

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.27
(ID # 8736)

MEETING DATE:

Tuesday, February 26, 2019

FROM : RUHS-PUBLIC HEALTH:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM - PUBLIC HEALTH/COMMUNITY ACTION PARTNERSHIP: Ratify and Approve the Volunteer Income Tax Assistance (VITA) Matching Grant Program Agreement between United States Department of the Treasury and County of Riverside for the VITA Program for Fiscal Years 2018/2019 and 2020/2021; All Districts. [\$91,425 - 100% Federal Funds] [4/5 Vote Required]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Volunteer Income Tax Assistance (VITA) Matching Grant Program Agreement (ID# 19VITA0134) between the United States Department of the Treasury - Internal Revenue Service, and the County of Riverside for the VITA Program for fiscal years 2018/2019 and 2019/2020 (Grant Agreement) in the amount of \$91,425 for the performance period of August 1, 2018 through July 31, 2020;
2. Approve and direct the Auditor-Controller to make the budget adjustments as shown on Schedule A;
3. Authorize the Chairman of the Board of Supervisors to execute the agreement on behalf of the County of Riverside;

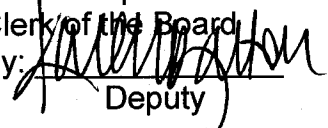
ACTION:Policy


Kim Saruwatari, Director of Public Health 1/3/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: February 26, 2019
xc: Public Health, Auditor

Kecja Harper
Clerk of the Board
By: 
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

4. Authorize the Director of Public Health, or designee, as approved by County Counsel and the Auditor-Controller, to accept and match funding from the U.S. Department of Treasury for fiscal year 2019/2020 in an amount that does not exceed the first-year amount of \$91,425; and
5. Authorize the Director of Public Health, or designee, to take all steps necessary to implement and administer the Grant Agreement including, but not limited to, signing subsequent amendments that do not change the substantive terms of the Grant Agreement, and signing all certifications, assurances, reports, or other related documents, subject to County Counsel approval.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 91,425	\$ 0	\$ 91,425	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Federal Funds			Budget Adjustment: Yes	
			For Fiscal Year: 2018/19 – 2020/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

The Internal Revenue Service (IRS) Volunteer Income Tax Assistance (VITA) funding provides free tax preparation services for low- and moderate-income tax filers. The project enables the County of Riverside, through its Community Action Partnership, to extend services to underserved populations in the hardest-to-reach areas, both urban and non-urban, and increases the capacity for filers to file returns electronically. Additionally, the funding heightens quality control, enhances training of volunteers and improves significantly the accuracy rate of returns prepared at VITA sites.

This VITA Matching Grant Program Agreement (ID# 19VITA0134) between the United States Department of the Treasury - IRS, and the County of Riverside for the VITA Program for fiscal years 2018/2019 and 2019/2020 (Grant Agreement), attached hereto, brings federal funding to the County in the amount of \$91,425 for a term commencing August 1, 2018 through July 31, 2020. County Counsel has approved the Grant Agreement as to form.

Staff recommend that the Board ratify and approve the attached Grant Agreement; direct the Auditor-Controller to make the budget adjustments as shown on Schedule A; authorize the Chairman of the Board to execute the Grant Agreement; authorize the Director of Public Health, or designee, to accept and match funding from the U.S. Department of Treasury for fiscal year 2019/2020 in an amount that does not exceed the first year amount of \$91,425, and; authorize the Director of Public Health, or designee, to take all steps necessary to implement and administer the Grant Agreement including, but not limited to, signing subsequent amendments that do not

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change the substantive terms of the Grant Agreement, and signing all certifications, assurances, reports, or other related documents, subject to County Counsel approval.

Impact on Residents and Businesses

The VITA Program provides free tax services to low- and moderate-income individuals. In 2017, the VITA Program prepared 4,877 tax returns and had a community impact of over \$6.1 million. The VITA Program uses upwards of 150 volunteers and community partners to provide this crucial service and bring tax refund dollars back into the local economy.

Additional Fiscal Information

The initial funding for this two-year agreement is \$91,425. This amount is intended for use in the first-year of the agreement. Prior to the start of the second year of this agreement, an additional undetermined amount will be awarded for use contingent upon the availability of appropriate funds from which payment for the VITA Program is made.

