

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



ITEM: 3.22
(ID # 23345)

MEETING DATE:
Tuesday, January 23, 2024

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Ratify and Approve the U.S Department of Agriculture (USDA), Agricultural Marketing Service (AMS), Farmers Market Promotion Program (FMPP) Award to establish a Farmers' Market "Blythe Marketfest" in the City of Blythe in partnership with the Blythe Chamber of Commerce. Accept the Award, and Commit Matching Funds, Establishing a County of Riverside Farmers' Market Program. District 4. [\$226,225 Total Cost - 75% Federal USDA Grant funds, 25 % Staff Salary County Match] (CEQA and NEPA Exempt) (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the USDA FMPP Grant Award and the Subrecipient Agreement with Blythe Chamber of Commerce are exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3) and 15301; and

Continued on Page 2

ACTION:4/5 Vote Required

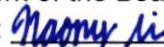

Suzanne Holland, Director of Office of Economic Development 1/9/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: January 23, 2024
xc: OED

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

2. Find that the Blythe Marketfest is excluded under the National Environmental Policy Act (NEPA) in accordance with rules and regulations Article 48 FR 11403, Mar.18, 1983 for the U.S Department of Agriculture (USDA); and
3. Ratify and approve the attached Farmers Market Promotion Program (FMPP) Award #23FMPPCA1150-00 from the U.S Department of Agriculture (USDA) to establish a Farmers' Market in the County, and accept the grant thereunder in the amount of \$180,980 (USDA Grant) and any future amendments that add grant funds; and
4. Approve the attached Agricultural Marketing Service (AMS) Grants Division General Terms and Conditions, and allow the County Authorized Organization Representative (AOR), or Designee, to make any modifications to the USDA FMPP Grant Agreement as required by the USDA, subject to approval by County Counsel; and
5. Approve the allocation of County of Riverside Office of Economic Development Funds in the Amount of \$45,245 to be Used as a Non-Federal Matching Share for the eligible project expenses Incurred in Connection with USDA FMPP Grant as required by the USDA; and
6. Approve the attached Subrecipient Agreement between Blythe Chamber of Commerce, and the County of Riverside to be used for Management and Operational Services, without seeking competitive bids, in an amount not to exceed \$180,980 through April 30, 2026, and authorize the Chair of the Board of Supervisors to execute said agreement on behalf of the County; and
7. Authorize the Director of the County of Riverside Office of Economic Development, or designee, to take necessary steps to implement and administer the USDA FMPP Grant, the Subrecipient Agreement Including signing subsequent necessary and related documents associated with implementation, subject to approval as to form by County Counsel and making programmatic changes as needed; and,
8. Approve and direct the Auditor-Controller to make budget adjustments as shown on Schedule A.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$80,000	\$70,000	\$226,225	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 75% USDA FMPP Grant Funds, 25% Staff Salary County Match			Budget Adjustment: Yes	
			For Fiscal Year: 23/24-26/27	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In an effort to promote economic development in the underserved communities of Blythe and Palo Verde Valley, through development, operation, and expansion of a direct producer to

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consumer Farmers' Market, the Riverside County Office of Economic Development (County) applied for and was awarded a U.S Department of Agriculture Farmers Market Promotion Program Grant (USDA FMPP), in the amount of \$180,980 to administer a Farmers' Market in the City of Blythe. The USDA Grant terms are set forth in the attached USDA Agricultural Marketing Service (AMS) Grants Division General Terms and Conditions. In accordance with said terms and conditions, if the USDA FMPP Grant is accepted, the County is required to provide staff salary matching funds in the amount of \$45,245 (County Match), which will provide a total project budget of \$226,225. The Grant's period of performance is from September 30, 2023, to September 29, 2026. The County's proposed use for these funds is operation of the weekly Blythe Farmers' Market (Blythe Marketfest).

The attached USDA Agricultural Marketing Service (AMS) Grants Division General Terms and Conditions (USDA AMS Plan) outlines how the Blythe Marketfest shall be operated consistent with the USDA FMPP Grant Award conditions. Riverside County Office of Economic Development staff recommends the Board ratify and approve the USDA FMPP Award, including the related terms and conditions, and accepts the USDA FMPP Grant.

Blythe Marketfest Agreement

The Office of Economic Development proposes to partner with the Blythe Chamber of Commerce, a nonprofit mutual benefit corporation, experienced in operating community events and providing support for small businesses in the Blythe Community. Blythe Chamber of Commerce focuses on advancing the general welfare and prosperity of its community members, and promotes economic, civic, agricultural, commercial, industrial, and educational interests in the area. The Blythe Marketfest is expected to improve access to and consumption of local and regionally produced agricultural goods, providing critical business with increased sales, retaining existing jobs, and creating new jobs for the community. Given its remote location, the Blythe Chamber has the accessibility to connect residents to new economic and consumer resources that will promote beneficial economic opportunities across Blythe and surrounding areas. The Office of Economic Development selected the Blythe Chamber of Commerce because of the organization's integrated relationship with the City of Blythe and surrounding communities. The Blythe Chamber will provide critical resources and assistance by performing Marketfest Management and Operational Services. The Blythe Marketfest project includes two Farmers' Market seasons consisting of 3-month periods, throughout a three-year agreement with the County of Riverside.

The Office of Economic Development recommends approval of the USDA FMPP Grant award of \$180,980 in federal funds to be used towards the reimbursement-based Subrecipient Agreement with Blythe Chamber of Commerce. Blythe Chamber of Commerce will be required to provide seasonal (90-day period) reports to the Office of Economic Development. Granted funds will solely be used for the Allowable Budget Categories outlined in the AMS agreement, and any amendments needed for the Grant will be first approved by USDA AMS staff. Purchasing has approved procurement of these services from Blythe Chamber of Commerce via attached Single Source Justification.

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Pursuant to the California Environmental Quality Act (CEQA), the proposed ratification and approval of the USDA FMPP Grant funds, and the Subrecipient Agreement with Blythe Chamber of Commerce were reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15061(b) (3), General Rule or "Common Sense" exemption, and the Blythe Marketfest was determined to come under Section 15301 Class 1- Existing Facilities exemption. Both 15061(b) (3) and 15301 Class 1 apply to Marketfest operations at Todd Park in the City of Blythe. Todd Park is an existing use facility that the City of Blythe and Blythe Chamber of Commerce has used to host similar vending events. The project includes implementing a Farmers' Market USDA approved project composed of Management and Operational Services and Grant funds for use of Marketfest Management and Operations per the Allowable Costs and Activities under the AMS Grants Division General Terms and Conditions. USDA FMPP funds are strictly for Marketfest Management, expenditures, and contract expenses per the AMS Terms and Conditions that will not alter the existing facility and is categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities since the Project does not include any change of existing facilities and no expansion of an existing use will occur. In addition, it can be seen with certainty that there is no possibility that the activity in question will have a significant impact on the environment since the Project is implementing Management and Operational Services and will not require any construction activities and will not lead to any direct or reasonably foreseeable indirect physical environmental impacts since the existing use will be maintained. Per USDA AMS' General Terms and Conditions, FMLFPP awards are subject to the National Environmental Policy Act (NEPA). This noted, AMS (which administers the FMLFPP) is "excluded from the requirements of preparing procedures to implement NEPA" and are "excluded from the preparation of an EA or EIS unless the agency head determines that an action may have a significant environmental effect". Since FMLFPP funded projects are focused on marketing related activities and are prohibited from conducting construction related activities in general, the National Environmental Policy Act (NEPA) is not considered to apply to FMLFPP awards.

The Office of Economic Development recommends that the Board ratify and approve the USDA FMPP Grant Award and approve, execute the attached Subrecipient Agreement with Blythe Chamber of Commerce and authorize the Director of the Office of Economic Development, or designee to administer the USDA Grant and the Subrecipient Agreement.

Impact on Residents and Businesses

The Blythe Marketfest is intended to support and improve local economic opportunities in the City of Blythe and Palo Verde Valley by providing access to local and regional goods and a venue for opportunities to start new businesses and existing business expansion. The Blythe Marketfest is intended to increase sales, retain existing jobs, and creation of new jobs. The Blythe Marketfest will create a family friendly reoccurring community event for the residents of Blythe and surrounding areas.

Additional Fiscal Information

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Award of grant funds necessitates an increase to current year revenue and appropriations, as requested and detailed in the attached Schedule A Budget Adjustment. Annual Agreement costs are as follows:

FY 2023/24	\$80,000
FY 2024/25	\$70,000
FY 2025/26	\$70,000
FY 2026/27	\$ 6,225
TOTAL	\$226,225

ATTACHMENTS:

- Blythe Chamber of Commerce Project Subrecipient Agreement
- Single Source Justification #24-141
- USDA Agricultural Marketing Service (AMS) Grant Division General Terms and Conditions



Aaron Gettis, Deputy County Counsel 1/10/2024



RIVERSIDE COUNTY
OFFICE OF ECONOMIC DEVELOPMENT

TO: Suzanne Holland, Director

FROM: Maria Gonzalez, Development Specialist I

DATE: November 21, 2023

SUBJECT: Sole Source Justifications for Blythe Marketfest Management and Operational Services.

Attached for your review and signature is the Sole Source Justification's (SSJ) for Blythe Marketfest Management and Operational Services. The services to be provided by the Blythe Chamber of Commerce will be to operate and manage a weekly Farmers Market called "Blythe Marketfest. This Farmers Market will be financially supported by a USDA FMPP Grant Award that the Office of Economic Development just recently received in the amount of \$180,980.00. These federal funds are intended to improve the economic conditions in Blythe to improve access to local and regional goods that could provide critical business to the community. This new stem of capital is projected to increase city sales, retain small business jobs, create new jobs, and respond to the current financial crisis that Blythe and the surrounding communities are facing. Blythe Marketfest will be officially launching on December 09, 2023, at Todd Park in the city of Blythe, this will be the permanent location throughout the entirety of the project. The Riverside County Office of Economic Development, the Blythe Chamber of Commerce, the City of Blythe, and the OCIE SBDC will host a ribbon cutting for this event in January 2024 to celebrate the grand opening.

The Blythe Marketfest Project is a USDA approved Farmers' Market that will encompass local small business vendors, local non-profit booths, and community organizations. The Marketfest will kickstart business expansion, community involvement, and community moral in an area that has never seen a consistent and stable Farmers' Market. The implemented period of this project is from September 30, 2023, until September 29, 2026, where the Blythe Chamber of Commerce is expected to continue the project on their own as it grows into a thriving Farmers' Market. The Blythe Marketfest will continue its operations every Saturday from 8am-12pm, staying active for 3 years until the Blythe Chamber of Commerce can officially take over the entirety of the project.

Matthew Gaeta, PCS at Purchasing and Fleet Services has approved the draft document.

All documents are being uploaded into Minute Traq and set for BOS Agenda on December 12th, 2023.

