

INTERAGENCY AGREEMENT

BETWEEN

DEPARTMENT OF DEVELOPMENT

AND

DEPARTMENT OF WORKFORCE DEVELOPMENT

PART I

THIS AGREEMENT made and entered into this ____ day of _____, 2011 by and between Department of Development ("Development"), as the Cuyahoga County ("County"), receiving agency of Community Development Block Grant (CDBG) funds from U. S. Department of Housing and Urban Development, and the Department of Workforce Development ("DWD") as the Cuyahoga County receiving agency for Workforce Investment Act (WIA) funding, in accordance with the Ohio Revised Code and all other applicable Federal, State and local regulations, and within the scope of policies promulgated by County of Cuyahoga, Ohio

WITNESSETH:

WHEREAS the term of this agreement is in effect for the period **July 1, 2011 through June 30 2012** and the total costs contained within this Interagency Agreement is **Two Hundred Fifty Thousand Dollars (\$250,000.00)**.

WHEREAS, the County of Cuyahoga has entered into various Agreements with the United States of America providing for financial assistance to said County under Title I of the Housing and Community Development Act of 1974; and

WHEREAS, pursuant to such Agreements, said County is undertaking by and through Development certain activities; and

WHEREAS, such activities to be performed include Incumbent Worker Training and Consulting Services for Economic Development activities, and

WHEREAS, "Development" desires to engage "DWD" to render certain services and assistance in connection with said services;

NOW, THEREFORE, for the consideration of mutual promises hereinafter set forth, Development and the DWD agree as follows:

ITEM I - SCOPE OF SERVICES:

For detailed description of Scope of Services, refer to Attachment A

ITEM II - TIME OF PERFORMANCE:

- A. The services of the Subrecipient are to commence July 1, 2011 and shall be undertaken and completed in such sequence as to assure their expeditious completion in light of the purposes of this Agreement, but in any event, all of the services required herein shall be completed by June 30, 2012.
- B. Amendment to the time of performance shall be subject to the provisions of Part II, Section 14, Paragraph C, hereof.

ITEM III - COMPENSATION AND METHOD OF PAYMENT:

- A. It is expressly understood and agreed that in no event will the total compensation and reimbursement to be paid hereunder exceed the maximum sum of \$250,000.00 for all of the services required. It is further expressly understood and agreed that in no event will the Agreement exceed any budget line item of the latest approved budget by greater than ten percent (10%) prior to receiving, in writing, a budget revision from the "Development" authorizing the excess. In no case shall any approved budget line item excess cause the total agreed compensation and reimbursement to be exceeded.
- B. The total compensation referred to in paragraph (A) above shall be paid on a month-to-month basis reimbursing "DWD" for actual expenditures involved in performing the necessary work as set forth in the Scope of Services and Budget. "DWD" shall submit an invoice itemizing both actual time expended and costs incurred in performance of said Scope of Services and in accordance with the Scope of Services and the Budget.

ITEM IV - EQUAL EMPLOYMENT OPPORTUNITY:

"DWD" agrees to comply with:

- A. Title VI of the Civil Rights Act of 1964, (P L. 88-352) and the HUD regulations under 24 CFR. Part 1, 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 be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance by way of grant, loan, or Agreement and will immediately take any measures necessary to effectuate this Agreement. If any real property or structure thereof is provided or improved with the aid of Federal financial assistance extended to the Subrecipient, this assurance shall obligate the Subrecipient, or in the case of any transfer of such property or structure is used for a purpose of which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.
- B. Title VIII of the Civil Rights Act of 1968 (P L. 90-284), as amended by the Fair Housing Amendments Act of 1988 (P.L. 100-430), and will administer all programs and activities relating to housing and community development in a manner to affirmatively further fair housing within Constitutional limitations throughout the United States.

- C. Section 109 of the Housing and Community Development Act of 1974 and 1977, as amended, and in conformance with all requirements imposed pursuant to the regulations of the Department of HUD (24 CFR Part 570 602) issued pursuant to that Section; and in accordance with Equal Opportunity obligations of that Section, no person in the States shall, on the grounds of race, color, national origin, or sex, be excluded from participating in, be denied the benefits of, be subjected to discrimination under, any program or activity funded in whole or in part with Community Development Block Grant funds

Section 109 of the Act further provides that any prohibition against discrimination on the basis of age, under the Age Discrimination Act of 1975 (24 CFR Part 146), or with respect to any otherwise qualified handicapped person, as provided in Section 504 of the Rehabilitation Act of 1973 (24 CFR Part 8), shall also apply to any program or activity funded in whole or in part with funds made available pursuant to the Act

- D. Executive Order 11063 on equal opportunity in housing and related facilities owned or operated by the Federal government or provided with Federal financial assistance.
- E. Executive Order 11246, as amended, requiring nondiscrimination and affirmative action to ensure nondiscrimination in employment by government Subrecipients and recipients and under Federally assisted construction Subrecipients.
- F. The National Affordable Housing Act of 1990 (P.L. 101-625) adds religion as a basis on which Subrecipients may not discriminate in the programs and activities funded under CDBG programs.
- G. The Fair Housing Act (P.L. 90-284) requires that all programs and activities related to housing and community development are administered in a manner to affirmatively further the policies of the Act

ITEM V - CONDITIONS & ATTACHMENTS

It is expressly understood and agreed that Attachment A, "Scope of Services", Attachment A1 – Statement of Work, Attachment B, "Budgetary Details", Attachment B1, "Budget", Part II, "Terms and Conditions", and Part III, "Accounting and Financial Management Procedures", attached hereto are made a part hereof as if fully rewritten herein

BY ENTERING INTO THIS [AGREEMENT/CONTRACT/AMENDMENT TO AGREEMENT OR CONTRACT] I AGREE ON BEHALF OF THE CONTRACTING OR SUBMITTING BUSINESS ENTITY, ITS OFFICERS, EMPLOYEES, SUBCONTRACTORS, SUBGRANTEES, AGENTS OR ASSIGNS, TO CONDUCT THIS TRANSACTION BY ELECTRONIC MEANS BY AGREEING THAT ALL DOCUMENTS REQUIRING COUNTY SIGNATURES MAY BE EXECUTED BY ELECTRONIC MEANS, AND THAT THE ELECTRONIC SIGNATURES AFFIXED BY THE COUNTY TO SAID DOCUMENTS SHALL HAVE THE SAME LEGAL EFFECT AS IF THAT SIGNATURE WAS MANUALLY AFFIXED TO A PAPER VERSION OF THE DOCUMENT. I ALSO AGREE ON BEHALF OF THE AFOREMENTIONED ENTITIES AND PERSONS, TO BE BOUND BY THE PROVISIONS OF CHAPTERS 304 AND 1306 OF THE OHIO REVISED CODE AS THEY PERTAIN TO ELECTRONIC TRANSACTIONS, AND TO COMPLY WITH THE ELECTRONIC SIGNATURE POLICY OF CUYAHOGA COUNTY.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures on the day and date first above written.