Community Action budgeted \$79,425 for income tax program activities for FY 2018/2019. The award amount of \$91,425 reflects an increase of \$12,000 for FY 2018/2019. Therefore, a budget adjustment for FY 2018/2019 is needed in the amount of \$12,000.

No County General Funds will be required.

ATTACHMENTS:

- VITA Matching Grant Program Agreement (ID# 19VITA0134)

SCHEDULE A. BUDGET ADJUSTMENT:

Fiscal Year 2018/2019

INCREASE IN APPROPRIATIONS:

21050-5200300000-525080 Temp Assist Pool Svcs	\$ 2,600
21050-5200300000-523700 Office Supplies	\$ 2,180
21050-5200300000-523780 Printed Forms	\$ 470
21050-5200300000-524840 Finger Printing Services	<u>\$ 6,750</u>

TOTAL INCREASE IN APPROPRIATIONS:	\$ 12,000
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INCREASE IN ESTIMATED REVENUE:

21050-5200300000-767220 Fed- Other Operating Grants	<u>\$ 12,000</u>
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TOTAL INCREASE IN ESTIMATED REVENUE:	\$ 12,000
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Misley Wang, Supervising Accountant 2/11/2019


Gregory H. Priamos, Director County Counsel 2/11/2019

Grant Agreement

VITA

General Federal Award Information

Recipient name RIVERSIDE, COUNTY OF	Federal Award Identification Number (FAIN) 19VITA0134	
	Federal award date	October 1, 2018
	Period of performance	August 1, 2018 to July 31, 2020
Recipient address 2038 IOWA AVE, STE 102 RIVERSIDE, CA 92507-2471	Federal funds currently obligated	\$91,425.00
	Federal funds previously obligated	
	Total federal funds obligated	\$91,425.00
	Total amount of federal award	\$91,425.00
Unique Entity Identifier (DUNS) 105920057	Total cost sharing or matching required \$91,425.00	
Indirect cost rate N/A	Minimum federal returns to be accomplished by your program	Year 1 4,680
Budget amount approved \$91,425.00		Year 2

Grant Program Information

CFDA number and name	21.009 Volunteer Income Tax Assistance (VITA) Matching Grant Program
Program source	20-2009
Federal award project description	This project enables the Volunteer Income Tax Assistance (VITA) program to extend services to underserved populations in hardest-to-reach areas, both urban and non-urban; increase the capacity to file returns electronically; heighten quality control; enhance training of volunteers; and improve significantly the accuracy rate of returns prepared at VITA sites.

Contact Information for IRS Grant Officer


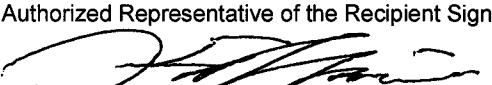
Name Azell Turner	Email Azell.I.Turner@irs.gov
Address Internal Revenue Services 401 W. Peachtree St. Stop 420-D Atlanta, Georgia 30308	Email to accept grant Azell.I.Turner@irs.gov
	Email for questions Azell.I.Turner@irs.gov

This **Grant Agreement** is entered into by the Internal Revenue Service, Department of the Treasury, United States of America, hereinafter referred to as IRS, and the recipient shown above and hereinafter referred to as recipient.

Period of Performance: The Grant Agreement covers the grant period shown above and is conditional on compliance with terms and conditions available in **Publication 5247** on IRS.gov. Recipients are cautioned to review the terms and conditions specific to this agreement in its entirety prior to signing. Expenses incurred before or after this period are not covered by this grant.

No additional expense reimbursements or other payments shall be made by the IRS unless the total amount of federal award set forth above is increased in writing by the Director, Stakeholder Partnerships, Education and Communication, Wage and Investment Division, or their designee.

The initial funding for this two year agreement is shown above. This amount is intended primarily for use in the first year of the agreement. Prior to the start of the second year of the agreement, an additional amount will be awarded for use in the second year contingent upon the availability of appropriated funds from which payment for the VITA Grant Program can be made. The amount for the second year may be increased or decreased depending on the Congressional appropriation for the program.

