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## Selection of Subrecipients for Grants

### POLICY

Pursuant to the requirements of federal law, it is the Policy of the Detroit Wayne Integrated Health Network (DWIHN) to assure that all Subrecipients selected for state, federal or local grant funded projects or for DWIHN's discretionary grant programs are chosen based upon objective criteria and in a transparent manner.

### PURPOSE

The purpose of this Policy is to provide guidance to DWIHN staff in identifying Subrecipients for federal and/or state grant funded opportunities or for the selection of Subrecipients to receive assistance or support from DWIHN's discretionary funds (i.e. local funds) for the continuation of providing behavioral health services.

### APPLICATION

This Policy applies to all DWIHN staff responsible for selecting Subrecipients for federal or state funded grant opportunities (i.e. System Transformation Block Grant, SAMHSA etc.). In addition, this Policy also applies to the selection of Subrecipients that receive assistance or support from DWIHN utilizing discretionary funds (i.e. PA 2, General Fund etc.) assist with providing behavioral health services.

*This Policy shall **not** apply to entities, non-profits, community organizations or third-party that selects Subrecipients (on behalf of DWIHN) to receive federal or state grant funds. In addition, this Policy **does not** replace DWIHN's Procurement Policy which governs the procurement of supplies and services from contractors by DWIHN and should be read, in conjunction, with Sec. 2.4(2) (Comparable Source) of the Procurement Policy.*

### KEY WORDS

1. Grants- An award of financial assistance from the federal, state or DWIHN to a Subrecipient to carry out and provide behavioral health services to DWIHN's Consumers.
2. Subrecipients- An entity that receives a subaward of a federal and/or state grant or receives funds directly from DWIHN's discretionary funds to provide behavioral health services. Generally, DWIHN has discretion, pursuant to 2 CFR 200.330, to classify "Subrecipients" when one or more of the following occur:
  - a. DWIHN determines which entity is eligible to receive state, federal, or DWIHN assistance.
  - b. DWIHN's performance is measured in relation to whether objectives of a federal and/or state

- program are met;
- c. DWIHN has responsibility for programmatic decision making;
  - d. DWIHN uses state or federal funds to carry out a program for public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity (i.e. DWIHN).
3. Providers- Currently empaneled and privileged behavioral health service entities, including Substance Use Disorder.

## STANDARDS

Generally, under the principles of public procurement law, competitive procurement is not required for the selection of Subrecipients by DWIHN since Subrecipients are not considered contractors. Federal law, specifically 2 CFR 200.330 distinguishes between "Subrecipients" and "contractor," the former being an entity that provides goods and services to different purchasers and operates in a competitive environment.

Nevertheless, best practices dictates that DWIHN select Subrecipients utilizing an objective criteria to ensure fairness and maximum opportunity. Unlike competitive procurements, the process that will be utilized will be an informal application process that notifies DWIHN's Provider network when grant opportunities exist, allows Providers to submit an application, and an objective review is conducted by DWIHN to select Subrecipients.

Please note that "application" is a generic term and may include proposals or letters of intent and will depend on the particular federal, state, or DWIHN funding opportunity.

### A. Federal or State Grant Opportunities:

Generally, DWIHN is required to submit a grant application to federal or state governmental entities for funding and the application may require DWIHN to specifically identify the Subrecipients. Depending on the grant, the respective DWIHN department should create an application that requests the necessary information. A Google search of "sample grant applications" yields numerous examples of applications. At a minimum, DWIHN staff shall adhere to the following procedure to select Subrecipients:

1. At least 30-60 days before grant application deadline, DWIHN should create announcement to the eligible Providers that funding opportunity exists along with requirements of the application process. The announcement should inform Providers of the grant opportunity, eligibility requirements, the number of Subrecipients that will be selected and deadline for application (at least 14 days).
2. Upon receipt of application, DWIHN staff will review all applications and create an Excel matrix that lists each applicant along with the application requirements. Staff should incorporate their comments for each applicant unto the matrix. The review should be conducted by at least two (2) unbiased staff members.
3. Upon completion of review, DWIHN shall notify, via email, all applicants the result of their review. The staff should keep an electronic file of the posting, evaluations, any email exchanges and results of the evaluation and notification per DWIHN's Record Retention Policy.

There may be instances that the federal or state grant application does not identify all of the Subrecipients and requires the selection of Subrecipients after the federal or state award. In these cases, the respective DWIHN staff shall follow the aforementioned process in selecting Subrecipients after award.

### B. Non-grant Funds:

There are numerous circumstances that DWIHN utilizes non-grant funds and selects Subrecipients to provide behavioral health services. Examples of discretionary funds, includes but not limited to: a. General Fund; b. PA2; and c. Local Funds. In selecting Subrecipients for discretionary funds, DWIHN

staff shall, at a minimum:

1. Announce to eligible Providers of the funding opportunity with a reasonable time (at least 14 days) to submit an application. The announcement shall include application process, eligibility requirements, and the number of Subrecipients that will be awarded.
2. Upon receipt of application, DWIHN staff will review all applications and create an Excel matrix that lists each applicant along with the application requirements. Staff should incorporate their comments for each applicant unto the matrix. The review should be conducted by at least two (2) unbiased staff members.
3. Upon completion of review, DWIHN shall notify, via email, all applicants the result of their review. The staff should keep an electronic file of the posting, evaluations, any email exchanges and results of the evaluation and notification per DWIHN's Record Retention Policy.

The selection process for Subrecipients to receive DWIHN non-grant related funds is not as stringent as the selection process for receiving federal/state funds. The respective departments may establish an "open" application period to receive applications. For instance, DWIHN may state from "October 1 to December 31, 2015" DWIHN will allow eligible Providers to submit applications for funding.

## **QUALITY ASSURANCE/IMPROVEMENT**

Purchasing and External Financial Auditors will be monitoring the implementation of this Policy.

## **COMPLIANCE WITH ALL APPLICABLE LAWS**

DWIHN staff, contractors, and subcontractors are bound by all applicable local, state and federal laws, rules, regulations and policies, all federal waiver requirements, state and county contractual requirements, policies, and administrative directives, as amended.

## **LEGAL AUTHORITY**

1. 2 CFR 200.330
2. Requirements of respective federal/state grants.

## **RELATED POLICIES**

1. Procurement Policy;
2. Procurement Ethics Policy; and
3. Record Retention Policy.

## **RELATED DEPARTMENTS**

This Policy applies to all DWIHN departments that are responsible for applying for and administering federal/state grants or selection of Subrecipients for awards of DWIHN's discretionary funds.

## **CLINICAL POLICY**

This Policy does not apply to Clinical Operations.