Cuyahoga County Department of Workforce Development

BY: David R. Reines
Director

Edward FitzGerald, County Executive
County of Cuyahoga, Ohio:

BY: Ed FitzGerald/ark
2011-12-08 16:08:08
Edward FitzGerald, County Executive

Schedule A
Project Activity Description
Non Profit Subrecipient
Scope of Services

Agency Name: Cuyahoga County Workforce Development

Program Funding: \$250,000 00

Year Award July 1, 2011 to June 30, 2012
FY 2011

Areas Served: Cuyahoga Urban County

National Objective: Benefit Low and Moderate Income

Eligible Activity: Public Service - Job Training - 24 CFR 570.201 (e)

Project Description: The Sub-recipient will provide services per the attached Statement of Work Attachment A1

Program Location and Operations:

Cuyahoga County Department of Workforce Development
1020 Bolivar
Cleveland, OH 44113

Agency Licensing Requirements:

The Subrecipient has and will maintain all documents required for operation of this program per Local, State and Federal regulations. These documents include, but are not limited to:

- Articles of Incorporation
- IRS Tax Exempt Status

Monthly Reporting Requirements:

The Subrecipient will submit a financial report to the Department of Development by the first (1st), no later than the tenth (10th) day after the close of the reporting period. The financial report will include: a) a request for payment and/or status of fund's report; b) a budgetary summary sheet identifying which activities had cost attributed to the activity; and c) a budgetary detailed report, along with supporting documentation requested by this Department.

The Subrecipient shall provide the County with a copy of its audit report within 30 days after the completion of the audit.

Should the Subrecipient fail to meet these reporting requirements on an adequate and timely basis, the Department will withhold payments until the necessary information is made available. Continued failure to submit adequate and timely reports will result in the termination of this Agreement.

In the event the actual service delivery falls below the levels specified in this Agreement, action will be taken by the Department of Development to assist the Subrecipient in reaching its service goals. If the performance remains below specified levels for a period of three months, the Department of Development will withhold payments from the agency. Continued failure to meet specified service levels will result in termination of this Agreement.

Amendments to Agreement:

Changes in Schedule A, Scope of Services and Attachment B – Budgetary Details, shall be agreed to by the Department of Development in writing prior to the implementation of any changes. If an amendment to the Agreement is required, the Subrecipient may not proceed with the changes until the amendment is executed by the County Cuyahoga, Ohio.

ATTACHMENT A1

SCOPE OF SERVICES

INCUMBENT WORKER TRAINING

The purpose of the Incumbent Worker Training Program (IWTP) is to support training projects that will benefit local business and industry by assisting the skill development of existing employees, thereby increasing employee productivity and growth/retention of the company and its workforce. The training must have common acceptance as a skill required for a particular industry over and above an entry level skill.

IWTP funds are available to a business or group of businesses requesting training that leads to one or more of the following:

- Improve the occupational skills of the employers' workforce
- Assist employers in averting lay offs
- Help employees continue their skill building and maximizing their potential
- Raise the skill level of workers that leads to promotion
- Provide career progression that opens entry-level positions to others
- Increase retention in employment
- Increase individuals' wages

IWTP funds for approved training cannot exceed \$50,000. Employers are expected to provide a cash or in-kind contribution match. Employers match are determined by the total number of employees/size of company. The match is as follows:

- 33% for companies with less than 100 employees
- 50% for companies with 100 or more employees

Businesses Applying for Funding:

- Must demonstrate financial viability
 - Written statement from officer of company verifying financial stability
- Must not use IWTP funding to supplement or supplant current training efforts
- Must agree to list all job openings with Employment Connection
- Must have at least one full-time employee
- Must be current on all local, state, and federal tax and financial obligations
- Must provide copies of or access to last 3 years of financial records

Methodology:

The award of funds to businesses will be through an open-ended application process (see attached application). Businesses requesting IWTP funds must use the customized training application and guidelines for submission but must include one or more of the following criteria for outcomes:

- Improve the skills of the employers' workforce
- Assist employers in averting lay offs
- Help employees continue their skill building and maximizing their potential
- Raise the skill level of workers that leads to promotion

- Provide career progression that opens entry-level positions to others
- Increase retention in employment
- Increase individuals' wages

Allowable Cost

- tuition/registration fees;
- instructor/trainer salaries;
- curriculum development;
- textbooks, manuals, materials, supplies;
- certifications, licenses, credentials;
-

Unallowable Cost

- expenses incurred prior to IWTP application approval;
- business capitalization;
- business relocation;
- employee travel;
- payroll costs of trainees;
- training software, information technology.

ECONOMIC DEVELOPMENT TECHNICAL ASSISTANCE

- Identify the needs of businesses in the region and develop long-term relationships with them. Help businesses compete by servicing their Human Capital needs and to determine if the business can utilize the array of programs and services developed by the County Economic Development Department, primarily in territories outside of Cleveland, Cleveland Heights, Lakewood, Parma and East Cleveland.
- Develop opportunities for incumbent worker training.
- Hand all warm leads over to the appropriate Employment Connection Business Service Consultant based on territories.
- Find opportunities that directly benefit low and moderate income jobseekers and workers as defined by the US Department of Housing and Urban Development.
- Develop strategies based on targeting specific geographies of industry sectors.
- Expose Employment Connection talent bank to regional employers.
- Work in tandem with Employment Connection to fill open positions and meet team placement goals.
- Maintain contact with an on-going list of employers for potential job referrals for appropriate job seekers.
- Perform job development duties in a planned and targeted manner to reach established job order goals.
- Accept employer calls regarding program services and eligibility guidelines.
- Meets objectives, goals and deadlines on time and keep accurate records of all activity as it relates to established individual and team goals.