Approved for the Internal Revenue Service by		Approved by an Authorized Representative of the Recipient	
Name Frank Nolden		Name (Please Print) KEVIN JEFFRIES	
Title Director, Stakeholder Partnerships, Education & Communication		Title (Please Print) CHAIRMAN, BOARD OF SUPERVISORS	
Date 10/01/2018	Internal Revenue Service Signature 	Date 2/26/19	Authorized Representative of the Recipient Signature 

FORM APPROVED COUNTY COUNSEL
 BY **AMRIT P. DHILLON**
 DATE **1/24/2019**



Volunteer Income Tax Assistance (VITA) Terms and Conditions

Grant Period: August 1, 2018 through July 31, 2020

General Terms and Conditions

Administrative and National Policy Requirements

The recipient agrees to operate a VITA program as proposed in conformity with the requirements of the following:

1. VITA Grant Program Terms and Conditions;
2. Administrative and National Policy Requirements;
3. Publication 4671, *VITA Grant Program Overview and Application Instructions*;
4. Standard Form 424, *Application for Federal Assistance*;
5. List of Assurances and Certifications;
6. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; and other Federal regulations, as applicable;
7. All additional applicable statutory requirements, including the whistleblower protections at 41 U.S.C. 4712, and rules governing allowable costs at 41 U.S.C. 4304 and 4310, and all additional applicable requirements in OMB Circulars, Department of the Treasury Circulars and Federal Management Circulars;
8. The common rule on non-procurement debarment and suspension, adopted by the Department of the Treasury (31 CFR Part 19);
9. The common rule on government-wide requirements for Drug-Free Workplace (Grants), adopted by the Department of the Treasury (31 CFR Part 20);
10. All sub-award and executive compensation reporting, system for award management and universal identifier requirements for grant award recipients and organizations receiving sub-awards are set forth as items I and II in the Terms and Conditions Addendum to this Grant Agreement;
11. The Trafficking Victims Protection Act of 2000, as amended at 22 U.S.C. 7104, which prohibits grant award recipients and sub-recipients from engaging in severe forms of trafficking in persons during the period of time that the award is in effect, procuring a commercial sex act during the period of time that the award is in effect, using forced labor in the performance of the award or sub-awards under the award, or directly supporting or advancing trafficking in persons, as set forth as item III in the Terms and Conditions Addendum to this Grant Agreement; and
12. All recipient integrity and performance reporting in the Federal Awardee Performance and Integrity Information System (FAPIIS) required of recipients that have federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10 million, as set forth as item IV in the Terms and Conditions Addendum to this Grant Agreement.

VITA Grant Program Terms and Conditions

These special terms and conditions neither restate all the provisions of the applicable statutes and regulations, nor represent an exhaustive listing of all requirements applicable to this award. Rather, they are emphasized by inclusion here because they represent areas where issues were identified in the past.

