers between competitors, and bid rigging; (3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; or (4) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the Recipient’s present responsibility.

- c. Is the proposed Recipient, Subrecipient(s), or any of the Recipient's or Subrecipient's principals under investigation for potential violation of U.S. export control laws and regulations, or has the proposed Recipient, Subrecipient(s), or any of the Recipient's or Subrecipient's principals been convicted of any violations of U.S. export control laws and regulations?  
 Yes  
 No
- d. Is the proposed Recipient or Subrecipient(s) under investigation for potential violations of the Drug-Free Workplace Act of 1988, or has the proposed Recipient or Subrecipient(s) been convicted of any violations of the Drug-Free Workplace Act of 1988?  
 Yes  
 No
- e. Is the proposed Recipient, Subrecipient(s), or any of the Recipient's or Subrecipient's principals under investigation for research misconduct, or has the proposed Recipient, Subrecipient(s), or the Recipient's or Subrecipient's principals been convicted of research misconduct?  
 Yes  
 No
- f. Has any Federal Agency recommended or initiated proceedings against the proposed Recipient, Subrecipient(s), or the Recipient's or Subrecipient's principals for suspension or debarment, or is the proposed Recipient, Subrecipient(s), or the Recipient's or Subrecipient's principals debarred, suspended, publicly banned from doing business with the Federal government, or otherwise declared ineligible from receiving Federal Contracts, subcontracts or financial assistance?  
 Yes  
 No
- g. Is the proposed Recipient or Subrecipient(s) delinquent on federal debt or insolvent or at risk of insolvency or have the proposed Recipient or Subrecipient(s) filed for bankruptcy in any domestic or foreign jurisdiction?  
 Yes  
 No

## 2. POTENTIAL CONFLICTS OF INTEREST

- a. **Financial Conflicts of Interest.** The Recipient must disclose in writing any managed or unmanageable financial conflicts of interest involving a member of the project team (i.e., Investigators) and include sufficient information to enable DOE to understand the nature and extent of the financial conflict, and to assess the appropriateness of the non-Federal entity's management plan. See Section V(b)(3) of the [DOE Interim Conflict of Interest Policy](#). As part of this DOE funded project, does the recipient or any subrecipients have any managed or unmanageable financial conflicts of interest involving a member of the project team (i.e., Investigators)?  
 No  
 Yes. If yes, in a separate attachment, the Recipient must provide relevant disclosures/supporting documentation as required by the [DOE Interim Conflict of Interest Policy](#) Section V(b)(3).
- b. **Organizational Conflicts of Interest<sup>3</sup>.** The Recipient must disclose in writing any potential or actual

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<sup>3</sup> Organizational Conflict of Interest means a situation where because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. 2 CFR 200.318(c)(2).

organizational conflict of interest to DOE. See [DOE Interim Conflict of Interest Policy](#) Section VI and 2 CFR 200.318 for more information. As part of this DOE funded project, does the recipient or any subrecipients intend to engage in a procurement with a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe?

No

Yes. If yes, in a separate attachment, the Recipient must provide relevant disclosures/supporting documentation as required by the [DOE Interim Conflict of Interest Policy](#) Section VI.

### 3. PARTICIPANTS AND COLLABORATING ORGANIZATIONS

Agencies need to know who has worked on the project to gauge and report performance in promoting partnerships and collaborations. In a separate attachment, the proposed Recipient must provide:

#### a. What individuals will work on the Project?

Provide the following information for: (1) Project director(s)/Principal investigator(s) (PDs/PIs); and (2) each person who is expected to work at least one person month per year on the project regardless of the source of compensation (a person month equals approximately 160 hours of effort). Please note that such reporting does not constitute a formal institutional report of effort on the project, but rather is used by agency program staff to evaluate the progress of the project during a given reporting period.

##### i. Provide the name and identify the role the person will play in this project.

Indicate the total number of months (including partial months) (Calendar, Academic, Summer) that the individual will work on this project. Using the project roles identified below, select the most senior role in which the person will work on the project for any significant length of time. For example, if an undergraduate student graduates, enters graduate school, and continues to work on the project, show that person as a graduate student, preferably explaining the change in involvement.