EMPLOYMENT CONNECTION
Customized Occupational Skills /Incumbent Worker Training Application

Company/Association Name _____

Federal Tax ID Number _____ NAICS Code _____

Address _____ City _____ Zip _____

Contact Person _____ Title _____

Phone _____ Fax _____ Email _____

1. Briefly describe your business/association:

2. Briefly describe proposed training project:

3. Attach training outline(s) and/or curriculum.

4. Attach list of employees to be trained (complete spreadsheet).

5. Training Occupation (s):

6. Starting Wage \$ _____

After Training \$ _____

After Six Months \$ _____

7. Training Start Date _____ Training End Date _____

8. What will you do to assure job retention (mentoring, ongoing learning, job shadowing, etc.)? _____

9. Total Cost (complete itemized budget page) \$ _____

10. What is the outcome(s) of the training? Please check all that apply. Documented verification of all outcomes is required to be submitted at completion of training.

- ☐ The introduction of new technologies
- ☐ Introduction to new production or service procedures
- ☐ Upgrading to new jobs that require additional skills, especially that result in the creation of entry level positions
- ☐ Improve the occupational skills of the employers' workforce
- ☐ Assist in averting lay offs
- ☐ Raise the skill level of workers that leads to promotion
- ☐ Provide career progression that opens entry-level positions to others
- ☐ Reduction in employee turnover
- ☐ Increase individuals' wages

Company Representative:

Name (printed)

Title

Signature

Date

Employment Connection:

Name (printed)

Title

Signature

Date

Training Program Budget

Please use this as a guide. Start with the total Column. You may include other items for consideration as required.

Note: Training funds cannot be used to reimburse any training costs occurring before the grant is approved. Please take this into account when developing your budget and time line.

Employer Contributions must be 33% (50% for new worker customized training) or greater for employers with less than 100 employees, 50% or greater for employers with 100 or more employees or for employers requesting funds to train potential new workers. Contribution can be cash or in-kind.

BUDGET CATEGORY	EMPLOYMENT CONNECTION ASSISTANCE REQUESTED	EMPLOYER CONTRIBUTION	TOTAL
Instructor Wages (Break out costs for individual programs including total hours and instructor wages)			
Curriculum Development			
Materials/Supplies Textbooks (itemize)			
Training Equipment (itemize)			
Other Costs (describe)			
Travel			
Trainee Wages* (attach payroll register)			
Sub Total			
Total			

*Employment Connection requests employers to cover trainees wages as an employer's match requirement. Employment Connection will consider funding trainee wages only for special circumstances on a case-by-case basis.

Customized Training Documentation

Here is a checklist of all items to be submitted to Employment Connection:

- Completed Customized Occupational Skills /Incumbent Worker Training Application
- Training Curriculum Outline with number of hours and type of certificate/certification received by employees/trainees upon completion. If training does not include industry-recognized certification, please explain how the training will increase the skill level of each employee.
- Payroll register verifying hourly rate for each employee to be trained.
- As a requirement of federal funding, all employees must be 18 years of age or older and all incumbent workers must be eligible to work in the United States. The type of training and number of hours of training is required to be identified for each employee. In addition, funding outcomes are tracked by various types of demographics and the employer is requested to provide the following information in a spreadsheet format (provided by Employment Connection):
 - List of employees or trainees titles with employee names, job titles, DOB, SS# or employee ID, hourly wage, gender, race/ethnicity, veteran status, selective service eligibility, type of training, training outcome, and number of hours. Indication of eligibility to work in the United States can be verified by simply identifying that each employee has completed an I-9 that is on file.
- Letter of financial stability from an officer of company that indicates maintaining or increasing current business levels in the next year and current status of local, state, and federal tax and financial obligations.
 - Financial Statements from last three years may be requested to determine level of existing debt and positive net worth
- Statement from company official indicating intent to remain in Cuyahoga County (can be included with letter of financial stability)
- Statement indicating that funding does not supplement or supplant current training efforts; employer will post current and future openings with Employment Connection (can be included with letter of financial stability).
- Please Note : No funds will be disbursed for incumbent or customized training for any business that has relocated, until the date that is 120 days after the date on which such business relocates, if the relocation of such business or part of a business results in the loss of employment for any employee at the original location and such original location is within the United States.

ATTACHMENT B
BUDGETARY DETAILS

AGENCY: Cuyahoga County Department of Workforce Development

PROGRAM: Incumbent Worker Training

Budget for 12 Months

#	COST CATEGORIES	BUDGETED AMOUNT
1	Personnel	
2	Fringe Benefits	
3	Travel	
4	Equipment	
5	General Overhead	
6	Contractual	\$250,000.00
7	Other	
	Total	\$250,000.00

Signature of Agency Representative

Date

Prepared By

Date Prepared

ATTACHMENT B1

BUDGET

The Department of Development agrees to pay the Department of Workforce Development for the costs described below to the degree they are determined to be fair and reasonable for economic development activities as well as Incumbent Worker Training in an amount not to exceed **\$250,000.00**

- I Department of Development agrees to reimburse the Department of Workforce Development for the costs incurred for salaries and payroll related expenses of the economic development consultant in an amount not to exceed **\$50,000.00**
 - A. To receive reimbursement for these costs, an invoice must be submitted detailing the actual expenses incurred during the billing period with the appropriate supporting documentation
- II. Department of Development agrees to reimburse the Department of Workforce Development for Incumbent Worker Training, in an amount not to exceed **\$200,000.00.**
 - A. To receive reimbursement for these costs, an invoice must be submitted detailing the actual expenses incurred during the billing period with the appropriate supporting documentation

PROJECT EXPENDITURES BUDGETARY DETAILS

AGENCY: Cuyahog County, Department of Workforce Development

PROGRAM: Incumbent Worker and Economic Development Technical Assistance

(1) PERSONNEL

Title	Salary	Hours Worked Per Week	% Charged to CDBG	Budgeted Amount

TOTAL PERSONNEL _____

Monthly budget reports are to include: hourly rates, actual hours worked, percentage of hours actually charged to CDBG and dollar amounts charged to CDBG. All personnel are required to maintain time sheets which are to be approved by an appropriate supervisor.