1. The Recipient's signature on the Form 13981, *Grant Agreement*, signifies the agreement to all terms and conditions.
2. The Recipient is obligated to provide management and technical direction for their program and ensure that all sub-recipients adhere to the provisions established by this agreement.
3. The Recipient and all sub-recipients must adopt and practice a non-discriminatory policy and practice a policy that meets all federal grant requirements.
4. Revisions to the program plan and budget must be electronically submitted within 20 calendar days from notification of award to the IRS Grant Program Office. Subsequent changes to the budget between object class categories may be made without pre-approval when the change is 25% or less of the total award. Approval of changes greater than 25% must be requested in advance electronically and approved before the change may be made. The maximum award amount does not change.
5. The Recipient must notify IRS within 10 business days when changes in key personnel involved in the program occur. IRS will research the Excluded Parties List System to ensure they are not debarred, suspended, or otherwise excluded from or ineligible for a federal award. You may check this yourself before hiring or designating a change by searching the exclusion records from the Excluded Parties List System at www.sam.gov.
6. The Recipient must utilize the Payment Management System (PMS), Division of Payment Management, Health and Human Services, for withdrawal and reporting of fund expenditures. Advance funds may only be withdrawn for expenditures that will be incurred within three (3) business days of the receipt of the funds. Funds may be withdrawn at any time during the period of performance and up to 90 days thereafter for allowable, allocable, and necessary expenditures already incurred. Notification of changes in contact information for the PMS is the responsibility of the Recipient.
7. The Recipient is responsible for ensuring timely responses to requests for information and accurate reporting as explained in the Grant Reporting Requirements section of this agreement. The submission of all requested information, as well as timely and accurate reports, is required for future consideration for a grant. Extensions for providing the requested information and filing the reports will only be granted in unusual circumstances and only for information or reports due to the Grant Program Office. Recipients may request an extension but it must be submitted in writing at least five business days prior to the due date and the grantee must receive written response confirming the extension before the due date. The Grant Program Office cannot grant extensions for Payment Management System or sub-award reporting.
8. Financial records must identify the source and application of funds used for this program. Recipients must maintain documentation of expenditures, from both federal and matching funds, along with all in-kind contributions from third party or sub-recipient contributors for a minimum period of three years from the end of the program period of this agreement.
 - a. For recipients that utilize volunteer services as a match, information maintained must include the volunteer's name and contact information (address, phone and/or email) and daily time sheets to demonstrate work completed. If the volunteer provides services for other than the VITA program, the time must be allocated to identify the time contributed to the VITA program. Recipients using the simplified method for keeping record of volunteer return preparation services must maintain the number of federal returns prepared and the determination of the rates paid to paid return preparers in the local labor market instead of maintaining timesheets for volunteer screening, preparation, and quality review.

VITA Grant Program Terms and Conditions (continued)

- b. Recipient must also allocate and report time for non-volunteers who perform duties for the VITA program. Time sheets for non-volunteers must clearly delineate the amount of time an individual spends on the VITA program and on other activities. For salaried employees not required to complete timesheets, documentation is required to account for the time spent on the VITA program.
 - c. For recipients that utilize space as a match, information must be maintained on the actual dates and times the space is used and the calculated value of the space. A complete explanation as to how the valuation was determined is required. The use of per day and/or per hour costs should not exceed the fair market rental value of the space.
9. Federal funds may not be used to pay individuals for the preparation of returns, quality review and/or screening taxpayers. Individuals performing these duties in addition to site coordination, clerical support, etc. must document their time accordingly to ensure they are not paid for these activities. Where the preparation of a return, quality review and/or screening is ancillary to their paid activities, documentation is not required. For example, quality review is ancillary in the case of a site coordinator that is generally not responsible for quality review, reviews returns when the quality reviewer is delayed by traffic during one session until the quality reviewer arrives or a backup is identified. However, it is not ancillary if every Tuesday, the quality reviewer arrives one hour after the site opens, and the site coordinator assumes the role of quality reviewer during the absence each week.
10. The Recipient and all sub-recipients must utilize Form 13614-C, *Intake/Interview & Quality Review Sheet* at sites or events where federal returns are prepared.
11. The Recipient and all sub-recipients must adhere to all Quality Site Requirements as explained in Publication 1084, *IRS Volunteer Site Coordinators Handbook*.
12. The Recipient agrees to remain tax compliant (file all required federal returns and information reporting documents and pay all federal taxes) during the period of this grant. This does not restrict the Recipient's use of established processes for contesting assessments.
13. The Recipient must notify the Grant Program Office of any cash sub-awards of \$1,000 or more. Notification must be within 30 days of the sub-award and include the entity name, a valid DUNS number, and amount of award. Recipients are not required to report non-cash sub-awards to the Grant Program Office, such as when the grantee purchases supplies for the entity. Sub-awards involving both cash and non-cash only need to be reported if the cash award is \$1,000 or greater.
14. The Recipient must follow IRS conflict of interest policies for federal awards and must immediately disclose in writing any potential conflict of interest to the Grant Program Office. The Recipient must require each sub-recipient to follow IRS conflict of interest policies for federal awards and must require each sub-recipient to immediately disclose in writing any potential conflict of interest to the Recipient. IRS conflict of interest policies are as follows:
 - a. The Recipient and all sub-recipients must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees, officers, and agents engaged in the selection, award, and administration of sub-awards and contracts as required in 2 CFR 200.318. No employee, officer, or agent of the Recipient or any sub-recipient may participate in the selection, award, or administration of a sub-award or contract supported by a federal award if he or she has a real or apparent conflict of interest. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, and agents. *(continued)*