RIVERSIDE COUNTY
OFFICE OF ECONOMIC DEVELOPMENT

3403 10TH STREET, SUITE 400, RIVERSIDE, CA 92501 | (951) 955-8916



RIVERSIDE COUNTY
OFFICE OF ECONOMIC DEVELOPMENT

Date: November 21, 2023
From: Suzanne Holland, Director
To: Purchasing Agent
Via: Maria Gonzalez, Development Specialist, 760-863-7905 (o)
Subject: **Sole Source Procurement; Request for Marketfest Management and Operational Services in the City of Blythe and Palo Verde Valley**

The below information is provided in support of my Department requesting approval for a sole or single source. *(Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole or single source.)*

1. **Supplier being requested:** Blythe Area Chamber of Commerce (Blythe Chamber)
2. **Vendor ID:** 3498
3. Single Source **Sole Source**
4. **Have you previously requested and received approval for a sole or single source request for this vendor for your department?** *(If yes, please provide the approved sole or single source number).*
 Yes No
SSJ# _____
- 4a. **Was the request approved for a different project?**
 Yes No
5. **Service being requested:** A local entity that will provide outreach, recruitment, retention of producers and consumers, management of Marketfest administrative staff, weekly operations oversight, social media marketing, data collection, and reporting to Riverside County Office of Economic Development, throughout Blythe and Palo Verde Valley.
6. **Unique features of the supply/service being requested from this supplier.** The Blythe Chamber is the only entity with the capacity to perform all required Marketfest Management and Operational Services to the City of Blythe and Palo Verde Valley. The Blythe Chamber will provide critical resources and assistance to a community that is currently combatting economic development hardships, which have historically negatively impacted hundreds of residents and their local economy. The Blythe Chamber will provide these services to meet the goals outlined under the United States Department of Agriculture (USDA) Farmers Market and Local Food Promotion Grant Program, designed to improve the economic conditions of the agricultural producers and local economic development throughout the underserved communities of Blythe and Palo Verde Valley. Under the now approved USDA Grant that has been formally funded, the Farmers Market Promotion Program will be supplied/serviced by the Blythe Chamber of Commerce in following all terms and conditions outlined in the Grant Agreement.

In addition, the Blythe Chamber will provide monthly financial reports to the Riverside County Office of Economic Development detailing the program income, separation of funds, and any budget expenditures following the allowable expenses per the attached PSA. The Blythe Chamber is responsible for the hiring of a Farmers Market Manager and any other employees that will provide, outreach, recruitment, retention of vendors and customers, management of administrative staff, marketing, data collection, and community engagement.

7. Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county: The Blythe Chamber of Commerce will improve the economic conditions of the underserved communities of Blythe and Palo Verde Valley by developing, operating, and expanding a direct producer to consumer Farmers' Market. This project will improve access to and consumption of local and regionally produced agricultural goods, provide critical business to increase sales, retain existing jobs and create new jobs for the community. Given their remote location, the Blythe Chamber has the accessibility to connect residents to new economic and consumer resources that will promote beneficial economic opportunities across Blythe.

8. Period of Performance: From: September 30, 2023 to September 29, 2026 (4 fiscal years)
(Initial Period of Performance is for three years, with the option to renew for two additional years, in one-year increments, based on the availability of fiscal funding as approved by the County)

Is this an annually renewable contract? No Yes
 Is this a fixed-term agreement: No Yes

(A fixed-term agreement is set for a specific amount of time; it is not renewed annually. Ensure multi-year fixed-term agreements include a cancellation, non-appropriation of funds, or refund clause. If there is no clause(s) to that effect, then the agreement must be submitted to the Board for approval. No exemptions shall apply.)

9. Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. You do not need to include previous fiscal year amounts. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)

Description	FY23/24	FY24/25	FY25/26	FY26/27	Total
Ongoing Costs:	\$65,000.00	\$55,000.00	\$55,980.00	\$5,000.00	\$180,980.00
Total Costs	\$65,000.00	\$55,000.00	\$55,980.00	\$5,000.00	\$180,980.00

10. Price Reasonableness:

The costs categorized in the approved budget are reasonably priced given the USDA Agricultural Marketing Service (AMS) Allowable and Unallowable Costs and Activities, that our budget is outlined to follow. All costs have been thoroughly explained and approved under the allowable AMS costs in partnership with USDA Grant Specialists. The Blythe Marketfest Budget mirrors other USDA approved California Farmers' Markets, and closely follows historically successful local markets that are also within Riverside County.

11. Projected Board of Supervisor Date (if applicable): 12/12/2023

(Draft Form 11s, service agreement and or quotes must accompany the sole source request for Purchasing Agent approval.)


Suzanne Holland
11/29/2023

Department Head Signature (or designee) Print Name Date

The section below is to be completed by the Purchasing Agent or designee.

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Condition/s:

Not to exceed:

One-time \$ _____

Annual Amount \$ _____ / per fiscal year through September 29, 2026

(If Annual Amount Varies each FY):

FY 23/24: \$65,000.00

FY 24/25: \$55,000.00

FY 25/26: \$55,980.00

FY 26/27: \$5,000.00

Meghan Hahn
Purchasing Agent

12/5/23
Date

24-141
Approval Number
(Reference on Purchasing Documents)

RIVERSIDE COUNTY
OFFICE OF ECONOMIC DEVELOPMENT

3403 10TH STREET, SUITE 400, RIVERSIDE, CA 92501 | (951) 955-8916

SCHEDULE A
Office of Economic Development
Budget Adjustment
Fiscal Year 2023/2024

Increase estimated revenue:

21150-1900100000-767280	Fed-Federal Revenue	\$65,000
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Increase in Appropriations:

21150-1900100000-528500	Project Cost Expense	\$65,000
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SUBRECIPIENT AGREEMENT

For

COUNTY OF RIVERSIDE MARKETFEST

between

COUNTY OF RIVERSIDE

and

BLYTHE CHAMBER OF COMMERCE

JAN 23 2024 3.22

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This Subrecipient Agreement (“Sub-agreement”), made and entered into this 10th day of January, 2024, by and between BLYTHE CHAMBER OF COMMERCE., a California nonprofit mutual benefit corporation (herein referred to as "SUBRECIPIENT"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"), to accelerate the United States recovery from the economic impacts of the COVID-19 pandemic through the COUNTY’s Economic Recovery Program (Recovery Program). SUBRECIPIENT and COUNTY are individually referred to herein as a “Party” and collectively as the “Parties.” The parties agree as follows:

1. Description of Services

1.1 SUBRECIPIENT shall provide all services as outlined and specified in Exhibit A, Scope of Services, at the prices stated in Exhibit B, Payment Provisions.

1.2 SUBRECIPIENT represents that it has the skills, experience, and knowledge necessary to perform under this Sub-agreement and the COUNTY relies upon this representation. SUBRECIPIENT shall perform to the satisfaction of the COUNTY and in conformance to and consistent with Exhibit C, Agricultural Marketing Service (AMS) Grants division General Terms and Conditions, the highest standards of firms/professionals in the same discipline in the State of California.

1.3 SUBRECIPIENT affirms this it is fully apprised of all of the work to be performed under this Sub-agreement; and the SUBRECIPIENT agrees it can properly perform this work at the prices stated in Exhibit B. SUBRECIPIENT is not to perform services to the COUNTY outside of this Sub-agreement.

1.4 Acceptance by the COUNTY of the SUBRECIPIENT’s performance under this Sub-agreement does not operate as a release of SUBRECIPIENT’s responsibility for full compliance with the terms of this Sub-agreement.

2. Period of Performance

2.1 This Sub-agreement shall be effective September 30, 2023, and continues in effect through September 29, 2026, unless terminated earlier. SUBRECIPIENT shall commence performance upon signature of this Sub-agreement by both parties and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the County for a non-cancelable multi-year agreement.

3. Compensation

3.1 The COUNTY shall pay the SUBRECIPIENT on a reimbursable basis from the approved USDA FMPP Award Fund for services performed, products provided, and expenses incurred in accordance with the terms of Exhibit B and C, Payment Provisions and AMS General Terms and Conditions. Maximum payments by COUNTY to SUBRECIPIENT shall not exceed One Hundred Eighty Thousand, Nine-Hundred Eighty Dollars (\$180,980.00), including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of SUBRECIPIENT's expenses related to this Sub-agreement.

3.2 No price increases will be permitted during the first year of this Sub-agreement (If applicable). All price decreases (for example, if SUBRECIPIENT offers lower prices to another governmental entity) will automatically be extended to the COUNTY. The COUNTY requires written proof satisfactory to COUNTY of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of 30-days advance notice in writing is required to be considered and approved by COUNTY. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Sub-agreement. The net dollar amount of profit will remain firm during the period of the Sub-agreement . Annual increases shall not exceed the Consumer Price Index- All Consumers, All Items - Greater Los Angeles, Riverside and Orange County areas and be subject to satisfactory performance review by the COUNTY and approved (if needed) for budget funding by the Board of Supervisors.

3.3 SUBRECIPIENT shall be paid only in accordance with an invoice submitted to COUNTY by SUBRECIPIENT within fifteen (15) days from the last day of each calendar month, and COUNTY shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. Payment shall be made to SUBRECIPIENT only after services have been rendered or delivery of materials or products, and acceptance has been made by COUNTY. Prepare invoices in duplicate. For this Sub-agreement, send the original and duplicate copies of invoices to:

Joaquin Tijerina, Economic Development Manager
County of Riverside Economic Development Agency
44-199 Monroe Street, Suite B
Indio, CA 92201
Telephone: (760) 863-2529
Email: JTijerina@rivco.org

- a) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; bill-to and ship-to addresses of ordering department/division; quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and an invoice total.
- b) Invoices shall be rendered monthly in arrears.

3.4 The COUNTY obligation for payment of this Sub-agreement beyond the current fiscal year end is contingent upon and limited by the availability of COUNTY funding from which payment can be made, and invoices shall be rendered “monthly” in arrears. In the State of California, Government agencies are not allowed to pay excess interest and late charges, per Government Codes, Section 926.10. No legal liability on the part of the COUNTY shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that such funds are not forthcoming for any reason, COUNTY shall immediately notify SUBRECIPIENT in writing; and this Sub-agreement shall be deemed terminated, have no further force, and effect.

3.5 The total capital budget for full performance under this Sub-agreement is **ONE HUNDRED AND EIGHTY THOUSAND WITH NINE HUNDRED AND EIGHTY DOLLARS (\$180,980.00)** for services provided to the Blythe Marketfest in Riverside County. The capital budget may be amended as needed pursuant to Section 23.14 of this Sub-agreement. Disbursement of funds shall be in accordance with Exhibit B and Exhibit C Allowable Cost and Activities.

4. Alteration or Changes to the Sub-agreement

4.1 The Board of Supervisors and the COUNTY Purchasing Agent and/or his designee is the only authorized COUNTY representatives who may at any time, by written order, alter this Sub-agreement. If any such alteration causes an increase or decrease in the cost of, or the time required for the performance under this Sub-agreement, an equitable adjustment shall be made in the Sub-agreement price or delivery schedule, or both, and the Sub-agreement shall be modified by written amendment accordingly.

4.2 Any claim by the SUBRECIPIENT for additional payment related to this Sub-agreement shall be made in writing by the SUBRECIPIENT within 30 days of when the SUBRECIPIENT has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to the SUBRECIPIENT. If the COUNTY Purchasing Agent decides that the facts provide sufficient justification, he may authorize additional payment to the

SUBRECIPIENT pursuant to the claim. Nothing in this section shall excuse the SUBRECIPIENT from proceeding with performance of the Sub-agreement even if there has been a change.

5. Termination

5.1. Either party may terminate this Sub-agreement without cause upon 30 days written notice served upon the other stating the extent and effective date of termination.

5.2 Either party may, upon five (5) days written notice terminate this Sub-agreement for the other party's default, if a party refuses or fails to comply with the terms of this Sub-agreement or fails to make progress that may endanger performance and does not immediately cure such failure. In the event of such termination, the non-defaulting party may proceed with the work in any manner deemed proper by such party.

5.3 After receipt of the notice of termination, SUBRECIPIENT shall:

- (a) Stop all work under this Sub-agreement on the date specified in the notice of termination; and
- (b) Transfer to COUNTY and deliver in the manner as directed by COUNTY any materials, reports or other products, which, if the Sub-agreement had been completed or continued, would have been required to be furnished to COUNTY as part of the deliverables to the extent that such deliverables have been paid for prior to the effective date of termination.