(2) FRINGE BENEFITS

The following guidelines apply to charging "Fringe Benefits" to CDBG:

1. FICA may only be applied to the extent that the total salary does not exceed the pro-rated FICA limit
2. Workers' Compensation may be charged monthly, provided that there is a periodic adjustment (every 6 months) to reflect the actual billing
3. Unemployment Tax may be charged monthly, provided that there is a periodic adjustment (every 3 months) to reflect the actual billing. The actual amount charged will be the Unemployment Tax rate x the actual CDBG charged salaries for the related period

Type of Benefit	Rate or Dollar Amount	Budgeted Amount
TOTAL FRINGE BENEFITS		

(3) **TRAVEL (c)**

Description	Budgeted Amount

(c) Mileage logs are to be maintained and should include: Name, date, destination of trip, actual odometer readings and a supervisor's approval.

(4) **EQUIPMENT (d)**

Type of Equipment	Budgeted Amount

(d) Federal grant guidelines state that all non-expendable property acquired with CDBG funds shall revert to the Department of Development upon termination of the funded program. Invoice should be submitted to the Department of Development when equipment is purchased.

(5) **GENERAL OVERHEAD (e)**

Type of General Overhead	Rate or Dollar Amount	Budgeted Amount

(e) Any costs which may be classified as indirect (i.e., costs which benefit more than one program cost objective) must be reported in total, using an approved cost allocation method.

If any of the above costs require an agreement, monthly receipts are required, and a copy of the agreement must be on file in our office.

(6) **CONTRACTUAL (f)**

Description	Budgeted Amount
1. Incumbent Worker Training	\$200,000.00
2. Economic Development Technical Assistance	\$50,000.00

(f) Persons listed under Contractual are responsible for their own tax liabilities.

A copy of all Contractual agreements is to be submitted to the Department of Development for approval prior to any Contractual work.

(7) **OTHER**

Category	Budgeted Amount

TOTAL PROGRAM BUDGET

\$ 250,000.00

PART II

TERMS AND CONDITIONS

SECTION 1 - UNIFORM ADMINISTRATIVE REQUIREMENTS

During the performance of this Agreement, the Subrecipient hereby agrees it will comply with the uniform administrative requirements stipulated in Office of Management and Budget (OBM) Circulars A-110, A-122 and A-133, and in Federal Regulations 570.502 and 570.610. The Subrecipient shall upon request be provided with copies of these circulars from the Department of Development. A staff member shall be available during regular office hours to review these circulars with Subrecipients.

Circular A-110 promulgates standards for obtaining consistency and uniformity among Federal agencies and other quasi-public and private non-profit organizations in the administration of grants. Circular A-122 provides uniform rules for determining costs applicable to grants, Agreements and other agreements with non-profit organizations other than institutions of higher education and hospitals. Circular A-133 discusses audits of institutions of higher education and other non-profit Institutions

SECTION 2 - ALLOWABLE COSTS

The total cost of the Agreement is comprised of the allowable direct cost incident to its performance, plus its allocable portion of allowable indirect costs

Direct costs are those that can be identified specifically with a particular cost objective. Typical direct costs chargeable to this Agreement.

- A. Compensation of employees for the time and effort devoted specifically to the execution of the Agreement.
- B. Cost of materials acquired, consumed, or expended specifically for the purpose of the Agreement.
- C. Equipment and other approved capital expenditures.
- D. Other items of expense incurred specifically to carry out the Agreement.
- E. Services provided specifically for the Agreement by other Subrecipients.

Indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective (b) not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved.

SECTION 2 - ALLOWABLE COSTS (continued)

The cost of service provided by subrecipients may only include allowable direct costs of the service plus a prorata share of allowable supporting costs and supervision directly required in performing the service, but no supervision of a general nature, i.e., not directly involved in operations. However, supervision by the head of an agency whose sole function is providing the service furnished would be an eligible cost.

In lieu of determining actual indirect costs related to a particular service furnished by a Subrecipient, agency, the following alternative method may be used:

A predetermined fixed rate for computing indirect costs applicable to an Agreement may be negotiated annually in situations where the cost experience and other pertinent facts available are deemed sufficient to enable the contracting parties to reach an informed judgment (1) as the probable level of indirect costs of the contractor during the period to be covered by the negotiated rate, and (2) that the amount allowable under the predetermined rate would not exceed actual indirect cost. The rate should be reviewed at the close of each contract and adjustments to actual indirect costs should be made in the final reimbursement request.

A plan for allocation of costs will be required to support the distribution of any joint costs related to the Agreement. All costs included in the plan will be supported by formal accounting records which will substantiate the propriety of eventual changes. The allocation plan should cover all joint costs of the agency.

SECTION 3 - RECORDS RETENTION AND ACCESS TO RECORDS

- A. Payroll and Distribution of Time- Payroll expenditures must be supported by a detailed account of all employees who work on Community Development Block Grant projects. To provide adequate accounting for payroll expenditures, all employees paid in whole or in part from Community Development Block Grant funds must prepare a time sheet indicating the hours worked on Community Development Block Grant projects for each pay period. Based on these time sheets and hourly payroll cost for each employee, a statement indicating the distribution of payroll charges should be prepared. Fringe benefit costs will also be prorated in accordance with the payroll distribution breakdown. All payroll costs must be properly documented in order to be eligible for Community Development Block Grant reimbursement.
- B. The Subrecipient shall document the marketing of services to the Community. Newspaper stories, posters, mailings, speaking engagements or other techniques employed shall be recorded by the Subrecipient for review by the County. Any publications published as a result of this Agreement shall state that funding was made available through the Community Development Block Grant Program and/or Neighborhood Stabilization Program 1.
- C. Procurement records and files for purchases shall include the following at a minimum: basis for contractor selection; justification for lack of competition when competitive bids or offers are not obtained; and basis for award.
- D. The County, HUD, the General Accounting Office (GAO), or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits,

examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to a Subrecipient's personnel for the purpose of interview and discussion related to such documents. The rights of access in this paragraph are not limited to the required retention period, but shall last as long as records are retained.