VITA Grant Program Terms and Conditions (continued)

- b. If the Recipient or sub-recipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the Recipient or sub-recipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the Recipient or sub-recipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
15. All contracts made by the Recipient under the federal award must contain all applicable provisions listed in Appendix II to 2 CFR Part 200.
16. The Recipient must timely disclose in writing to the Grant Program Office any violation of federal criminal law involving fraud, bribery, or gratuity violations that may potentially affect the award. Failure to make required disclosures can result in a number of actions, including withholding of payments, disallowance, and suspension/debarment from future awards. The Recipient must require each sub-recipient to certify that the sub-recipient has not violated any federal criminal law involving fraud, bribery, or gratuity violations that may potentially affect the award or disclose in writing to the Recipient any violation of federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award. The Recipient must also include in the award documents for all sub-awards a requirement that the sub-recipient timely disclose in writing to the Recipient any violation of federal criminal law involving fraud, bribery, or gratuity violations that may potentially affect the award.
17. The Recipient and all sub-recipients are prohibited from providing funds made available by the Internal Revenue Service to the Association of Community Organizations for Reform Now (ACORN) or any of its affiliates, subsidiaries, allied organizations, or successors as sub-grantees, subcontractors, or other sub-recipients.
18. IRS may terminate this agreement for reasons of default or failure of the Recipient to perform its obligations under this agreement, as well as for malfeasance, illegal conduct, and/or management practices by the Recipient that jeopardize the ethical operations and implementation of this agreement. In any of the above cases, IRS will notify the Recipient in writing of its intent to terminate the agreement and the causes for such a decision. IRS will provide seven days for the Recipient to respond in writing.
19. The Recipient and all sub-recipients must agree to comply with the Buy American Act, 41 U.S.C. 8301-8303, which includes a requirement that all un-manufactured articles, materials, and supplies purchased using grant funds be mined or produced in the United States and that all manufactured articles, materials, and supplies purchased using grant funds be manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States. A conviction for violating the Buy American Act causes debarment from federal grants and contracts. The requirement to Buy American does not apply to information technology that is a commercial item, products for which the expected value of the procurement is \$3,500 or less, products for use outside the United States, foreign products when domestic products are unavailable or are of unacceptable quality, or foreign products excepted by certain trade agreements. The IRS may waive the requirement to Buy American if its application would be inconsistent with the public interest or the cost would be unreasonable. 8301-8303, includes a requirement that all un-manufactured articles, materials, and supplies purchased using grant funds be mined or produced in the United States and that all manufactured articles, materials, and supplies purchased using grant funds be manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States. A conviction for violating the Buy American Act causes debarment from federal grants

VITA Grant Program Terms and Conditions (continued)

and contracts. The requirement to Buy American does not apply to information technology that is a commercial item, products for which the expected value of the procurement is \$3,500 or less, products for use outside the United States, foreign products when domestic products are unavailable or are of unacceptable quality, or foreign products excepted by certain trade agreements. The IRS may waive the requirement to Buy American if its application would be inconsistent with the public interest or the cost would be unreasonable.

20. Taxpayers utilizing volunteer program services provide Personally Identifiable Information (PII) to the volunteers, such as names, addresses, Social Security Numbers, birth dates, and bank account information. Therefore, partners and volunteers must keep the information confidential and protect it from unauthorized individuals and misuse. Grant recipients and any sub-recipient organizations must adhere to the requirements for protecting PII data as explained in Publication 4299, *Privacy, Confidentiality, and Civil Rights - A Public Trust*.

VITA Grant Reporting Requirements Section

The Recipient is responsible for ensuring requests for information and/or documents are acted upon promptly and responded to by the requested date and to ensure all reports are timely and accurately filed throughout the grant period and until close out of the grant. The following information requests, reports and reporting dates apply to the VITA Grant.