##### ii. Project Roles:

PD/PI  
Co PD/PI  
Faculty  
Community College Faculty  
Technical School Faculty  
K-12 Teacher  
Postdoctoral (scholar, fellow or other postdoctoral position)  
Other Professional  
Technician  
Staff Scientist (doctoral level)  
Statistician  
Graduate Student (research assistant)  
Non-Student Research Assistant  
Undergraduate Student  
Technical School Student  
High School Student  
Consultant  
Research Experience for Undergraduates (REU) Participant  
Other (specify)

##### iii. Describe briefly how this person will contribute to this project.

##### iv. Identify the person's state, U.S. territory, and/or country of residence. State whether this person is collaborating internationally.

If the participant is U.S.-based, state whether this person is collaborating internationally with an individual located in a foreign country and specify whether the person will travel to the foreign country as part of that collaboration, and, if so, what duration of stay is expected. The foreign country(ies) should be identified.

If the participant is not U.S.-based, state whether this person will travel to the U.S. or another country as part of a collaboration, and, if so, what duration of stay is expected. The destination country should be identified.

Example:

- Name: Mary Smith
- Total Number of Months: 5.5
- Project Role: Graduate Student
- Researcher Identifier: 1234567
- Contribution to Project: Ms. Smith has performed work in the area of combined error-control and constrained coding.
- State, U.S. territory, and/or country of residence: Michigan, U.S.A.
- Collaborated with individual in foreign country: Yes
- Country(ies) of foreign collaborator: China
- Travelled to foreign country: Yes
- If traveled to foreign country(ies), duration of stay: 5 months

**b. What other organizations will be involved as partners?**

Describe partner organizations – academic institutions, other nonprofits, industrial or commercial firms, state or local governments, schools or school systems, or other organizations (foreign or domestic) – that will be involved with the project. Partner organizations may provide financial or in-kind support, supply facilities or equipment, collaborate in the research, exchange personnel, or otherwise contribute.

Provide the following information for each partnership:

- Organization Name
- Location of Organization: (if foreign location list country)
- Partner’s contribution to the project: (identify one or more)
  - Financial support;
  - In-kind support (e.g., partner makes software, computers, equipment, etc., available to project staff);
  - Facilities (e.g., project staff use the partner’s facilities for project activities);
  - Collaborative research (e.g., partner’s staff work with project staff on the project);
  - Personnel exchanges (e.g., project staff and/or partner’s staff use each other’s facilities, work at each other’s site); and
  - Other.
- More detail on partner and contribution (foreign or domestic).

**c. Have other collaborators or contacts been involved?**

Some significant collaborators or contacts within the recipient’s organization may not be covered by “What people have worked on the project?” Likewise, some significant collaborators or contacts outside the recipient’s organization may not be covered under “What other organizations have been involved as partners?”

For example, describe any significant:

- Collaborations with others within the recipient’s organization, especially interdepartmental or interdisciplinary collaborations;
- Collaborations or contact with others outside the organization; and
- Collaborations or contacts with others outside the United States or with an international organization.

Identify the state(s), U.S. territory(ies), or country(ies) of collaborations or contacts.

It is likely that many recipients will have no other collaborators or contacts to report.

4. For Institutions of Higher Education, Hospitals, Non-Profit Organizations, and State, Local and Tribal Governments only, in the box below, provide (1) the awardee seven-digit ASAP (Automated Standard Application for Payment System) ID number that is under the DOE / Golden Field Office (GO) Agency Locator Code (ALC) and Region Code (#8900-0001-04) if available; (2) the name, phone number and email for the ASAP / Payments Contact Person; and (3) indicate whether the preferred payment method is by advance or reimbursement.

1) ASAP Number:  
2) ASAP/Payments Contact Person:  
3) The preferred payment method is:

5. Indicate the name, phone number, and email address of the Designated Responsible Employee for complying with national policies prohibiting discrimination (see 10 CFR 1040.5 and the Certifications and Assurances SF-424B Assurances for Non-Construction Programs or SF-424D Assurances for Construction Programs found at: <http://www.grants.gov/web/grants/forms/sf-424-family.html>.)