Financial records, supporting documents, personnel records, statistical records, and all other records pertinent to the Agreement shall be retained for a period of four years from the date of submission of the Agreement. The County's annual performance report in which the specific activity is reported on for the final time. The only exceptions are the following:

1. If any litigation, claim, or audit is started before the expiration of the 4 year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action is taken
2. Records for real property and equipment acquired with Federal funds shall be retained for 4 years after final disposition.
3. When records are transferred to or maintained by the U.S. Department of Housing and Urban Development, the 4 year retention requirement is not applicable to the Subrecipient.

F. The Subrecipient shall provide citizens with reasonable access to records regarding the use of CDBG funds, consistent with federal, state and local laws regarding privacy and obligations of confidentiality.

SECTION 4 - REPORTS

At such times and in such forms as the Department of Housing and Urban Development ("HUD") or the County may require, there shall be furnished to HUD or to the County statements, records, data and information, as HUD or the County may request pertaining to matters covered by this Agreement.

SECTION 5- AUDITS AND INSPECTIONS

At any time during normal business hours and as often as the County, HUD and/or the Comptroller General of the United States may deem necessary, there shall be made available to the County, HUD and/or representatives of the Comptroller General for examination all records of the Subrecipient with respect to all matters and the Subrecipient shall permit the County, HUD and/or representatives of the Comptroller General to audit, examine and make excerpts or transcripts from such records, and to make audits of all Agreements, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters.

In addition to the above-described inspections, the County may perform inspections of the program facilities and/or records at any time it deems desirable.

The Subrecipient must comply with OMB Circular A-133 "Audits of Institutions of Higher Education and other Non-profit Institutions". Audits shall be made in accordance

with statutory requirements and the provisions of OMB Circular A-110 "Uniform Requirements".

SECTION 6 - CONFLICT OF INTEREST

- A. No employee, agent, consultant, officer or elected or appointed official of the County or Subrecipient who exercises or has exercised any functions or responsibilities with respect to the Scope of Services or any of the activities that are in any way connected with this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities or Scope of Services, may obtain a personal or financial interest or benefit from any such activity or Scope of Services, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter, and the Subrecipient shall take appropriate steps to assure compliance.
- B. Personnel who are employed by the Subrecipient shall not serve as a member of the agency's Board of Directors

SECTION 7 - SUBCONTRACTING & ASSIGNABILITY

The Subrecipient covenants and agrees that in no event shall any Subagreements be let under this Agreement without its first having submitted a written request to the County, Department of Development requesting same and its first having received an approval in writing from said Department

Subrecipient shall be fully responsible to the County for the acts and omissions of subcontractors, and of persons either directly or indirectly employed by those subcontractors, and of persons either directly or indirectly employed by those subcontractors, just as Subrecipient is fully responsible to the County for the acts and omissions of persons directly or indirectly employed by it

The Subrecipient shall insert in each subcontract provision requiring timely payments of all taxes, all assessments, on any other payment or premium due any federal state, or local government entity.

The Subrecipient agrees that, whenever it makes purchases or enters into a contract that uses County funds in whole or in part, it will make its best efforts to meet the following goal in the utilization of small business enterprise (SBE) in the total contract award for this project: 35%. Evidence of the bidder's good faith effort must be submitted with the bid if the goal of 35% is not met. Compliance with the SBE goal is encouraged pursuant to Board of County Commissioner's Resolution Number 000981 dated February 29, 2000. The intent of the SBE Program is to ensure that SBE's have an equal opportunity to participate in procurement and other contracting opportunities within the County.

The County Office of Procurement and Diversity must certify SBE's in order to be eligible for meeting the SBE participation goal. Contact (216) 443-7230 for application for certification or to obtain a list of certified SBE's. Generally, a SBE must have been in operation for one year and demonstrate that it has a physical presence within Cuyahoga

County. Its gross revenues and workforce are in accordance with the amounts set forth below:

Construction – Less than \$25 million and less than 70 employees

Architectural/Engineering – Less than \$7.5 million and less than 25 employees

Commodity Providers – Less than \$1.5 million and less than 15 employees

Professional Services – Less than \$2.5 million and less than 20 employees

The Department may take whatever action it finds necessary if the Subrecipient does not make the best efforts to achieve these goals.

The Subrecipient shall not assign any interest in this Agreement and shall not transfer any interest in the same without written consent of the County.

SECTION 8 - EMPLOYMENT DISCRIMINATION PROHIBITED

During the performance of this Agreement, the Subrecipient agrees as follows:

- A. The Subrecipient shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, handicap, ancestry or Vietnam-era or disabled veteran status. The Subrecipient shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to race, religion, color, sex, national origin, age, handicap, ancestry or Vietnam-era or disabled veteran status. as used herein, “treated” means and includes without limitation the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship, promoted, upgraded, demoted, downgraded, transferred, laid off and terminated. The Subrecipient agrees to and shall post inconspicuous places, available to employees and applicants for employment, notices to be provided by the hiring representatives of the Subrecipient setting forth the provisions of this nondiscrimination clause
- B. The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that the Subrecipient is an Equal Opportunity Employer

SECTION 9 - HISTORIC PRESERVATION AND ENVIRONMENTAL REVIEW

The Subrecipient is responsible to know that historic preservation rules may apply to federally funded exterior maintenance, repairs, and renovations. The Subrecipient is expected to determine which structures may require historic preservation review due to age, location, and scope of work. Before allowing work to be done on any such structure, the Subrecipient is expected to notify the County and cooperate in obtaining any documentation required for review by the Ohio Historic Preservation Office. The Subrecipient does not assume the County’s environmental responsibilities described in 570.604; and the Sub-grantee does not assume the County’s responsibility to initiate the review process.