5.4 After termination by either party in accordance with this section 5, COUNTY shall make payment only for SUBRECIPIENT's performance up to the date of termination in accordance with this Sub-agreement.

5.5 Either party's rights under this Sub-agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Sub-agreement by the other party; or in the event of a party's unwillingness or inability for any reason whatsoever to perform the terms of this Sub-agreement. In such event, defaulting party shall not be entitled to any further compensation under this Sub-agreement.

5.6 If the Sub-agreement is federally or State funded, SUBRECIPIENT cannot be debarred from the System for Award Management (SAM). SUBRECIPIENT must notify the COUNTY immediately of a debarment. Reference: System for Award Management (SAM) at <https://www.sam.gov> for Central Contractor Registry (CCR), Federal Agency Registration (Fedreg), Online Representations and Certifications Application, and Excluded Parties List System (EPLS)).

Excluded Parties Listing System (EPLS) (<http://www.epls.gov>) (Executive Order 12549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17). The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS.

5.7 The rights and remedies provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or this Sub-agreement.

6. Ownership/Use of Contract Materials and Products

The SUBRECIPIENT agrees that all materials, reports or products in any form, including electronic, created by SUBRECIPIENT for which SUBRECIPIENT has been compensated by COUNTY pursuant to this Sub-agreement shall be the sole property of the COUNTY. The material, reports or products may be used by the COUNTY for any purpose that the COUNTY deems to be appropriate, including, but not limit to, duplication and/or distribution within the COUNTY or to third parties. SUBRECIPIENT agrees not to release or circulate in whole or part such materials, reports, or products without prior written authorization of the COUNTY. COUNTY agrees to indemnify and hold SUBRECIPIENT harmless from any and all claims and losses arising out of the use by the County, or the interpretation of the material, reports or products created by the SUBRECIPIENT for any other purpose.

7. Conduct of Subrecipient

7.1 The SUBRECIPIENT covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with SUBRECIPIENT 's performance under this Sub-agreement. The SUBRECIPIENT further covenants that no person or subcontractor having any such interest shall be employed or retained by SUBRECIPIENT under this Sub-agreement. The SUBRECIPIENT agrees to inform the COUNTY of all the SUBRECIPIENT 's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

7.2 The SUBRECIPIENT shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the SUBRECIPIENT is doing business or proposing to do business, in accomplishing the work under this Sub-agreement.

7.3 The SUBRECIPIENT or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

8. Inspection of Service; Quality Control/Assurance

8.1 All performance (which includes services, workmanship, materials, supplies and equipment furnished or utilized in the performance of this Sub-agreement) shall be subject to inspection and test by the COUNTY or other regulatory agencies at all times. The SUBRECIPIENT shall provide adequate cooperation to any inspector or other COUNTY representative to permit him/her to determine the SUBRECIPIENT's conformity with the terms of this Sub-agreement. If any services performed or products provided by SUBRECIPIENT are not in conformance with the terms of this Sub-agreement, the COUNTY shall have the right to require the SUBRECIPIENT to perform the services or provide the products in conformance with the terms of the Sub-agreement at no additional cost to the COUNTY. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected; the COUNTY shall have the right to: (1) require the SUBRECIPIENT immediately to take all necessary steps to ensure future performance in conformity with the terms of the Sub-agreement; and/or (2) reduce the Sub-agreement price to reflect the reduced value of the services performed or products provided. The COUNTY may also terminate this Sub-agreement for default and charge to SUBRECIPIENT any costs incurred by the COUNTY because of the SUBRECIPIENT's failure to perform.

8.2 SUBRECIPIENT shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Sub-agreement; and shall permit a COUNTY representative or other regulatory official to monitor, assess, or evaluate SUBRECIPIENT's performance under this Sub-agreement at any time, upon reasonable notice to the SUBRECIPIENT.

9. Independent Contractor/Employment Eligibility

9.1 The SUBRECIPIENT is, for purposes relating to this Sub-agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the SUBRECIPIENT (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and SUBRECIPIENT shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this

Sub-agreement. It is further understood and agreed by the parties that SUBRECIPIENT in the performance of this Sub-agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

9.2 SUBRECIPIENT warrants that it shall make its best effort to fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees performing work under this Sub-agreement meet the citizenship or alien status requirement set forth in federal statutes and regulations. SUBRECIPIENT shall obtain from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal or state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. SUBRECIPIENT shall retain all such documentation for all covered employees, for the period prescribed by the law.

9.3 Ineligible Person shall be any individual or entity who: Is currently excluded, suspended, debarred or otherwise ineligible to participate in the federal health care programs; or has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal health care programs after a period of exclusion, suspension, debarment, or ineligibility.

9.4 SUBRECIPIENT shall screen prospective Covered Individuals prior to hire or engagement. SUBRECIPIENT shall not hire or engage any Ineligible Person to provide services directly relative to this Sub-agreement. SUBRECIPIENT shall screen all current Covered Individuals within sixty (60) days of execution of this Sub-agreement to ensure that they have not become Ineligible Persons unless SUBRECIPIENT has performed such screening on same Covered Individuals under a separate agreement with COUNTY within the past six (6) months. Covered Individuals shall be required to disclose to SUBRECIPIENT immediately any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. SUBRECIPIENT shall notify COUNTY within five (5) business days after it becomes aware if a Covered Individual providing services directly relative to this Sub-agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

9.5 SUBRECIPIENT acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with COUNTY in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency.

If SUBRECIPIENT becomes aware that a Covered Individual has become an Ineligible Person, SUBRECIPIENT shall remove such individual from responsibility for, or involvement with, COUNTY business operations related to this Sub-agreement.

9.6 SUBRECIPIENT shall notify COUNTY within five (5) business days if a Covered Individual or entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be promptly removed from participating in any activity associated with this Sub-agreement.

10. Subcontract for Work or Services

No contract shall be made by the SUBRECIPIENT with any other party for furnishing any of the work or services under this Sub-agreement without the prior written approval of the COUNTY; but this provision shall not require the approval of contracts of employment between the SUBRECIPIENT and personnel assigned under this Sub-agreement, or for parties named in the proposal and agreed to under this Sub-agreement.

11. Disputes

11.1 The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to voluntary, non-binding mediation to be conducted by a mutually acceptable mediator. Any dispute, which is not resolved by non-binding mediation shall be referred to binding arbitration conducted in accordance with the applicable commercial rules of the American Arbitration Association. Disputes where the amount in controversy is less than \$150,000 shall be decided by a single arbitrator; otherwise, the dispute shall be decided by three arbitrators. All proceedings shall take place in Riverside County, California. Costs of mediation or arbitration shall be split equally between the parties.

12. Licensing and Permits

SUBRECIPIENT shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. SUBRECIPIENT warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Sub-agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction and shall maintain these throughout the term of this Sub-agreement.

13. Use By Other Political Entities

The SUBRECIPIENT agrees to extend the same pricing, terms, and conditions as stated in this Sub-agreement to each and every political entity, special district, and related non-profit entity of the COUNTY. It is understood that other entities shall make purchases in their own name, make direct payment, and be liable directly to the SUBRECIPIENT; and COUNTY shall in no way be responsible to SUBRECIPIENT for other entities' purchases.

14. Non-Discrimination

SUBRECIPIENT shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Sub-agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

15. Records and Documents

SUBRECIPIENT shall make available, upon written request by any duly authorized Federal, State, or COUNTY agency, a copy of this Sub-agreement and such books, documents and records as are necessary to certify the nature and extent of the SUBRECIPIENT's invoiced costs related to this Sub-agreement. All such books, documents and records shall be maintained by SUBRECIPIENT for at least five years following termination of this Sub-agreement and be available for audit by the COUNTY. SUBRECIPIENT shall provide to the COUNTY reports and information related to this Sub-agreement as requested by COUNTY.

16. Confidentiality

16.1 The SUBRECIPIENT shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Sub-agreement. The term "privileged or confidential information" includes but is not limited to unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 The SUBRECIPIENT shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Sub-agreement, except

for general statistical information not identifying any person. The SUBRECIPIENT shall not use such information for any purpose other than carrying out the SUBRECIPIENT's obligations under this Sub-agreement. The SUBRECIPIENT shall promptly transmit to the COUNTY all third-party requests for disclosure of such information. The SUBRECIPIENT shall not disclose, except as otherwise specifically permitted by this Sub-agreement or authorized in advance in writing by the COUNTY, any such information to anyone other than the COUNTY. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particulars assigned to the individual, such as finger or voice print or a photograph.

17. Administration/Contract Liaison

The COUNTY Purchasing Agent, or designee, shall administer this Sub-agreement on behalf of the COUNTY. The Purchasing Department is to serve as the liaison with SUBRECIPIENT in connection with this Sub-agreement.

18. Notices

All correspondence and notices required or contemplated by this Sub-agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

COUNTY OF RIVERSIDE

Robert Moran, Deputy Director
Office of Economic Development
3403 10th Street Suite 400
Riverside, CA 92501
Telephone: (951) 955-6673
Email: rmoran@rivco.org

SUBRECIPIENT

Kathryn Cusick, President
Blythe Chamber of Commerce
101 E. Hobsonway
Blythe, CA 92225
Telephone: (562) 547-3527
Email: katichamberbiz@gmail.com

19. Force Majeure

If either party is unable to comply with any provision of this Sub-agreement due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such party shall not be held liable for such failure to comply.

20. EDD Reporting Requirements

In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form **DE 542** to the Employment Development Department. The SUBRECIPIENT agrees to furnish the required data and

certifications to the COUNTY within 10 days of notification of award of Sub-agreement when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the SUBRECIPIENT to timely submit the data and/or certificates required may result in the contract being awarded to another contractor. In the event a contract has been issued, failure of the SUBRECIPIENT to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of Sub-agreement. If SUBRECIPIENT has any questions concerning this reporting requirement, please call (916) 657-0529. SUBRECIPIENT should also contact its local Employment Tax Customer Service Office listed in the telephone directory in the State Government section under "Employment Development Department" or access their Internet site at www.edd.ca.gov.

21. Hold Harmless/Indemnification

21.1 All Parties to this Sub-agreement agree to defend, indemnify, and hold harmless the other Party, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials agents, representatives, and employees, from and against all loss, cost, and expense arising out of any liability or claim of liability, sustained or claimed to have been sustained, arising out of the activities, or the performance or nonperformance of obligations under this Sub-agreement, of the indemnifying Party, or those of any of its Agencies, Districts, Special Districts and Departments, their respective directors, officers, agents, and employees. The provisions of this Paragraph do not apply to any damage or losses caused solely by the gross negligence or intentional acts of the non-indemnifying Party or any of its agents or employees. The indemnity set forth in this Paragraph 21 shall survive for a period of one (1) year after the expiration or earlier termination of this Sub-agreement.

SUBRECIPIENT shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability, action, claim or damage whatsoever(collectively "Claims"), based or asserted upon any services of SUBRECIPIENT, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this , including but not limited to property damage, bodily injury, or death or any other element of any kind or nature but specifically excluding any Claims to the extent arising from the negligence or

willful misconduct of COUNTY. SUBRECIPIENT shall defend the Indemnitees at its sole expense including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards) in any claim or action based upon such acts, omissions or services.

21.2 With respect to any action or claim subject to indemnification herein by the indemnifying Party shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of indemnified Party; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes indemnifying Party's indemnification to the indemnified Parties as set forth herein.