Item	Description	Method	Frequency	Due
1	Grant acceptance – Forms 13981 and 14335, and a detailed budget using the VITA Grant Workbook must be returned within 20 calendar days of notification.	Email to IRS grant officer	Upon notification	20 calendar days from the award notice date
2	Key personnel changes – Notify your assigned grant officer when key personnel change.	Email to IRS grant officer	Variable	Within 10 business days of change
3	Cash sub-awards of \$1,000 or more – See page 3, item 13, of this publication to determine applicability to your organization.	Email to IRS grant officer	Variable	Within 30 business days of sub-award
4	Related party transactions – See pages 3-4, item 14, of this publication to determine when your organization must report.	Email to IRS grant officer	Variable	Within 30 business days of transaction
5	Site establishment – Provide a list of planned sites by December 1 each year. Provide a list of opened sites by October 30 when submitting the final report. TIP: Use the VITA target audience worksheet submitted with your application to communicate changes. Confirm via email when no changes.	Email to IRS grant officer	Before filing season and with final report	December 1, each year October 30, final report
6	Federal Financial Report (FFR) Cash Transaction Report, Standard Form 425 – Provide quarterly financial information using Payment Management System (PMS). Reporting continues until all grant funds are withdrawn and reported.	Complete electronically in the PMS	Quarterly once funds are deposited in PMS account	January 30 April 30 July 30 October 30
7	Matching funds documentation – Provide matching funds documentation within 20 days of award notice date.	Email to IRS grant officer	Annually	Within 20 calendar days of the award notice date
8	Sub-award reporting – Provide information on sub-awards \$25,000 or more. See the Terms and Conditions Addendum, pages 6-8, of this publication for more information.	Complete electronically at www.fsrs.gov and www.SAM.gov	Upon sub-award of funds meeting conditions	By the end of the month following the month during which the sub-award is made
9	FFR Financial Status Report - Complete and submit report covering the first 12 months of the grant period. Select Semi_Annual for Report Type.	Complete electronically in the PMS	Semi-Annual	July 30, 2019
10	Unused funds notification – Provide IRS with confirmation that all funds awarded will be used. If not, provide amount that can be released.	Email to IRS grant officer	End of performance period	July 30, 2020
11	Final report – Provide report covering entire period of performance to include final program plan narrative, final budget detail explanation, and items 5, 12, and 13 in this table. Detailed instructions are provided in Publication 4883, <i>Grant Programs Resource Guide</i> .	Email to IRS grant officer	90 days after end of grant period	October 30, 2020
12	Standard Form PPR-A, <i>Performance Measures</i> – Detailed instructions are provided in Publication 4883.	Email to IRS grant officer	90 days after end of grant period	October 30, 2020
13	FFR Financial Status Report – Complete and submit report covering the entire grant period in the PMS. Select Semi-Annual for Report Type.	Complete electronically in the PMS	90 days after end of grant period	October 30, 2020

Due to size restrictions in our email system, the grant recipient is responsible for confirming the receipt of electronic messages sent with large attachments (over 10MB).

Terms and Conditions Addendum

I. Reporting Sub-awards and Executive Compensation.

a. Reporting of first-tier sub-awards.

1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a sub-award to an entity (see definitions in paragraph e. of this award term).
2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsr.gov>.
 - ii. For sub-award information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsr.gov> specify.

b. Reporting Total Compensation of Recipient Executives.

1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if--
 - i. The total Federal funding authorized to date under this award is \$25,000 or more;
 - ii. In the preceding fiscal year, you received--
 - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and sub-awards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and sub-awards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)
2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:
 - i. As part of your registration profile at <http://www.sam.gov>.
 - ii. By the end of the month following the month in which this award is made, and annually

Terms and Conditions Addendum (continued)

thereafter.

c. Reporting of Total Compensation of Sub-recipient Executives.