SECTION 10 - COPYRIGHTS

If this Agreement results in a book or other copyrightable material, the author is free to copyright the work, but HUD reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use all material which can be copyrighted.

SECTION 11 - PATENTS

Any discovery or invention arising out of or developed in the course of work aided by this Agreement shall be promptly and fully reported to HUD for determination by HUD as to whether patent protection for such invention or discovery shall be sought and how the rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.

SECTION 12 - POLITICAL ACTIVITY PROHIBITED

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office

SECTION 13 - LOBBYING PROHIBITED

None of the funds provided under this Agreement shall be used for publicity or propaganda purposes designated to support or defeat legislation pending before the Congress or any public body.

SECTION 14 - CHANGES

- A. The County may, from time to time, permit changes in the Scope of Services of the Agreement to be performed hereunder. Any such changes shall be incorporated in written amendments to this Agreement signed by the parties.
- B. The County may from time to time cause changes in the expressed maximum sum of this Agreement provided such changes in compensation are authorized by resolution of the County of Cuyahoga, Ohio and are pursuant to the provisions of Part I, Item III hereof. Any such changes shall be incorporated in written amendments to this Agreement signed by the parties.
- B. The County may upon its own initiative or upon that of the Subrecipient, authorize changes in the time of performance as established in Part I, Item II hereof. As a condition precedent to the authorization of such change, the County shall have determined that the Subrecipient has exhibited the utmost in good faith in the performance of the Agreement and that there is just cause based upon the intervention of a circumstance unforeseeable at the execution of this Agreement document. Any change in the time of performance shall be agreed to by the Subrecipient and the County in writing, and said writing shall be incorporated in written amendments to this Agreement signed by the parties.

SECTION 15 - PERSONNEL

- A. The Subrecipient represents that it has or will secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any Agreemental relationship with the County.
- B. All of the services required hereunder will be performed by the Subrecipient or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such services.
- C. The Subrecipient assumes all responsibility for any and all Workers' Compensation premiums, unemployment compensation premiums, and Federal, State and local taxes due on the compensation paid to all their employees. The Subrecipient agrees to follow all Federal, State and local regulations pertaining to any employees the Subrecipient may use to provide services under this Agreement.

SECTION 16 - TERMINATION OF AGREEMENT CLAUSE

If the Subrecipient fails to fulfill in a timely and proper manner any term or condition contained in this Agreement, or if Subrecipient shall violate any of the covenants, agreements, or stipulations in this Agreement, the County shall have the right to exercise concurrently or successively any one or more of the following rights or remedies:

- A. Terminate this Agreement and the rights of the Subrecipient hereunder;
- B. Withhold or reduce funds not yet paid to the Subrecipient;
- C. Recover funds previously paid to the Subrecipient;
- D. Recover any property obtained by the Subrecipient through its expenditure of CDBG funds granted pursuant to this Agreement; or
- E. Exercise any and all additional rights the County may have in law or equity.

Termination pursuant to clause (A) above shall be effective five (5) days after the date the County has given written notice to the Subrecipient of such termination. In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the Subrecipient under this Agreement, at the option of the County, shall become the property of the County and Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents; provided, however, that such compensation may be reduced in the event the County determines that any money owed the County by the Subrecipient has not been paid. No action or inaction by the County at any time of any of the terms or conditions of this Agreement shall be deemed or construed as a waiver of the same or other term or condition herein or of the timely and proper performance thereof. No waiver shall be valid against the County unless reduced to writing and signed by the County of Cuyahoga, Ohio.

SECTION 17 - TERMINATION FOR NECESSITY OF THE COUNTY

The County may terminate this Agreement for necessity by giving at least thirty (30) days notice in writing from the County to the Subrecipient. If the Agreement is terminated by the County as provided herein, the Subrecipient will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Subrecipient covered by this Agreement, less payments of compensation previously made. Provided, however, that if less than sixty percent (60%) of the services covered by this Agreement have been performed upon the effective date of such termination, the Subrecipient shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under the Agreement incurred by the Subrecipient during the Agreement period which are directly attributable to the uncompleted portion of the services covered by this Agreement. If the Agreement is terminated due to the fault of the Subrecipient, Section 16 hereof relative to termination shall apply.

SECTION 18 - NON-EXPENDABLE PROJECT PROPERTY

All tangible property, personal or real, acquired for the purpose of carrying out this Agreement shall be owned by the County for the use of the Subrecipient. At the expiration of the project, the County may reclaim possession of said property.

Revised November 30 2001

SECTION 19 - HOUSING, BUILDING AND PUBLIC HEALTH CODES

The Subrecipient covenants and agrees that any structure used for any purpose arising under this Agreement shall comply with all applicable housing, building and public health codes and that failure to comply with this section shall subject the Subrecipient to the sanctions available under Section 16 hereof

SECTION 20 - SECTION 3, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1968

A. The work to be performed under this Agreement is on a project assisted under a program providing direct Federal assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and Agreements for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

B. The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the

Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

- C Subrecipient will send to each labor organization or representative of workers with which he has collective bargaining agreement or other contract or understanding, of any, written notice advising the said labor organization or workers representative of this commitment under the Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

SECTION 21 - INDEMNIFICATION

Subrecipient agrees to indemnify and save harmless the County against all liability, claims, demands, losses, damages and costs arising from any act or omission by, or negligence of, Subrecipient or its Recipients or the officers, agents, or employees of either while engaged in the performance of this Agreement

SECTION 22 - TAX INDEMNIFICATION

Subrecipient shall pay all taxes, all assessments on property, and all payments in lieu of taxes when due. No lien or encumbrance against any assets purchased with CDBG funds granted pursuant to this Agreement shall be attached.

SECTION 23 - INDEPENDENT SUBRECIPIENT RELATIONSHIP

The parties to this agreement expressly intend that an independent Subrecipient relationship is created. The County and the Subrecipient agree that the conduct and control of the work to be performed will lie solely with Subrecipient. Subrecipient is not to be considered an agent or employee of the County for any purpose and no agency or trust or other relationship whatsoever is created by this Agreement.