21.3 The indemnifying Party's obligation hereunder shall be satisfied when it has provided to indemnifying Party(ies) the appropriate form of dismissal relieving the indemnified Party(ies) from any liability for the action or claim involved.

21.4 The specified insurance limits required in this Sub-agreement shall in no way limit or circumscribe an indemnifying Party's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

22. Insurance

22.1 Without limiting or diminishing the SUBRECIPIENT 'S obligation to indemnify or hold the COUNTY harmless, SUBRECIPIENT shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Sub-agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.

A. Workers' Compensation:

If the SUBRECIPIENT has employees as defined by the State of California, the SUBRECIPIENT shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of SUBRECIPIENT'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If vehicles or mobile equipment is used in the performance of the obligations under this Sub-agreement, then SUBRECIPIENT shall maintain liability insurance for all owned, non-owned, or hired vehicles so used in an amount not less than \$250,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

D. Professional Liability:

SUBRECIPIENT shall maintain Professional Liability Insurance providing coverage for the SUBRECIPIENT'S performance of work included within this Sub-agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If SUBRECIPIENT'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Sub-agreement and SUBRECIPIENT shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Sub-agreement; or 3) demonstrate through Certificates of Insurance that SUBRECIPIENT has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) will continue as long as the law allows.

E. General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The SUBRECIPIENT must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such

retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Sub-agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, SUBRECIPIENT'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Sub-agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) SUBRECIPIENT shall cause SUBRECIPIENT'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Sub-agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. SUBRECIPIENT shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that the SUBRECIPIENT'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

5) If, during the term of this Sub-agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Sub-agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits

of liability required under this Sub-agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the SUBRECIPIENT has become inadequate.

6) SUBRECIPIENT shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Sub-agreement.

7) The insurance requirements contained in this Sub-agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

8) SUBRECIPIENT agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Sub-agreement.

23. General

23.1 SUBRECIPIENT shall not delegate or assign any interest in this Sub-agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

23.2 Any waiver by COUNTY of any breach of any one or more of the terms of this Sub-agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Sub-agreement. Failure on the part of COUNTY to require exact, full, and complete compliance with any terms of this Sub-agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement of the terms of this Sub-agreement.

23.3 In the event the SUBRECIPIENT receives payment under this Sub-agreement, which is later disallowed by COUNTY for nonconformance with the terms of the Sub-agreement, the SUBRECIPIENT shall promptly refund the disallowed amount to the COUNTY on request; or at its option the COUNTY may offset the amount disallowed from any payment due to the SUBRECIPIENT.

23.4 SUBRECIPIENT shall not provide partial delivery or shipment of services or products unless specifically stated in the Sub-agreement.

23.5 SUBRECIPIENT shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The SUBRECIPIENT warrants that it has good title to all materials or products used by SUBRECIPIENT or provided to COUNTY pursuant to this Sub-agreement, free from all liens, claims, or encumbrances.

23.6 Nothing in this Sub-agreement shall prohibit the COUNTY from acquiring the same type or equivalent equipment, products, materials or services from other sources, when deemed by the

COUNTY to be in its best interest. The COUNTY reserves the right to purchase more or less than the quantities specified in this Sub-agreement.

23.7 The COUNTY agrees to cooperate with the SUBRECIPIENT in the SUBRECIPIENT's performance under this Sub-agreement, including, if stated in the Sub-agreement, providing the SUBRECIPIENT with reasonable facilities and timely access to COUNTY data, information, and personnel.

23.8 SUBRECIPIENT shall comply with all applicable Federal, State, and local laws and regulations. SUBRECIPIENT will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the SUBRECIPIENT shall comply with the more restrictive law or regulation.

23.9 SUBRECIPIENT shall comply with all air pollution control, water pollution, safety and health ordinances, statutes, or regulations, which apply to performance under this Sub-agreement.

23.10 SUBRECIPIENT shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

23.11 This Sub-agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Sub-agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Sub-agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

23.12 This Sub-agreement, including any attachments or exhibits, constitutes the entire Sub-agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Sub-agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

[Signatures on Following Page]

10/10/10

10/10/10

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Sub-agreement.

COUNTY OF RIVERSIDE, a political
COMMERCE, a
subdivision of the State of California
corporation

BLYTHE CHAMBER OF
California nonprofit mutual benefit

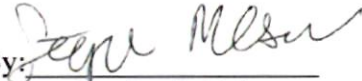
By: 
CHUCK WASHINGTON, Chairman
Board of Supervisors

By: 
Kathryn Cusick
President

Dated: 1/23/24

Dated: 12/20/23

APPROVED AS TO FORM:
Minh C. Tran
County Counsel

By: 
Stephanie Nelson
Deputy County Counsel

ATTEST:
KIMBERLY A. RECTOR, Clerk

By: 
DEPUTY

EXHIBIT A
SCOPE OF SERVICES

SUBRECIPIENT will provide Management and Operational Services for Marketfest to be held weekly at Todd Park in the City of Blythe. Blythe Marketfest is intended to create a family friendly community event for the residents of Blythe and Palo Verde Valley area. This will support the local economy by providing an additional venue for small businesses by assisting to launch new businesses and increasing existing businesses. Marketfest will allow for positive local economic growth for the community of Blythe, by attracting new visitors and vendors in following all terms and conditions per Exhibit C.

1.0 Blythe Marketfest:

SUBRECIPIENT will manage and oversee Blythe Marketfest by providing outreach, recruitment of vendors, retention of consumers, management of Marketfest administrative staff, weekly operations oversight, social media marketing, data collection, and reporting to Riverside County Office of Economic Development.

1.1 Structure:

The Blythe Marketfest will continue for three consecutive years on a weekly basis during the active seasons approved by the USDA FMPP Award Fund Terms and Conditions. SUBRECIPIENT will provide resources and assistance to the Blythe and Palo Verde Valley community throughout the entirety of Marketfest .

The Blythe Marketfest is designed to run every week, starting by the official launch date and continuing until the end of the first season. There will be 2 seasons every year, in which the Marketfest will be active. These seasons consists of 3-month periods that are scheduled from between September 30, 2023, through September 29, 2026. These seasonal periods correlate with the 90-day Environmental Health permits that the SUBRECIPIENT will apply for before each season. This seasonal process will continue throughout the entirety of the approved USDA FMPP Period of Performance.

The Marketfest aims to improve economic conditions to the residents in these communities by developing, operating, and expanding a direct producer to consumer Farmers' Market to improve access and consumption of locally and regionally produced goods. Blythe Marketfest will provide businesses with increased sales, job retention, job creation, and local economic growth. SUBRECIPIENT will ensure that the weekly functions of the Marketfest will be properly managed by following the approved allowable budgets and activities per Exhibit C.

SUBRECIPIENT in partnership with Riverside County Office of Economic Development will hire a Farmers Market Manager that will be responsible for overseeing the day-to-day operations of Blythe Marketfest. Marketfest Manger will work with vendors to ensure that they're meeting all relevant health and safety standards, coordinate with other government agencies to make sure everything is in order, and generally act as a liaison between vendors and customers. Some of the key responsibilities of a Farmers Market Manager include:

- Helping vendors manage inventory levels and pricing their goods appropriately to meet the needs of customers.

- Reviewing and approving applications for new vendors who wish to participate in the market.
- Coordinating with other staff to promote upcoming events and specials at the market.
- Overseeing daily operations including setup, teardown, and clean-up of the market.
- Managing the budget for the market and ensuring that it is being used efficiently.
- Conducting marketing campaigns to promote the market to potential customers.
- Monitoring food safety standards for vendors and providing training about safe food handling practices.
- Establishing relationships with local businesses to increase awareness of the market and attract new customers.

Farmers Market Manager Minimum Qualifications include the following skills to perform the job effectively:

- At least 2 years of related experience in working with vendors in a similar Market setting.
- Physical Capacity: To lift up to 50lbs, load/unload equipment/supplies to/from vendor vehicles or partners.
- Interpersonal skills: The ability to work effectively with farmers, vendors, and customers.
- Communication skills: Excellent communication skills and the ability to communicate effectively with a wide range of audiences.
- Marketing skills: Knowledge of marketing strategies and tactics to promote the market and its vendors.
- Financial skills: Ability to manage budgets, track expenses, and maintain financial records.
- Conflict resolution skills: Ability to resolve conflicts and handle difficult situations.
- Problem-solving skills: Ability to identify problems and develop effective solutions.
- Learning agility: Ability to learn on the job and adapt to new situations.

Farmers Market Manager will be overseen by the Blythe Chamber of Commerce President and Executive Board. The Marketfest Manager will be an independent position focused on Blythe Marketfest Management and Operations. This position cannot be assumed by any existing President/Executive Board Member.

Farmers Market Manager will be funded through the allowable contractual category per Exhibit B and ensure that all budget categories are properly used during the entirety of the approved USDA FMPP Award Agreement.

1.2 Financial Management:

SUBRECIPIENT will maintain Blythe Marketfest funding in a segregate bank account that will clearly separate the Blythe Marketfest funding sources, program income, expenses, and allowable items from SUBRECIPIENT'S other revenue accounts.

- Payments will be made in arrears, under the allowable outlined budget categories per Exhibit B and Exhibit C.
- Marketing Manager and any employee salary will be billed at no more than the allowable budget outlined under Exhibit B and Exhibit C.

1.3 Allowable Budget Categories

SUBRECIPIENT will use Approved USDA FMPP Award funds solely for items under the established budget categories.

Personnel Budget Category:

- List of each person who has a substantive role in the project and the amount of the request and/or the value of his or her match. Personnel costs should be reasonable for the services rendered, conform to the established written policy of the organization, and consistently applied to both Federal and non-Federal activities.

Travel Budget Category:

- Travel costs are limited to those allowed by formal organizational policy; in the case of air travel, project participants must use the lowest reasonable commercial airfares. For Recipient organizations that have no formal travel policy and for-profit recipients, allowable travel costs may not exceed those established by the Federal Travel Regulations, issued by GSA, including the maximum per diem and substance rates prescribed in those regulations. This information is available at <http://www.gsa.gov>.

Supplies Budget Category:

- Marketing Materials, Supplies, and Fabricated Parts including banners, flyers, posters, and printed sandwich board signage barricades, and wayfinding signs. Completely new project in this community, so the requested marketing materials are to establish reliable materials that can reach a vast majority of the local community members.

Contractual Budget Category:

- Contract for Farmers Market Management for community engagement, producer recruitment, outreach and retention, marketing, and operations of weekly market. This request follows the average Farmers Market Manager salary. In addition, this includes contractual, consultant, and subawards agreements that are part of the completion of the project. A subaward is an award provided by the non-federal entity to a subrecipient to carry out part of a federal award received by the non-federal entity. Contractual/consultant costs are expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the applicant in the form of a procurement relationship. If there is more than one contractor or consultant or subaward, each must be described separately.

Other Budget Category:

- This category includes any expenses not covered in any of the previous budget categories.

Expenses in this section include, but are not limited to, meetings and conferences, communications, rental expenses, advertisements, publication costs, and data collection. Expenses and Fees associated with permits and requirements by Riverside County Department of Environmental Health and Public Safety. Weekly rental of portable restrooms and handwash stations required by Riverside County Department of Environmental Health. Traditional marketing expenses for radio and newspaper ads, billboard, and social media paid advertisements.

Indirect Budget Category:

- Indirect costs (also known as “facilities and administrative costs” represent the expenses of doing business that are not readily identified with a particular grant, contract, or project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.