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier sub-recipient under this award, you shall report the names and total compensation of each of the sub-recipient's five most highly compensated executives for the sub-recipient's preceding completed fiscal year, if--
 - i. In the sub-recipient's preceding fiscal year, the sub-recipient received--
 - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and sub-awards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and sub-awards); and
 - ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)
2. Where and when to report. You must report sub-recipient executive total compensation described in paragraph c.1. of this award term:
 - i. To the recipient.
 - ii. By the end of the month following the month during which you make the sub-award. For example, if a sub-award is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the sub-recipient by November 30 of that year.

d. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. Sub-awards, and
- ii. The total compensation of the five most highly compensated executives of any sub-recipient.

e. Definitions. For purposes of this award term:

1. Entity means all of the following, as defined in 2 CFR part 25:
 - i. A Governmental organization, which is a State, local government, or Indian tribe;
 - ii. A foreign public entity;
 - iii. A domestic or foreign nonprofit organization;
 - iv. A domestic or foreign for-profit organization;
 - v. A Federal agency, but only as a sub-recipient under an award or sub-award to a non-Federal entity.
2. Executive means officers, managing partners, or any other employees in management positions.

Terms and Conditions Addendum (continued)

3. Sub-award:
 - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible sub-recipient.
 - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __ .210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations ¹").
 - iii. A sub-award may be provided through any legal agreement, including an agreement that you or a sub-recipient considers a contract.
4. Sub-recipient means an entity that:
 - i. Receives a sub-award from you (the recipient) under this award; and
 - ii. Is accountable to you for the use of the Federal funds provided by the sub-award.
5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or sub-recipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
 - i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax-qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

II. System for Award Management and Universal Identifier Requirements

a. Requirement for System for Award Management

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

b. Requirement for Unique Entity Identifier

If you are authorized to make sub-awards under this award, you:

1. Must notify potential sub-recipients that no entity (see definition in paragraph c of this award term) may receive a sub-award from you unless the entity has provided its unique entity

¹This guidance is now found at 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Section 200.330.

Terms and Conditions Addendum (continued)

identifier to you.

2. May not make a sub-award to an entity unless the entity has provided its unique entity identifier to you.

c. Definitions

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
2. Unique entity identifier means the identifier required for SAM registration to uniquely identify business entities..
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - i. A Governmental organization, which is a State, local government, or Indian Tribe;
 - ii. A foreign public entity;
 - iii. A domestic or foreign nonprofit organization;
 - iv. A domestic or foreign for-profit organization; and
 - v. A Federal agency, but only as a sub-recipient under an award or sub-award to a non-Federal entity.
4. Sub-award:
 - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible sub-recipient.
 - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).
 - iii. A sub-award may be provided through any legal agreement, including an agreement that you consider a contract.
5. Sub-recipient means an entity that:
 - i. Receives a sub-award from you under this award; and
 - ii. Is accountable to you for the use of the Federal funds provided by the sub-award.

III. Trafficking in Persons

a. Provisions applicable to a recipient that is a private entity.

1. You as the recipient, your employees, sub-recipients under this award, and sub-recipients' employees may not—
 - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - ii. Procure a commercial sex act during the period of time that the award is in effect; or
 - iii. Use forced labor in the performance of the award or sub-awards under the award.
2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if

Terms and Conditions Addendum (continued)

you or a sub-recipient that is a private entity —

- i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—
 - (A) Associated with performance under this award; or
 - (B) Imputed to you or the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement),” as implemented by the Department of Treasury at 31 CFR part 19.
- b. Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a sub-recipient that is a private entity—
1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
 2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—
 - i. Associated with performance under this award; or
 - ii. Imputed to the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by the Department of Treasury at 31 CFR part 19.
- c. Provisions applicable to any recipient.
1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
 2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
 3. You must include the requirements of paragraph a.1 of this award term in any sub-award you make to a private entity.
- d. Definitions. For purposes of this award term:
1. “Employee” means either:
 - i. An individual employed by you or a sub-recipient who is engaged in the performance of the project or program under this award; or
 - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
 2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage,

Terms and Conditions Addendum (continued)

2. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

- a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
- b. Reached its final disposition during the most recent five year period; and
- c. Is one of the following:
 - (1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;
 - (2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
 - (3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or
 - (4) Any other criminal, civil, or administrative proceeding if:
 - (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;
 - (ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
 - (iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

4. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent five year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

- a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

Terms and Conditions Addendum (continued)

- c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—
- (1) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and
 - (2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.