Name/Title \_\_\_\_\_  
Phone No/Email \_\_\_\_\_

C. PERFORMANCE AND FINANCIAL INFORMATION REQUEST

Before providing this information, please read the **ADDITIONAL INFORMATION** at the end of this form. Each field identified below must be completed.

1. Has the Recipient had prior Federal awards?  Yes  No

If Yes:

Is the Recipient up to date on all reporting requirements on all other current and prior awards, including submitting acceptable final technical reports, with other Federal or non-Federal organizations? If you check No to this question, please attach an explanation.  Yes  No

2a. Has the Recipient had an independent Single Audit or independent Compliance Audit per Federal regulations, or had a prior DCAA Audit performed? (Please see attached instructions regarding Independent Audit requirements.)  Yes  No

2b. Has the Recipient undergone a Financial Audit within the last 3 years?  Yes  No

If Yes to either 2a. or 2b.:

a. A copy of the audit is attached to this form.  Yes  No

b. An electronic copy of the audit was provided with application package.  Yes  No

An electronic copy of the audit can be found at \_\_\_\_\_

If audit was not provided, please explain why it has not been completed and/or provided:

3. Recipient's fiscal year end date is \_\_\_\_\_

4a. Identify the Federal Agency providing the preponderance of funding from ALL Government Awards which the Recipient's organization is/was the prime recipient, including any DOE Awards.

Provide Agency name, Cognizant Agency point of contact (individual in charge of negotiating billing rates), phone number, and e-mail.

(If the Recipient's organization has a DCAA contact, please provide this information in 4(c) below):

Agency: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

Phone/Email: \_\_\_\_\_

4b. Please provide the following information for the five (5) highest dollar award values for Federal contracts, grants or awards for which the Recipient is the prime recipient receiving the funding directly from a Governmental agency.

(State Governments need only complete this section if they do not have a cognizant agency. Tribal organizations are not required to complete this section).

The total federal contract/award dollars should include the full project period, not just the incremental funding.

Contract/Award #	Awarding Agency	Awarding Office	Start Date	End Date	Total Federal Dollars on Contract/Award

4c. DCAA Contact Information:

DCAA Office: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

Phone/Email: \_\_\_\_\_

5. Does the Recipient have any non-federal work or contracts?  Yes  No

(State Governments can skip this question).

If Yes, please provide brief explanation:

**FINANCIAL MANAGEMENT SYSTEM – ACCOUNTING SYSTEM SURVEY**

To qualify for Financial Assistance, compliance with 2 CFR 200 as amended by 2 CFR 910 is required. This includes assurance of an adequate accounting system for estimating, accounting and billing for governmental funding received. Please complete the checklist below as assurance of this requirement.

For additional information, please visit <https://www.dcaa.mil>. Please refer specifically to the “[Pre-award Accounting System Adequacy Checklist](#)” under CUSTOMERS-->Checklists and Tools.

- |  | <u>Yes</u>               | <u>No</u>                | <u>NA</u>                |
|--|--------------------------|--------------------------|--------------------------|
| 1. Is the Accounting System in accordance with Generally Accepted Accounting Principles applicable to the circumstances and associated applicable Federal regulations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Accounting System provides for:   |                          |                          |                          |
| a. Segregation of direct costs from indirect costs.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Identification and accumulation of direct costs by project.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (Project line items are final cost objective)       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Accumulation of costs under general ledger control.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. A timekeeping system that identifies employees’ labor by intermediate and final cost objective (i.e., project level, division level).                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. A labor distribution system that charges direct and indirect labor to appropriate cost objectives.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Interim (at least monthly) determination of costs charged to a project through routine posting of books of account.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Excluding costs charged to Government projects which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other provisions.            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Identification of costs by project line item and by units (as if each unit or line item were a separate project) if required by the proposed award.                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

3. Is the Accounting System designed, and are the records maintained in such a manner that adequate, reliable data are developed for use in developing cost proposals?
4. Is the Accounting System currently in full operation?