2.0 Reporting Requirements.

SUBRECIPIENT shall track and report SEASONALLY (every 90-day period) to the COUNTY all activity associated with Marketfest. Throughout the seasonal period, SUBRECIPIENT will report the following impacts:

- Fiscal Report with Expenditures and Revenue
- Activity Report (applications reviewed, marketing reach, average number of attendees, attendee demographics, average number of vendors, types of vendors, etc.)
- Vendor information (names, business types, SBDC client information, etc.)
- Tracking and Reporting per the USDA AMS Terms and Conditions Exhibit C.

EXHIBIT B
 PAYMENT PROVISIONS
 COUNTY OF RIVERSIDE
 BLYTHE MARKETFEST

USDA FMPP APPROVED BUDGET	
Expense Category	Federal Funds
Personnel	\$0
Travel	\$6,000.00
Supplies	\$22,500.00
Contractual	\$126,400.00
Other	\$20,600.00
Total Approved Funds	
Total Direct Costs	\$175,500.00
Indirect Costs	\$5,480.00
Total Approved Budget	\$180,980.00

FEDERAL SHARE	\$180,980.00
NON-FEDERAL SHARE	\$45,245.00

EXHIBIT C

AGRICULTURAL MARKETING SERVICE (AMS)
GRANTS DIVISION
GENERAL TERMS AND CONDITIONS

(Behind this page)

OMB No. 0581-0240



Agricultural Marketing Service (AMS)
Grants Division
General Terms and Conditions

MODIFICATION- This general terms and conditions is an updated version. It includes modified instructions for the submission of claims and performance reports due to the transition of award agreements from ezFedGrants to GrantSolutions and the Payment Management System of the Department of Health and Human Services. It also included changes to the acknowledge requirements of your award in section 11. Pages modified: 3, 6, 19, 21 and 24.

Effective Date: Updated February 2023

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1.0 OVERVIEW OF GENERAL TERMS AND CONDITIONS

The Agricultural Marketing Service (AMS) Grants Division general terms and conditions apply to all AMS grant agreements and provide the requirements for a recipient’s grant. The general terms and conditions are determined by statutory, regulatory, and agency requirements, as well as by administrative policies. By accepting a grant agreement with AMS, recipients accept responsibility for all applicable terms and conditions. Failure to comply may result in actions described in section [17.0 Remedies for Noncompliance](#).

AMS transitioned all agreements from ezFedGrants to GrantSolutions (GS) online grants and agreements management system and to the Payment Management System (PMS). AMS grant recipients with ezFedGrant registration will receive a new username and password from Grants Solution to access grant-related documents.

The Notice of Award references these terms and conditions and provides a link to the [AMS website](#) that contains all related documents to manage the award.

Throughout the AMS general terms and conditions, the word “must” is used it indicates a requirement. The use of the word “should” or “may” indicates a best practice or recommended approach rather than a requirement and permits discretion.

1.1 Common Terms and Acronyms

Term/Acronym	Meaning
ACH	Automated Clearing House
AMS	Agricultural Marketing Service
AOR	Authorized Organization Representative/Official
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
EFT	Electronic Fund Transfer
GS	GrantSolutions
FAIN	Federal Award Identification Number; also known as the Grant Agreement Number
FAPIS	Federal Awardee Performance and Integrity Information System
GAAP	Generally Accepted Accounting Principles
GAGAS	Generally Accepted Government Auditing Standards
GSA	General Services Administration
NFE	Non-Federal Entity
OMB	Office of Management and Budget
PMS	Payment Management System of the Department of Health and Human Services
Protected PII	Protected Personally Identifiable Information

SAM	System for Award Management (SAM.gov)
SF	Standard Form
UEI	Unique Entity Identifier; formerly known as DUNS
USDA	United States Department of Agriculture

1.2 Order of Precedence

If there is an inconsistency between award provisions, AMS will resolve the issue by giving precedence in the following order:

1. Applicable laws and statutes of the United States, including any specific legislative provisions mandated in the statutory authority for the award
2. Code of Federal Regulations
3. AMS General Terms and Conditions for Grants Agreements
4. Agency policy
5. Application documents

1.3 Definitions

AMS aligns its grant term definitions to the maximum extent possible with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200.1). Definitions referenced in this document are highlighted below:

- *Budget period* means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to [2 CFR § 200.308](#).
- *Cost sharing or matching* means the portion of project costs not paid by Federal funds or contributions (unless otherwise authorized by Federal statute). See also [2 CFR § 200.306](#).
- *Federal award* means the Federal financial assistance that a recipient receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in [2 CFR § 200.101](#). The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance or the cost -reimbursement contracted awarded under the Federal Acquisition Regulations.
- *Non-Federal entity (NFE)* means a state, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out the award as a recipient or subrecipient. These award terms and conditions apply to non-Federal entities.
- *Period of Performance* means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods. Identification of the period of performance in the Federal award per [2 CFR § 200.211\(b\)\(5\)](#) does not commit the awarding agency to fund the award beyond the currently approved budget period. In addition, the term includes any extension of the end date of the award, such as a no-cost extension authorized by [2 CFR § 200.308](#), paragraph (d)(2). The period of performance is identified in block 26 of the Notice of Award and will determine the effective commencement date of the award.
- *Personally Identifiable Information (PII)* means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Non-PII can become PII whenever additional information is

made publicly available, in any medium and from any source, that, when combined with other available information, could be used to identify an individual.

- *Program income* means gross income earned by the NFE that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in [2 CFR § 200.307\(f\)](#).
- *Recipient* means an entity, usually but not limited to non-Federal entities, that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.
- *Subaward* means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to contractors or to individuals who are beneficiaries of a Federal program. A subaward may be provided through any form of legal agreement, including a contract.
- *Subrecipient* means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
- *Unrecovered indirect cost* ([2 CFR § 200.306\(c\)](#)) means the difference between the amount charged to the Federal award and the amount that could have been charged to the Federal award under the potential recipient's approved negotiated indirect cost rate.

2.0 FINANCIAL MANAGEMENT

Recipients are required to meet the standards and requirements for financial management systems set forth or referenced in [2 CFR § 200.302](#).

The adequacy of a recipient's financial management system is integral to their ability to account for grant expenditures and track matching resources (if applicable). The recipient must use Federal funds in a responsible manner and apply adequate internal controls and cash management practices consistent with the requirements outlined in [2 CFR § 200.303](#).

Recipients must expend and account for funds under an award in accordance with their own State laws and procedures. Financial management systems and related records, of the grant recipient, and of any other entity involved in the grant, must be sufficiently detailed to prepare reports, trace funds, and demonstrate that fund management complies with Federal statutes, regulations, and these general and other program-specific terms and conditions.

A recipient's financial management system must include:

- 1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. This identification must include, as applicable:
 - a. The Assistance Listing (formerly known as CFDA) title and number;
 - b. The Grant Agreement Number/ (FAIN) and Federal fiscal year awarded;
 - c. The name of the Federal Agency; and
 - d. The name of the pass-through entity, if applicable.
- 2) Accurate, current, and complete disclosure of the financial accounting of each Federal award or program.
- 3) Records that adequately identify the source and application of funds for Federally funded activities. These

records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest. Accounting records must be supported by source documentation such as canceled checks, paid bills, payrolls, time and attendance records, contracts, and subaward documents.

- 4) Effective control over, and accountability for, all funds, property, and other assets. Recipients must adequately safeguard all assets and assure that they are used solely for authorized purposes.
- 5) Comparison of expenditures with budget amounts for each Federal award.
- 6) Written procedures to implement the [2 CFR § 200.305](#) requirements, which minimize the time elapsing between the transfer of Federal funds to any NFE and the disbursement of the funds for direct program costs and the proportionate share of any allowable indirect or facilities and administrative costs.
- 7) Written procedures for determining the allowability of costs in accordance with the terms and conditions of this award.

A recipient must notify the AMS representative immediately when they discover financial management problems. Deficiencies in the recipient's financial management system, whether reported by the recipient or identified by AMS, may result in AMS imposing special award conditions, such as a high-risk designation or other requirements for increased monitoring.

2.1 Audit Requirements

Recipients (other than Federal agencies and for-profit recipients) are responsible for obtaining audits in accordance with the [2 CFR § 200 Subpart F](#). These standards require any NFE that expends \$750,000 or more in Federal awards during its fiscal year to have a single or program-specific audit conducted for that year.

In addition to 2 CFR 200 Subpart F, the audit must be performed in accordance with the standards specified in [GAGAS](#). Recipients must follow a systematic method to ensure timely and appropriate resolution of audit findings and recommendations, whether discovered because of a Federal audit or an audit initiated by the pass-through entity.

Recipients that expend \$750,000 or more must submit the single audit or program-specific audit, along with required Form SF-SAC, to the Federal Audit Clearinghouse in accordance with the submission requirements in 2 CFR 200, subpart F. Such audits must be submitted within 30 calendar days after receipt of the auditor's report, or nine months after the end of the audit period. The Form SF-SAC and reporting package MUST be submitted electronically to FAC at <https://facweb.census.gov/>. Any future updates to the location of the FAC may be found at the OMB website.

2.2 Cost Sharing or Matching

If the grant agreement has specific cost sharing or matching requirements, the recipient must ensure that it complies with the applicable provisions found in [2 CFR § 200.306](#). The recipient may use funds or other resources contributed by other non-Federal entities to satisfy the cost sharing or matching requirement. Cost sharing or matching in the form of cash and/or in-kind non-Federal resources must be directly related to the project's objectives. If a recipient volunteers cost sharing above the program's required amount, the total becomes a binding requirement of Federal award outlined in [2 CFR § 200.1](#).

Recipients must maintain documentation identifying:

- The specific costs or contributions that constitute the cost-sharing or matching;
- The funding source or contribution; and
- How the appropriate amount of the contribution was determined for reporting purposes.

Recipients do not need to routinely provide documentation to AMS, but the documentation must be retained in the

recipient project files and made available upon request.

A recipient may use unrecovered indirect costs as part of cost sharing or matching. Recipients cannot use Federal funds or program income to meet cost sharing or matching requirements.

The recipient must request prior approval from AMS before the amount of the approved cost share or match provided by the NFE can change (see [9.9 Cost Share or Match--Changes in the Amount](#)).

3.0 SUBRECIPIENT MONITORING & MANAGEMENT

Recipients are accountable for the performance of subawarded projects and the appropriate expenditure of Federal funds. This includes maintaining the necessary documentation on all subawards and making it available to AMS upon request. Recipients must include subaward activities in all performance and financial reports. In general, the requirements that apply to the award recipient flow down to subrecipients.

If the recipient uses subawards, it must enter into a formal written agreement with each subrecipient that addresses the arrangements for meeting the programmatic, administrative, financial, and reporting requirements of the grant, including those necessary to ensure compliance with all applicable Federal regulations and policies. Recipients must evaluate each subrecipient's risk and establish monitoring activities as necessary to ensure each subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward.

Monitoring activities must include but are not limited to:

- Review of performance and financial reports;
- Onsite reviews of subrecipient program operations; and
- Providing training and technical assistance on programmatic activities.

Specifically, the recipient is responsible for including the requirements of the applicable AMS Grants Division General Terms and Conditions in its subaward agreements as well as the provisions required under [2 CFR § 200.332](#). If requested by AMS, recipients must provide evidence of a risk assessment plan.

If a subrecipient fails to comply with the terms and conditions of this award, the recipient may impose special award conditions, including one or more of the corrective actions outlined in [2 CFR § 200.339](#).

Please see [Appendix A to 2 CFR § 170](#) for additional reporting requirements concerning subawards.

