

Federal Grant Management Technical Assistance Training

Session 02: Pass-Through Entity Requirements – Frequently Asked Questions (FAQ)

Q1. What rules apply when the primary award recipient is a cabinet agency and then that agency sub-awards funds to a public university which is a member of the UNC System?

A1. All Executive Branch agencies including the public university must follow the hierarchy of grants guidance to comply with federal, state, and agency-specific rules. The primary award recipient must oversee the subrecipient's adherence to these rules. The hierarchy of grants guidance, in descending order of precedence, is illustrated below.

Governance	Description
The United States Constitution	The supreme law that established the United States of America.
Federal Statutes	Laws that are passed by Congress and signed into law by the President.
Federal Regulations	Rules published in the Federal Register; includes agency codifications of Uniform Guidance Subtitle B of Title 2 of the Code of Federal Regulations.
State, Local, Tribal and Territorial Law and Regulations	Laws and regulations enacted by state, local, tribal, and territorial governments.
Executive Orders	Directives issued to federal agencies by the President.
Office of Management and Budget Policies	Instructions to federal agencies to facilitate the implementation of laws and regulations.
Agency and Other Specific Guidance	Federal fiscal or program-specific guidance is non-binding but is interpretation of requirements for non-federal entities.
Federal Award Documentation	Terms and conditions contained within the federal award that are like contracts and contain legally binding requirements.

Q2. Are state requirements always at least as specific or stringent as 2 CFR 200? For example, if we comply with State of North Carolina requirements, will that cover what is in 2 CFR 200 or does it depend on the specific requirement in question?

A2. In the State of North Carolina, state requirements are often less specific and/or stringent than 2 CFR 200. As such, compliance with state rules may not fully cover federal regulations, depending on the specific requirements. For example, North Carolina's procurement procedures, governed by [Chapter 143, Article 3](#) of the North Carolina General Statutes and [Subchapter 05B](#) of the North Carolina Administrative Code, are detailed but less stringent than federal procurement rules under [2 CFR 200.317-327](#). Federal rules include requirements for entities making purchases with State Fiscal Recovery Fund dollars under non-revenue replacement cost categories, such as micro-purchase procedures for goods and supplies exceeding \$15,000 (as of January 1, 2025), which require written or documented quotes. In North Carolina, the micro-purchase threshold (known as the



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small purchase threshold) is \$25,000. When determining which rules apply, adopt the most stringent rules within the hierarchy of grants guidance

Q3. What is considered leading practice for documenting checking suspension and debarment lists?

A3. Check entities against both the System for Award Management ([SAM.gov](https://sam.gov)) and the North Carolina Suspension of Funding List ([NC SOFL](#)) before making grant or contract awards, and at least annually to avoid awarding or paying suspended or debarred entities. Document suspension and debarment check activities by taking a screenshot of the status and saving it in a centralized record-keeping location. Retain these records for at least five years from the end of the grant term or until all audit exceptions are resolved, whichever is longer, to comply with the State's record retention requirement ([09 NCAC 03M .0202](#)).