**D. REPRESENTATION/CERTIFICATION**

**Certification of the information is required by the organization's authorized representative**

- I certify that I have registered in the System for Award Management (SAM).
- I certify that I have registered in FedConnect.net in order to receive award documentation.
- I certify that all subrecipient cost information has been reviewed, and that all subrecipient costs are reasonable, allowable, and allocable in accordance with the applicable cost principles. All subrecipient budget documents should be available upon DOE request.
- I certify that all direct costs proposed in the application (under the personnel, travel, equipment, supplies, contractual, construction, and/or other direct costs categories) are direct to the project and are not duplicated in the proposed indirect costs.
- I certify that the processes undertaken to solicit any subrecipients, subawards, subcontracts and vendors comply with our organization's written procurement procedures as outlined in "Procurement Standards" 2 CFR 200.317 through 2 CFR 200.326 inclusive.
- I certify the Recipient:
- (1) Has in effect an up-to-date, written, and enforced administrative process to identify and manage conflicts of interest with respect to all projects for which financial assistance funding is sought or received from DOE;
  - (2) Shall promote and enforce Investigator compliance with DOE's Interim Conflict of Interest (COI) Policy's requirements including those pertaining to disclosure of significant financial interests;
  - (3) Shall manage financial conflicts of interest and provide initial and ongoing financial conflicts of interest reports to DOE;
  - (4) Agrees to make information available, promptly upon request, to DOE relating to any Investigator disclosure of financial interests and the Recipient's review of, and response to, such disclosure, whether or not the disclosure resulted in the Recipient's determination of a financial conflict of interest; and
  - (5) Shall fully comply with the requirements of the DOE Interim COI Policy.
- I certify as the Recipient, that I will:
- (1) Provide all required deliverables to DOE as outlined in the application, the ALRD and Program Requirements and will wait for DOE approval prior to rebate program launch;
  - (2) Complete an independent third-party review of its security and privacy controls at least once every 3 years;
  - (3) Ensure any third parties (e.g. Subrecipients, Vendors) with data access are contractually bound to abide by the Special Terms and Conditions of the Award and that project activities are within the approved scope, budget and NEPA determination of the award.
  - (4) Comply with all applicable State data security and privacy laws;
  - (5) Report required metrics and information to DOE as described in the ALRD, Program Requirements, Federal Assistance Reporting Checklist and the Data & Tools Requirements Guide; and



(6) 1. Costs and 2. Scope are not duplicative of other funded projects and the Applicant has the internal tracking capabilities to ensure this.

E. SIGNATURES

I, the Authorization Official named below, represent by my signature that I am authorized to certify this information on behalf of the Recipient. I certify to the best of my knowledge and belief that the information contained in this Pre-Award Information Sheet is true, complete and accurate. I understand that any false, fictitious, or fraudulent information, misrepresentations, half-truths, or omissions of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (18 U.S.C. §§ 1001 and 287, and 31 U.S.C. 3729-3730 and 3801-3812). I further understand and agree that (1) the statements and representations made herein are material to DOE's funding decision, and (2) I have a responsibility to update the disclosures during the period of performance of the award should circumstances change which impact the responses provided above.

Name:

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Title:

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Signature of Authorized  
Official:

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Date:

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I, the Principal Investigator named below, certify to the best of my knowledge and belief that the information contained in this Pre-Award Information Sheet is true, complete and accurate. I understand that any false, fictitious, or fraudulent information, misrepresentations, half-truths, or omissions of any material fact may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise. (18 U.S.C. §§ 1001 and 287, and 31 U.S.C. 3729-3730 and 3801-3812). I further understand and agree that (1) the statements and representations made herein are material to DOE's funding decision, and (2) I have a responsibility to update the disclosures during the period of performance of the award should circumstances change which impact the responses provided above.

Name:

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Title:

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Signature of Principal  
Investigator:

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Date:

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## ADDITIONAL INFORMATION

This information will assist DOE in determining: 1) cognizance; 2) whether the Recipient has adequate internal financial and management controls; and 3) whether the Recipient has an adequate accounting system. Generally, cognizance means that an organization has a Federal oversight agency (cognizant agency). Cognizance of an organization is used for many purposes including: determining which agency is responsible for verifying correct allocation of indirect rates to incurred costs; issuing the Provisional and Final Indirect Rate Agreements; and ordering audits. Adequate internal controls and accounting systems are essential to ensure that the Recipient's costs are correctly estimated, recorded, and billed. The Recipient has the responsibility to ensure that these systems are in place. The cognizant Agency has the responsibility for verifying these systems through audits or other methods.