4.0 PAYMENTS

4.1 Types of Payments

Advance – An advance payment is a payment that AMS or a pass-through entity makes before funds are disbursed for program purposes. Requests for advance payments must be limited to amounts needed to meet actual and immediate cash needs and must be accompanied by a written justification.

Reimbursements – Reimbursements are transfers of Federal funds to recipients after the recipient pays out funds for approved project activities.

4.2 How to Request Payments

AMS grant recipients are required to request payments electronically through the PMS system. Recipients not already enrolled must register in the system to request payments. Instructions for requesting a payment can be found in the Payment Management System.

AMS SF-270 and Grant Program Worksheet

If required by the grant agreement, an [SF-270](#) and [AMS Grant Program Worksheet](#) must be attached in PMS when submitting a payment. The Notice of Award provisions section will indicate if it is required to submit an AMS Grant Program Worksheet.

Receipt of Request by AMS

AMS will confirm receipt of the payment request, review the request, and communicate with the appropriate recipient representatives.

Upon approval, payments will be made via EFT to the bank account specified by the recipient in [SAM.gov](#). If the bank information is incorrect or changes at any time during the grant period, it is the recipient’s responsibility to update their SAM.gov information and notify AMS to ensure proper and timely deposit of funds.

4.3 Payment Source Documentation and Other Requirements

Recipients must collect and maintain source documentation associated with costs incurred as a result of the Federal award and make it available to AMS upon request. Source documentation includes, but is not limited to, receipts, canceled checks, paid bills, payrolls, time and attendance records, contracts, invoices, and subaward documents. If recipients pay a portion of the total amount indicated on the source document, it must appropriately identify the specific expenses and total amount charged to the grant.

4.4 Timely Drawdown and Use of Grant Funds

AMS may reduce grant agreement funds without further cause if the recipient does not draw down funds within the first year of the grant period and at reasonable intervals thereafter.

5.0 INTEREST EARNED AND ADVANCES OF GRANTS FUNDS

In accordance with 2 CFR § 200.305 (b)(9), the recipient may retain interest earned on Federal payments deposited in interest-bearing accounts up to \$500 per year for administrative expenses. Any additional interest earned must be remitted annually to the Federal Payment Management System (PMS), which handles payments to the Treasury. The recipient must remit the interest electronically using either an ACH network or a Fedwire Funds Service payment. If returning interest on Federal awards, the refund should:

- a) Provide an explanation stating that the refund is for interest;
- b) List the PMS payee account number(s) (PANs);
- c) List the Federal award number(s) for which the interest was earned;
- d) Make returns payable to the Department of Health and Human Services.

Submit the remittance using one of the following example formats:

ACH Return Example:

Routing Number: 051036706
 Account Number: 303000
 Bank Name and Location: Credit Gateway—ACH Receiver St. Paul, MN

Fedwire Returns Example: (Please note that the organization initiating payment is likely to incur a charge from your Financial Institution for this type of payment)

Routing Number: 021030004
 Account Number: 75010501

Bank Name and Location: Federal Reserve Bank Treasurer NYC/Funds Transfer Division New York,
NY

If a recipient does not have the ability to remit funds electronically, it should instead mail a check to the U.S Treasury approved lockbox, made payable to:

HHS Program Support Center
P.O. Box 530231
Atlanta, GA 30353-0231

Allow 4-6 weeks for check payments to be applied to the appropriate PMS account. For additional information please contact PMS at 877-614-5533 or PMSSupport@psc.hhs.gov.

6.0 PROGRAM INCOME

Unless otherwise stated in the Notice of Award provisions section, AMS authorizes the use of program income through the additive method ([2 CFR § 200.307\(e\)\(2\)](#)). Any program income generated during the grant period must be used to further the objectives of the project. All program income must be recorded on the Federal Financial Report (SF-425) for the period in which it was earned. Recipients are not accountable for program income earned after the grant period. Program income includes, but is not limited to:

- Income from fees for services performed;
- The sale of commodities or items fabricated under an award (this includes items sold at cost if the cost of producing the item was funded in whole or part with grant funds); and
- Registration fees for conferences, workshops, etc.

Royalties or equivalent income earned from patents, inventions, trademarks, and copyrighted works are not subject to this section.

7.0 PROCUREMENTS

Recipients may acquire commercially available goods and services in connection with a project. In doing so, the recipient must have in place and use documented procurement procedures, consistent with applicable State, local and tribal laws and regulations. Recipients' documented procurement procedures must conform to the [procurement standards](#) identified in [2 CFR § 200.317](#) through [2 CFR § 200.327](#). To the greatest extent possible, the recipient should provide a preference for acquisition of goods, products and services produced in the United States, per [2 CFR § 200.322](#).

- **State recipients** must follow the same policies and procedures the State uses for procurements from non-Federal funds. The State will comply with [2 CFR §§ 200.321](#) through [200.323](#) and ensure that every purchase order or other contract includes applicable provisions described in [Appendix II of 2 CFR § 200](#).
- **All other non-Federal recipients** must follow [2 CFR §§ 200.318](#) through [200.327](#).
- The requirements of the Federal award also apply to any subcontract. The recipient is responsible for ensuring that all of its contracts made in connection with the AMS project contain the applicable provisions described in [Appendix II of 2 CFR § 200](#).

8.0 ALLOWABLE COST AND ACTIVITIES

8.1 Indirect Costs

Indirect costs as defined at [\(2 CFR § 200.1\)](#) represent the expenses of doing business that are not readily-identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. Refer to [2 CFR §§ 200.413](#) and [200.414](#) for additional information on determining if costs charged to the award are direct or indirect.

Any NFE that does not have a current negotiated (including provisional) rate, except for those non-Federal entities described in [Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph D.1.b](#), may elect to charge a de minimis rate of 10 percent of Modified Total Direct Costs (MTDC) which may be used indefinitely. No documentation is required to justify the 10% de minimis cost rate. Costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both [\(2 CFR § 200.403\)](#). If chosen, this methodology, once elected, must be used consistently for all Federal awards until such time when a recipient chooses to negotiate for a rate, which the recipient may apply to do at any time.

All applicants who elect to charge a de minimis rate of 10 percent must use the MTDC as the base. MTDC is defined in [2 CFR § 200.1](#) as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000. Other items may be excluded only when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

If a NFE chooses to negotiate for a rate, the NFE must contact its cognizant Agency for indirect costs.

Federally Negotiated Indirect Cost Rates

Unless otherwise required by statute or regulation, AMS will accept Federally negotiated rates. These requirements flow down through the pass-through entities affecting subawards.

8.2 Allowable and Unallowable Costs and Activities

The following table summarizes allowable and unallowable costs in common categories for AMS grant programs. This section is not intended to be all-inclusive. The recipient should consult the Federal Cost Principles ([Subpart E- Cost Principles of 2 CFR § 200](#)) for the complete explanation of the allowability of costs. If recipients have questions concerning the allowability of costs after reviewing this section, they should contact their AMS representative.

Note: Allowable costs listed below may also be cost shared or brought as part of the required match. Unallowable costs cannot be brought as a match.

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Advisory Councils	ALL	Unallowable for costs incurred by advisory councils or committees.
Alcoholic Beverages	ALL with exceptions	Unallowable for alcoholic beverages unless the cost is associated with fulfilling the purpose of the grant program and either approved in the application or with prior written approval.

Buildings and Land – Construction	ALL	<p>Unallowable for the acquisition of buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations of an existing building or facility (including site grading and improvement, and architecture fees). This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing.</p> <p>Allowable for rental costs of land and building space. However, lease agreements to own (i.e., lease-to-own or rent-to-own) are not allowable. The lease or rental agreement must terminate at the end of the grant cycle.</p> <p>A building is any permanent structure designed or intended for support, enclosure, shelter, or protection of people, animals, or property, and having a permanent roof supported by columns or walls.</p>
Conferences	ALL with exceptions	<p>Allowable if the conference fulfills the purpose of a grant program’s legislated purpose. Allowable conference costs paid by the non-Federal recipient as a sponsor or host of the conference may include rental of facilities, speakers’ fees, costs of meals (see Meals for restrictions), and refreshments, local transportation, and other items incidental to such conferences with the exception of entertainment costs that are unallowable. If registration fees are collected, the recipient must report fees as program income (see Program Income).</p> <p>Allowable to rent a building or room for training; however, where appropriate, AMS encourages the use of technologies such as webinars, teleconferencing, or videoconferencing as an alternative to renting a building or a room. The recipient should use the most cost-effective facilities, such as State government conference rooms if renting a building or a room is necessary.</p>
Contingency Provisions	ALL	<p>Unallowable for miscellaneous and similar rainy-day funds for events the occurrence of which cannot be foretold with certainty as to the time or intensity, or with an assurance of their happening. Unallowable for working capital for activities/items not already in place.</p>
Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions

Contractual/Consultant Costs (Professional Services)	ALL	<p>Allowable subject to limitations. Contractual/consultant costs are expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the recipient in the form of a procurement relationship.</p> <p>Allowable for contractor/consultant employee rates that do not exceed the salary of a GS-15 step 10 Federal employee in the area (for more information, visit the OPM website) and travel that is reasonable and necessary. This does not include fringe benefits, indirect costs, or other expenses. If rates exceed this amount, the recipient is required to justify the allowability of the cost aligning with 2 CFR §§ 200.317-327.</p>
Contributions or Donations	ALL	<p>Unallowable for contributions or donations, including cash, property, and services, made by the recipient to other entities. An NFE using grant funds to purchase food or services to donate to other entities and/or individuals is unallowable.</p>
Electronic Benefit Transfer (EBT) Machines	ALL	<p>Unallowable for the purchase/lease of Supplemental Nutrition Assistance Program (SNAP) EBT equipment.</p>
Entertainment Costs	ALL with exceptions	<p>Unallowable for entertainment costs including amusement, diversion, and social activities and any costs directly associated with such costs (such as bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals, transportation, and gratuities). Entertainment costs are defined in 2 CFR § 200.438.</p> <p>Allowable where the specific cost is considered to meet the requirements of the sponsored program and are authorized in the approved budget or with prior written approval.</p>

Equipment	ALL	<p>Unallowable for acquisition costs of general purpose equipment or lease agreements to own (i.e., lease-to-own or rent-to-own). Allowable for rental costs of general purpose equipment when provided in the approved budget or with prior written approval. Vehicles may be leased but not purchased. The lease or rental agreement must terminate at the end of the grant cycle. For vehicle and equipment leases or rentals with an acquisition cost that equals or exceeds \$5,000, rates should be in light of factors such as: rental costs of comparable vehicles and equipment, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the vehicle or equipment leased.</p> <p>Allowable when provided in the approved budget or with prior written approval for acquisition costs and rental costs of special purpose equipment provided the following criteria are met: Necessary for the research, scientific, or other technical activities of the grant agreement; Not otherwise reasonably available and accessible; The type of equipment is normally charged as a direct cost by the organization; Acquired in accordance with organizational practices; Must be used solely to meet the legislative purpose of the grant program and objectives of the grant agreement; More than one single commercial organization, commercial product, or individual must benefit from the use of the equipment; Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services; and Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable. Definitions</p> <p>Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the NFE for financial statement purposes, or \$5,000.</p> <p>Acquisition cost means the cost of the asset including the cost to prepare the asset for its intended use. Acquisition cost for equipment is the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for its acquired purpose.</p> <p>General Purpose Equipment means equipment that is not limited to technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.</p> <p>Special Purpose Equipment is equipment used only for research, scientific, or technical activities.</p>
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Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Equipment – Information Technology Systems and Telecommunications	ALL	<p>Unallowable for information technology systems having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established in accordance with GAAP by the recipient for financial statement purposes or \$5,000. Acquisition costs for software include those development costs capitalized in accordance with GAAP. Information technology systems include computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. Examples of unallowable information technology systems include service contracts, operating systems, printers, and computers that have an acquisition cost of \$5,000 or more. See also special prohibition on the purchase of certain telecommunications and video surveillance described in 2 CFR § 200.216.</p> <p>Allowable for website development, mobile apps, etc., that are not considered to be information technology systems but rather social media applications.</p>
Farm, Gardening, and Production Activities and Supplies	ALL with exceptions	<p>Unallowable for farm, gardening, and production activities, materials, supplies, and other related costs including but not limited to soil, seeds, shovels, gardening tools, greenhouses, and hoop houses.</p> <p>Allowable where the specific cost is considered to meet the requirements of the sponsored program and is authorized in the approved budget or with prior written approval.</p>
Fines, Penalties, Damages and Other Settlements	ALL	<p>Unallowable for costs resulting from violations of, alleged violations of, or failure to comply with, Federal, State, tribal, local, or foreign laws and regulations.</p>
Fixed Amount Subawards	ALL with exceptions	<p>Unallowable for cost related to fixed amounts subawards.</p> <p>Allowable to meet the requirements of the sponsored program (noncompetitive) and with prior written approval. A pass-through entity may provide subawards based on fixed amounts up to the simplified acquisition threshold, provided that the subawards meet the requirements for fixed amount awards in 2 CFR § 200.201.</p>
Fundraising and Investment Management Costs	ALL	<p>Unallowable for organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes salaries of personnel involved in activities to raise capital.</p>