SECTION 24 - DISCRIMINATION IN SERVICE DELIVERY PROHIBITED

The Subrecipient shall not discriminate against any applicant for its services because of race, religion, color, sex, national origin, age, handicap, ancestry, or Vietnam-era or disabled veteran status. The Subrecipient shall not limit its services or give preference to persons on the basis of race, religion, color, sex, handicap, ancestry, or Vietnam-era or disabled veteran status.

SECTION 25 - SECTARIAN/RELIGIOUS ACTIVITY PROHIBITED

In addition to, and not in substitution for, other provisions of this Agreement regarding the provisions of this Agreement regarding the provision of services with CDBG funds, pursuant to Title I of the Housing and Community Development Act of 1974, as amended, the Subrecipient agrees:

- A. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
- B. It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;
- C. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services;
- D. The portion of a facility used to provide public services assisted in whole or in part under this Agreement shall contain no sectarian or religious symbols or decorations; and
- E. The funds received under this Agreement shall not be used to construct, rehabilitate, restore, or maintain any facility which is owned by the Subrecipient and in which the public services are to be provided. However, minor repairs may be made if such repairs (1) are directly related to the public services, (2) are located in a structure used exclusively for nonreligious purposes, and (3) constitute in dollar terms only a minor portion of the CDBG expenditure for the public services.

SECTION 26 - PROCUREMENT OF PROPERTY AND SERVICES

Subrecipient hereby agrees that any disbursement of CDBG funds granted pursuant to this Subrecipient shall be in accordance with O.M.B. Circular A-110, "Procurement Standards".

- A. The Subrecipient agrees that, whenever it makes purchases or enters into a contract that uses County funds in whole or in part, it will make its best efforts to meet the following goal in the utilization of small business enterprise (SBE) in the total contract award for this project: 35%. Evidence of the bidder's good faith effort must be submitted with the bid if the goal of 35% is not met. Compliance with the SBE goal is encouraged pursuant to Board of County Commissioner's Resolution Number 000981 dated February 29, 2000. The intent of the SBE Program is to ensure that SBE's have an equal opportunity to participate in procurement and other contracting opportunities within the County.

The County Office of Procurement and Diversity must certify SBE's in order to be eligible for meeting the SBE participation goal. Contact (216) 443-7230 for application for certification or to obtain a list of certified SBE's. Generally, a SBE must have been in operation for one year and demonstrate that it has a physical presence within Cuyahoga County. Its gross revenues and workforce are in accordance with the amounts set forth below:

Construction – Less than \$25 million and less than 70 employees

Architectural/Engineering – Less than \$7.5 million and less than 25 employees

Commodity Providers – Less than \$1.5 million and less than 15 employees

Professional Services – Less than \$2.5 million and less than 20 employees

- B. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the Subrecipient. Any and all bids or offers may be rejected when it is in the Subrecipient's interest to do so.
- C. The Subrecipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. The Subrecipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements.
- D. The Subrecipient shall establish written procurement procedures. These procedures shall provide for, at a minimum, that (1), (2) and (3) apply.
1. Subrecipients avoid purchasing unnecessary items.
 2. Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement
 3. Solicitations for goods and services provide for all of the following:
 - (i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
 - (ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
 - (iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards
 - (iv) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
 - (v) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient
- E. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

- F. Subrecipients shall make available for the County pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc.
- G. Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability

SECTION 27 - NATIONAL OBJECTIVES

Subrecipient hereby warrants that its projected use of CDBG and/or NSP funds has been developed so as to give priority to activities which will carry out one or more of the national objectives of benefiting low and moderate income families, aiding in the prevention or elimination of slums or blight, or meeting other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other financial resources are not available to meet such needs. In determining whether an activity carries out a national objective, the criteria set forth in 24 CFR 570.208 shall be used

SECTION 28 - GRANT CLOSE-OUT PROCEDURES

This Agreement will be closed out when:

- A. All costs to be paid with CDBG and/or NSP1 funds have been incurred, and
- B. The work to be assisted with CDBG and/or NSP1 funds has been completed, and
- C. After responsibilities of the Subrecipient under the grant Agreement have been carried out satisfactorily.

Within 90 days of the close-out date as determined above, the Subrecipient shall submit all requests for reimbursement to the County, with the exception of retainer fees (if applicable).

The County will cancel any unused portion of the awarded grant amount to drawn by the Subrecipient within 90 days of the close-out date unless the County is notified in advance by the Subrecipient

Any unused grant funds will be captured by the County for use in eligible CDBG and/or NSP1 program objectives.

All funds appropriated but not expended at the expiration of the Agreement shall be used by the County, at its discretion, in a manner consistent with the Housing and Urban Development act of 1968, as amended.

SECTION 29 - MONITORING

The County is responsible for monitoring the Subrecipient's CDBG and/or NSP1 funded activities to assure compliance with applicable Federal requirements and to assure that performance goals are being achieved. Generally, one on-site monitor visit will be conducted during the period of this Agreement.

SECTION 30 - LABOR STANDARDS FOR CONSTRUCTION ACTIVITIES

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provision of Contracts Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 USC 276a-278a-5; 40 USC 327 and 40 USC 276C) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the County when requesting reimbursement.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance to such contracts and with the applicable requirements of the regulations of the Department of Labor under 29 CFR Parts 2, 3, 5 and 7 governing the payment of wages and ration of apprentices and trainees to journeymen; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provision meeting the requirements of this paragraph.

PART III

ACCOUNTING AND FISCAL MANAGEMENT PROCEDURES

SECTION 1-GENERAL

The Subrecipient will be required to establish and maintain a standard accounting system which will provide effective financial controls and meet the requirements of Part II Section 2 herein.

When audits are performed in accordance with the provisions of PART II, Section 5 hereof, discovery of the failure of the Subrecipient to properly administer the CDGB funds may result in the disallowance of expenditures for which the Subrecipient will be liable and for the assessment of sanctions pursuant to PART II, Section 16 hereof.