For additional information, please visit <https://www.dcaa.mil>. Please refer specifically to the "[Pre-award Accounting System Adequacy Checklist](#)" under CUSTOMERS-->Checklists and Tools.

Cognizance is determined by TOTAL Federal award/contract dollars received by the Recipient/Contractor from all Federal agencies. This information is used to determine which Federal agency has the largest preponderance of funding and is cognizant. Once a Federal agency assumes cognizance for a contractor, it should remain cognizant for at least 5 years to ensure continuity and ease of administration.

Cognizance related duties are the responsibility of the Cognizant Federal Agency (CFA). The CFA is the Federal agency (e.g., Department of Defense, Department of Energy, Navy, etc.) that provided the preponderance (largest amount) of funding for your awards, across all federal agencies. It is very important to confirm that you work with the correct office.

**General Rule of Thumb:** Department of Health & Human Services (DHHS) is usually the CFA for Universities, Cities, States, and Counties. DHHS cognizance is not usually transferred.

If it is determined that the Department of Energy/Golden Field Office (GO) is the Cognizant Federal Office, the Recipient will have the following ANNUAL responsibilities:

1. Submit a Certified Annual Incurred Cost Claim (ICE Model – see #3 below) to the GO Cost/Price mailbox ([CostPrice@ee.doe.gov](mailto:CostPrice@ee.doe.gov)). **This should represent the total organization's costs (representing the Company General Ledger), not just the Recipient's DOE award(s).**
2. Due Date: 180 days after the Recipient's fiscal year end.
3. For an example of the ICE Model, please visit <https://www.dcaa.mil>. Under "CUSTOMERS->Checklists and Tools", click on ICE (Incurred Cost Electronically) Model and download the ICE model.

Once the information is received, GO will have the responsibility of providing your organization with an annual indirect rate agreement. This indirect rate must be used on all Federal grants and contracts.

If it is determined that GO is not the Cognizant Federal Office, the Recipient should contact the Cognizant Office for additional instructions.

## ANNUAL AUDIT REQUIREMENTS

### Independent (Single & Compliance) Audit Requirements

**2 CFR 200, Section F** located at:

<http://www.ecfr.gov/cgi-bin/text-idx?SID=6e187b05cfeca4f534c659f20983b14e&mc=true&node=pt2.1.200&rgn=div5>

**For-Profits: 2 CFR 910, Section F** located at:

<http://www.ecfr.gov/cgi-bin/text-idx?node=pt2.1.910&rgn=div5>

Below are excerpts from Section F.

#### Audit requirements.

- (a) Audit required. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single (program-specific, *not applicable for For-Profits*) or compliance audit conducted for that year in accordance with the provisions of this part.
- (b) *Single* audit. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 - Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.
- (b) *Compliance* audit. (1) If a for-profit entity has one or more DOE awards with expenditures of \$750,000 or more during the for-profit entity's fiscal year, they must have a compliance audit for each of the awards with \$750,000 or more in expenditures. A compliance audit should comply with the applicable provisions in §910.514—Scope of Audit. The remaining awards do not require, individually or in the aggregate, a compliance audit.
- (c) Program-specific audit election. (*Not applicable to For-Profits*). When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §200.507 Program-specific audits. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.
- (d) Exemption when Federal awards expended are less than \$750,000. A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in §.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).
- (e) Federally Funded Research and Development Centers (FFRDC). Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity for purposes of this part.
- (f) Subrecipients and Contractors. An auditee may simultaneously be a recipient, a subrecipient, and a contractor. Federal awards expended as a recipient or a subrecipient are subject to audit under this part. The payments received for goods or services provided as a contractor are not Federal awards. Section §.330 Subrecipient and contractor determinations sets forth the considerations in determining whether payments constitute a Federal award or a payment for goods or services provided as a contractor.

(g) Compliance responsibility for contractors. In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with Federal statutes, regulations, and the terms and conditions of Federal awards. Federal award compliance requirements normally do not pass through to contractors. However, the auditee is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

(h) For-profit *subrecipient*. Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. See also §.331 Requirements for pass-through entities.