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
General Costs of Government	ALL	<p>Unallowable for:</p> <p>Salaries and expenses of the Office of the Governor of a State or the chief executive of a local government or the chief executive of an Indian tribe;</p> <p>Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;</p> <p>Costs of the judicial branch of a government;</p> <p>Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in 2 CFR § 200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements); and</p> <p>Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.</p>
Goods or Services for Personal Use	ALL	<p>Unallowable for costs of goods or services for personal use of the recipient's employees regardless of whether the cost is reported as taxable income to the employees.</p>
Indirect Costs – Unrecovered	ALL with exceptions	<p>Unallowable for unrecovered indirect costs.</p> <p>Allowable for projects with match requirements to use unrecovered indirect costs as part of cost sharing or matching.</p>
Insurance and Indemnification	ALL	<p>Allowable when provided in the approved budget or with prior written approval as indirect costs for insurance and indemnification.</p>
Lobbying	ALL	<p>Unallowable as defined in 2 CFR § 200.450.</p>
Meals	ALL	<p>Unallowable for business meals when individuals go to lunch or dine together although no need exists for continuity of a meeting. Such activity is considered an entertainment cost.</p> <p>Unallowable for conference attendee breakfasts. It is expected attendees will have adequate time to obtain this meal on their own before a conference begins.</p> <p>Unallowable for meal costs that duplicate a meeting participant's per diem or subsistence allowances.</p> <p>Allowable for lunch or dinner meals if the costs are reasonable, and a justification is provided that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.</p> <p>Allowable for meals consumed while in official travel status. They are considered per diem expenses and should be reimbursed in accordance with the organization's established written travel policies.</p>

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Memberships, Subscriptions, and Professional Activity Costs	ALL	Unallowable for costs of membership in any civic or community organization. Allowable for costs of membership in business, technical, and professional organizations when provided in the approved budget or with prior written approval.
Organization Costs	ALL	Unallowable for costs of investment counsel and staff and similar expenses incurred to enhance income from investments. Allowable with prior approval for organization costs per 2 CFR § 200.455 .
Participant Support Costs	ALL	Allowable when provided in the approved budget or with prior written approval for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, surveys, and focus groups.
Political Activities	ALL	Unallowable for development or participation in political activities, in accordance with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7326).
Pre-Award Costs	ALL	Allowable when provided in the approved budget or with prior written approval of such costs are necessary for efficient and timely performance of the project's scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award. If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by AMS. A recipient may incur pre-award costs 90 calendar days before the award. Expenses more than 90 calendar days pre-award require prior approval. These costs and associated activities must be included in the recipient's project narrative and budget justification. All costs incurred before the award are at the potential recipient's risk. The incurrence of pre-award costs in anticipation of an award imposes no obligation on AMS to award funds for such costs.
Printing and Publications	ALL	Allowable to pay the cost of preparing informational leaflets, reports, manuals, and publications relating to the project; however, the printing of hard copies is discouraged given the prevalence of electronic/virtual publication means. If charged to the award, these costs must be charged to the final budget period of the award, unless otherwise specified by AMS.
Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions

Rearrangement and Reconversion Costs	ALL	<p>Allowable as indirect costs with prior approval for cost incurred for ordinary and normal rearrangement and alteration of facilities.</p> <p>Allowable as direct costs with prior approval for special arrangements and alterations costs incurred specifically for the award.</p> <p>Rearrangement and reconversion costs are those incurred in restoring or rehabilitating the non-Federal entity's facilities to approximately the same condition existing immediately before the start of the grant agreement, less costs related to normal wear and tear.</p>
Salaries and Wages	ALL	<p>Allowable as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant-supported project or program during the period of performance under the Federal award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation.</p> <p>Salary and wage amounts charged to grant-supported projects or programs for personal services must be based on an adequate payroll distribution system that documents such distribution in accordance with generally accepted practices of like organizations. Standards for payroll distribution systems are contained in the applicable cost principles (other than those for for-profit organizations).</p> <p>Unallowable for salaries, wages, and fringe benefits for project staff who devote time and effort to activities that do not meet the legislated purpose of the grant program.</p>
Selling and Marketing Costs – Promotion of an Organization's Image, Logo, or Brand Name	ALL	<p>Unallowable for costs designed solely to promote the image of an organization, a general logo, or a general brand.</p> <p>Promotional items could say "Buy STATE/COUNTY Grown Apples" but not "XYZ Grown", which promotes XYZ generically.</p> <p>A promotional campaign to increase producer sales of "STATE/COUNTY Grown fruits and vegetables" is acceptable while increasing membership in "STATE/COUNTY Grown" generally is not.</p>
Selling and Marketing Costs – Promotion of Venues that do not Align with Grant Program Purpose	ALL	<p>Unallowable for costs for promotion of specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc. that do not align with the legislated purpose of the grant program.</p>
Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions

Selling and Marketing Costs – Promotional Items, Gifts, Prizes, etc.	ALL with exceptions	Unallowable for promotional items, swag, gifts, prizes, memorabilia, and souvenirs. Allowable with conditions to meet the requirements of the sponsored agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and placemats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.).
Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts	ALL	Unallowable for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon). Allowable for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print advertisement that contains a clip-out coupon) as long as they benefit more than a single program or organization.
Selling and Marketing Costs – Food for Displays, Tastings, Cooking Demonstrations	ALL with exceptions	Unallowable for purchasing food for displays, tastings, and cooking demonstrations. Allowable where the specific cost is considered to meet the programmatic purpose of the sponsored program and is authorized in the approved budget or with prior written approval.
Selling and Marketing Costs – General Marketing Costs	ALL with exceptions	Unallowable for costs designed solely to promote the image of an organization, general logo, or general brand. Allowable for costs designed to promote products that align with the purpose of the grant program.
Selling and Marketing Costs – Sponsorships	ALL	Unallowable for costs associated with sponsorships. A sponsorship is a form of advertising in which an organization uses grant funds to have its name and/or logo associated with certain events and where the organization does not necessarily know how the funds associated with sponsorship costs will be used. These costs also benefit only the organization offering funding, limiting the beneficiaries to the sponsor organization.
Selling and Marketing Costs – Use of Meeting Rooms, Space, exhibits that do not Align with Grant Program Purpose	ALL	Unallowable for costs associated with trade show attendance/displays, meeting room reservations, and/or any other displays, demonstrations, exhibits, or rental of space where activities do not specifically align with the purpose of the grant program. See Conferences for more information.
Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions

Supplies and Materials, Including Costs of Computing Devices	ALL	<p>Allowable for costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. Only materials and supplies used for the performance of a Federal award may be charged as direct costs.</p> <p>A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the recipient for financial statement purposes or \$5,000, regardless of the length of its useful life. In the specific case of computing devices, charging as a direct cost is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. Where Federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.</p>
Training	ALL	<p>Allowable when the training is required to meet the objectives of the project or program, including training that is related to Federal grants management.</p>
Travel – Domestic and Foreign	ALL	<p>Allowable for travel, when provided in the approved budget or with prior written approval when costs are limited to those allowed by formal organizational policy and the purpose aligns with the legislated purpose of the program.</p> <p>The allowable travel cost of recipients that do not have formal travel policies and for-profit entities may not exceed those established by the Federal Travel Regulation, issued by General Services Administration (GSA), including the maximum per diem and subsistence rates prescribed in those regulations. If a recipient does not have a formal travel policy, those regulations will be used to determine the amount that may be charged for travel costs.</p>

9.0 CHANGES REQUIRING PRIOR WRITTEN APPROVAL

The recipient may need to make modifications, such as budget, personnel, or contracts, to accomplish the objectives during the period of performance. Recipients are required to request prior written approval for the following items from AMS in advance of a change or obligation of funds. Requests for prior written approval must be submitted by the recipient project director and signed by the AOR, if applicable. Every request for a prior written approval must include the following information:

1. Grant agreement number;
2. Project title;
3. Name of the recipient organization; and
4. Project point of contact name.

AMS will confirm receipt, review the request, and communicate with the recipient project director. The recipient project director may revise the prior approval request to address any questions or concerns. Once accepted, AMS will email the recipient project director with the acceptance of the request.

9.1 Change in Key Personnel/Time Devoted to the Project

Prior approval is required for changes in key personnel or if key personnel disengage from the project for a period of more than three months, reduces the time devoted to managing the project by 25 percent (25%) or more, or severs his/her connection to the activities of the grant agreement. Key personnel include the recipient project director or AOR listed in the Notice of Award as well as other key project contributors. The request must include:

1. The name of the individual(s) being replaced and the new individual name and contact information;
2. The qualifications (CV or resume) of the new individual(s);
3. The capacity in which the new individual will serve;
4. Written notification from the new individual signifying his/her willingness to serve on the project;
5. The effective date.

A change in key personnel may affect the project narrative, budget, or timeline. If it does, the recipient must include this in their request by following the applicable guidance in this section.

9.2 Change in Scope or Objectives

Prior approval is required to modify the scope or objective of the project or program, including adding new project(s) or discontinuing project(s) (if applicable).

Prior written approval is required even if there were no associated budget revision that would require prior approval. The recipient must use the same format/template to present this information that was used in the approved application with the changes noted. The request must include:

1. A description of the change in the scope or objective including what activities the new work replaces;
2. A revised narrative for the relevant portion of the approved project; and
3. The proposed dates of implementation (MM/YYYY – MM/YYYY).

A change in scope or objectives may affect the project narrative, outcome measures, budget (Federal and matching funds), or timeline. If it does, the recipient must make revisions and include this in their request by following the applicable guidance in this section.

9.3 One-Time Extension

If the grant activities cannot be completed within the grant agreement's period of performance, the recipient must request written approval to extend the grant agreement's end date (no-cost extension of time) prior to the grant's expiration. The recipient may request a one-time extension of the period of performance of up to 12 months from the end date of the period of performance (block 26 of the Notice of Award) unless specific program requirements prohibit the extension beyond the maximum allowed period of performance. The request must be submitted no later than 10 days prior to the ending date of the grant agreement. The request must include:

1. The length of additional time requested, and the new ending date requested;
2. A justification for the extension;
3. A summary of progress to date in terms of the project timeline and objectives. The summary may reference the most recent Performance Report and indicate how circumstances have changed since then;
4. An estimate of the amount of remaining funds, and if applicable, the amount of matching resources yet to be expended, and a description of how they will be used in the remaining time; and
5. A new timetable for completing the project.