The County reserves the right to review all financial records in order to assess the financial condition of the Subrecipient. If the County determines that the Subrecipient's financial condition or the methods and practices it uses to manage its financial systems may jeopardize CDBG and/or NSP1 funds under the Agreement, it may take all necessary actions to insure that those funds are not put at risk. This includes, but is not limited to, postponing or canceling all reimbursements, putting the Subrecipient under specific financial requirements until the problems have been corrected to the satisfaction of the County, or exercise its authority to terminate the Agreement as a result of such conditions.

The Subrecipient is fully responsible for the management and control of its financial system. Any loss of CDBG and/or NSP1 funds as a result of the misfeasance, nonfeasance, or malfeasance of the Subrecipient is the responsibility solely of the Subrecipient and its officers. To insure accountability, the County reserves the right to withhold payments, put the Subrecipient under specific financial requirements, or terminate the Agreement.

SECTION 2-ACCOUNTING SYSTEM STANDARDS

Subrecipient's financial management systems shall provide:

- A. Accurate, current and complete disclosure of the financial results of each Agreement including at least a monthly reconciliation of the cash balance of the program.
- B. Records which adequately identify the source and application of funds for Agreement activities. These records shall refer to subsidiary records and/or documentation which support the entry and which are readily accountable. These records shall contain information pertaining to Agreement awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

- C. Effective control over and accountability for all funds, property and other assets
Subrecipients shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes
- D. Comparison of actual amounts with budgeted amounts for each Agreement, Also, the relation of financial information with performance or productivity data, including the production of unit cost information whenever appropriate and required by the County.
- E. Procedures for determining the allowability and allocability of costs in accordance with the provisions of Part II, Section 2 and OMB Circular A-122.
- F. Accounting records which are supported by source documentation.
- G. A systematic method to assure timely and appropriate resolution of audit findings and recommendations

SECTION 3-GRANT PAYMENTS

- A. Grant payments will be made on a cash reimbursement basis. Only when the Subrecipient makes an actual cash disbursement and submits a written receipt will be reimbursed for the expense by the County.
- B. Disbursements must be applied only to the authorized use as specified in the scope of services & budget. Failure to pay creditors for activities specified in the Agreement or to disburse funds for their authorized use constitutes a violation of the Agreement terms
- C. At intervals determined by the Department, the Subrecipient be required to submit copies of canceled checks or other forms of proof showing that all taxes or other payables have been paid. The Department has the authority to take appropriate action, including withholding payments, if this information is not provided when requested.
- D. All requests for reimbursement must be complete and accurate in order for the Department to authorize payment. Failure to submit complete and accurate information will delay or prohibit authorization of payment
- E. Payroll and Distribution of Time - Payroll expenditures must be supported by a detailed account of all employees who work on Community Development Block Grant projects. To provide adequate accounting for payroll expenditures, all employees paid in whole or in part from Community Development Block Grant funds must prepare a time sheet indicating the hours worked on Community Development Block Grant projects for each pay period. Based on these time sheets and hourly payroll cost for each employee, a statement indicating the distribution of payroll charges should be prepared. Fringe benefit costs will also be prorated in accordance with the payroll distribution breakdown. All payroll costs must be properly documented in order to be eligible for Community Development Block Grant reimbursement.

- F. Documentation of Costs - All costs shall be supported by properly executed payrolls, time records, invoices, contracts, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, voucher orders, or other accounting documents pertaining in whole or in part to this Agreement shall clearly identified and readily accessible. The Subrecipient shall submit copies of all independent audits performed on the Subrecipient or during the term of this Agreement to the County.

SECTION 4-PROGRAM INCOME

The Subrecipient shall comply with the standards set forth in Federal Regulations 24 CFR Part 85, and OMB Circular A-110 to account for program income. Program income represents gross income earned by the subrecipient from the federally supported activities. Such earnings exclude interest earned on advances and may include, but not be limited to income from service fees, sale of commodities, usage or rental fees, and royalties on patents and copyrights.

- A. Interest earned on advances of Federal funds shall be remitted to the Federal agency except for interest earned on advances to States or instrumentality's of a State as provided by the Intergovernmental Cooperation Act of 1968 (Public Law 90-577).
- B. Proceeds from the sale of real and personal property either provided by the Federal Government or purchased in whole or in part with Federal funds, shall be handled in accordance with Circular A-110 pertaining to property management.
- C. Unless the agreement provides otherwise, Subrecipients shall have no obligation to the Federal Government with respect to royalties received as a result of copyrights or
- D. All other program income earned during the project period shall be retained by the Subrecipient and, in accordance with the grant or other agreement shall be:
 - 1. Added to funds committed to the project by the County to be used to further eligible program objectives;
 - 2. Used to finance the non-Federal share of the project when approved by the County; or
 - 3. Deducted from the total project costs in determining the net costs on which the Federal share of costs will be based.

SECTION 5 - REVERSION OF ASSETS

Any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG funds in excess of \$25,000.00 must be used to meet one of the HUD National Objectives until five years after grant close-out (Part II, Section 28); and if such property is not used in accordance with the above paragraph, the Subrecipient shall pay the County an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of or improvement to, the property.

SECTION 6 - USE OF REAL PROPERTY

The Subrecipient shall not change the use or planned use of any property (acquired in whole or in part using CDBG funds in excess of \$25,000.00) from that for which the acquisition or improvement was made unless the Subrecipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change. These standards are in effect until five years after grant close-out (Part II, Section 28)

The new use must qualify as meeting one of the HUD National Objectives. If this requirement is not met, the Subrecipient retain or dispose of the property and reimburse the County an amount as determined above (Part III, Section 4). If the change of use occurs after grant close-out, the provisions governing program income (Part III, Section 5) shall apply.

In the case of property of equipment having a useful life of greater than one year purchased with CDBG funds pursuant to this Agreement, the Subrecipient shall furnish a description of the property or equipment, including the serial number, to the County within thirty (30) days of the date of purchase.

In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment)

Equipment not needed by the Subrecipient for CDBG activities shall be transferred to the County for the CDBG program or shall be retained by the Subrecipient after compensating the County in the manner described in Part III, Section 5.