Unused or unobligated funds at the end of the award are not in themselves justification to receive a no-cost time extension. AMS will provide case-by-case extension approval, based on the written justification provided. If an

extension is approved, the period of performance will be amended to end at the completion of the extension.

9.4 Budget Change

Prior approval is required for a budget change if the Federal share of its grant agreement exceeds the Simplified Acquisition Threshold as stated in [2 CFR § 200.88](#), (see block 20 and 33 on the Notice of Award) for the Federal award amount), and the cumulative amount of a transfer among budgeted direct cost categories or between individual subawards exceeds or is expected to exceed 10 percent of the total Federal award budget as last approved by AMS. If the Federal share of the Federal award is less than the Simplified Acquisition Threshold, recipients do not need to request prior approval for budget changes. The request must include:

1. A justification for the change; and
2. A description of the requested change that includes:
 - a. The proposed budget change,
 - b. The last approved budget, and
 - c. An updated budget for the affected cost categories.

9.5 Pre-Award Costs

As defined in [2 CFR §200.458](#), pre-award costs are costs incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by AMS. Refer to [Pre-Award Costs](#) for more information. The request must include:

1. A brief description of the pre-award activities completed; and
2. An updated budget, using the same format for presenting the budget information that was used in the approved application, clearly indicating the associated dollar amount of award funds and/or the value of any matching resources expended during the pre-award period.

9.6 Contracting or Subawarding for Activities Central to the Award's Purpose(s)

Prior approval is required for a change that involves subawarding, transferring, or contracting out of any work under a Federal award or executing a fixed amount subaward. This provision does not apply to the acquisition of supplies, materials, equipment, or general support services. The request must include:

1. A brief description of and justification for the change;
2. A brief description of the NFE's qualifications, and how their work will fulfill the project goals;
3. If a modification to the budget is required:
 - a. A description of the proposed modification,
 - b. The last approved budget, and
 - c. An updated budget for the affected cost categories using the same format as was used in the approved application with changes noted; and
4. If the third party was not identified in the original application, a description of the third party's qualifications, how its work will fulfill the project goals, and an itemized budget (if applicable) showing cost categories with appropriate justification.

9.7 Specific Allowable Costs Prior Approvals

Prior approval is required for allowable costs (as referenced in [2 CFR §200.407](#)) and for those not previously submitted in the approved budget. See [8.2 Allowable and Unallowable Costs and Activities](#) for more information. The

request must include:

- A description of and justification for the cost including how it furthers the objectives of the project; and
- If applicable, a comparison between the most recent budget and the proposed budget as well as an updated budget narrative of the affected cost categories. Recipients must use the same format for presenting the budget information that was used in the approved application with changes noted.

9.8 Changes to Recipient Name or Address

If the recipient is contemplating changing the name or address of the recipient organization, the recipient is advised to contact its AMS representative for additional information on how this action may affect the award. This refers to a change to the recipient organization in block 1, "Recipient Name" on the fully executed Notice of Award. The UEI number would remain the same, while only the organization name or address would change. The request must include the new name or address of the recipient organization and the effective date of the change.

NOTE: A request to have a new recipient organization (that has a new UEI number) assume responsibility for the project is not allowable.

Recipients are responsible for properly updating their registration within both UEI and SAM.gov. The recipient must inform AMS of any pending changes in its legal status, divestiture, or bankruptcy.

9.9 Cost Share or Match – Changes in the Amount

If the award has cost sharing or matching requirements, the recipient must request prior written approval to change the amount of the approved cost share or match or to change the amount of approved cost sharing or match provided by a project partner or by a subrecipient. The request must include:

1. A justification for the change;
2. Cash Commitment per year (if applicable) and Total Cash Match
3. In-kind Contribution per year (if applicable) and Total In-kind Match. Break down items into categories as applicable:
 - a. Salaries (employee name, title, duties, pay rate/hr., amount matched per year)
 - b. Items/Activities (fair market value per unit, how value determined (provide documentation), and amount matched per year)
4. A description of how the required match will be met including the source of the match, the amount of the match to be provided, and the composition of the match. Recipient must use the same format for presenting the match verification that was used in the approved application; and
5. A description of the change that includes a comparison between the latest budget and the proposed budget as well as an updated budget narrative of the affected cost categories to demonstrate that the overall required match will be met. The recipient must use the same form/format for presenting the budget information that was used in the approved application.

The recipient may use the [Suggested Match Verification Template Letter](#) as a starting point for developing its change request. Please add any additional information requested above to the letter.

10.0 PERFORMANCE AND FINANCIAL REPORTS

AMS requires submission of interim and final reports to demonstrate the progress made toward the completion of project goals, objectives, and outcomes, as well as the grant agreement's overall financial status. Performance reports

must be formatted and submitted using the approved templates or guidance, and machine-readable.

Recipients are required to submit an SF-425 [Federal Financial Report](#) with each performance report to account for their financial expenditures during that reporting period.

All performance reports must be submitted through GS and financial reports must be submitted through PMS. The required Interim Performance Report Template, Final Performance Report Template, and the SF-425 Federal Financial Report, along with instructions and a sample financial report, can be found at www.ams.usda.gov/grants. Click on the applicable grant program website, and then click on "How to Administer the Award" in the left menu bar.

If a grant agreement must be extended beyond the performance period stated on the Notice of Award additional reports may be necessary depending on the length of the extension.

If performance or financial reports are prepared by a third party and/or subrecipient, it is the recipient AOR's responsibility to review and approve the report before forwarding it to AMS.

10.1 Interim Performance and Financial Reports

The Interim Performance Report and SF-425 Federal Financial Report are due **annually** no later than 90 calendar days after each annual performance reporting period (block 26 of the Notice of Award) end date.

If the recipient completes the grant early, they may submit a Final Performance Report in lieu of an Interim Performance Report.

10.2 Final Performance and Financial Reports

The Final Performance Report and SF-425 Federal Financial Report must be submitted no later than 120 calendar days after the performance period end date (block 26 of the Notice of Award). A subrecipient must submit to the pass-through entity no later than 90 calendar days after the period of performance end date.

10.3 Review of Performance and Financial Reports

AMS will confirm receipt of performance and financial reports. These reports will be reviewed to ensure completeness and progress toward meeting the project goals and measurable outcomes as well as compliance with Federal assistance regulations. AMS will notify the recipient project director if additional information is required.

The recipient project director is responsible for adequately addressing all comments and questions prior to sending the revised report(s).

10.4 Public Access to Records

Accomplishments, procedures, and other benefits resulting from the Federally funded project may be made available publicly through online posting, as well as through [Freedom of Information Act \(5 U.S.C. 552\) \(FOIA\)](#) requests. The AMS website is the primary means to distribute results of each Federal award, although additional proposal/project information, within the regulations, will be released if requested under the FOIA. Restrictions on release of records and information apply for protected PII or when exempt from disclosure pursuant to the FOIA or the Privacy Act of 1974 ([5 U.S.C. § 552a](#)).

Since requested information may be made public, AMS encourages the recipient to minimize grammatical and spelling errors in submitted forms and materials. AMS will not edit the reports beyond ensuring that the content is appropriate.

10.5 Disparaging Language and Protected PII

Recipients are prohibited from using AMS grant funds to conduct any activity that is false, misleading, or disparaging

toward agricultural commodities or products or to disparage the mission, goals, and/or actions of another organization or individual.

Reports submitted to AMS must avoid the use of Protected PII, including use of an individual's first name or first initial and last name in combination with any one or more types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date, and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts, etc. Personal contact information included in performance reports should be limited to the recipient project director's name and e-mail address, as well as organization name, physical address, and telephone number.

10.6 Overdue Reports

Events may occur that prevent you from submitting reports within the scheduled performance reporting dates. In such cases, the recipient must inform AMS as soon as it is aware of problems, delays, or adverse conditions, preferably no less than 14 calendar days before the due date. This disclosure must include a statement of the action taken or contemplated, and any assistance needed to resolve the situation. If a justified request is submitted by the recipient, AMS may extend the due date for any performance report. If the late report submissions are due to issues of noncompliance, the enforcement actions described in section [17.0 Remedies for Noncompliance](#) may be taken.

11.0 ACKNOWLEDGEMENT OF SUPPORT

As required in [2 CFR § 415.2](#), grant recipients and subrecipients must acknowledge USDA AMS support in all publications written or published with USDA AMS grant or cooperative agreement support. This includes reports, pamphlets, posters, and brochures, and, if feasible, any publication reporting the results of, or describing, a grant-supported activity. Recipients must also acknowledge USDA AMS support on any audio or video product including live or prerecorded radio or television programs, audio recordings and multimedia presentations.

The following acknowledgment of USDA funding must appear in all published materials or products, in any format (web sites, audiovisuals, etc.), that are substantially based upon or developed under an AMS award:

Funding for [Project or Publication] was made possible by a grant/cooperative agreement from the U.S. Department of Agriculture (USDA) Agricultural Marketing Service. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the USDA.

Prime recipients publishing subaward opportunities (such as requests for applications) and subaward announcements must include acknowledgment that the funding is from the United States Department of Agriculture, Agricultural Marketing Service. For such announcements, prime recipients must also use the USDA logo. Subaward recipients and recipients conducting projects directly (not by making subawards), must include the above acknowledgment. They are encouraged to use the USDA logo in their financial acknowledgment. Any other logo use requires approval in writing from AMS prior to finalizing documents for publication or printing. When using the USDA logo, please use the [logo acknowledgment images](#) provided by USDA AMS.

The recipient is responsible for ensuring that an acknowledgment of USDA is made during media interviews, including popular media such as radio, television, and news magazines, that discuss work funded by USDA AMS in a substantial way.

AMS grant recipients are asked to coordinate all public announcements of awards and subawards, when possible, with AMS and its Public Affairs Office. Simultaneous announcements by AMS and the grant recipient are frequently preferred.

12.0 PROPERTY MANAGEMENT

The title to real property, equipment, and supplies acquired or improved by the recipient under the award will vest upon acquisition in the recipient. Recipients must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds.

Recipients are expected to manage equipment whether acquired in whole or in part under the Federal award, until disposition takes place, by maintaining property records that include a description of the property, a serial number or another identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. This is in addition to the other requirements of use, management, and disposition of real property, equipment and supplies acquired or improved by under a grant in accordance with [2 CFR §§ 200.311, 200.313](#) and [200.314](#).

12.1 Disposition of Real Property, Equipment and Supplies

When **real property** is no longer needed for the originally authorized purpose, the recipient must obtain disposition instructions from AMS.

When original or replacement **equipment** acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, the recipient must request disposition instructions from AMS and may be made as follows:

Items of **equipment** with a current per unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further responsibility to AMS.

Items of **equipment** with a current per unit fair market value in excess of \$5,000 may be retained by the recipient or sold and AMS compensated for its share.

If there is a residual inventory of unused **supplies** exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the recipient must retain the supplies for use on other activities or sell them, but must, in either case, compensate AMS for its share.

In any of these cases, recipients acting on their own behalf or as the pass-through entity must submit to AMS via email either 1) an SF-428 C Tangible Personal Property Report Disposition Request/Report during the period of performance or 2) an SF-428 B Tangible Personal Property Final (Award Closeout) Report at closeout of the Federal award to report or request disposition instructions. A sample Disposition Request/Report can be found at www.ams.usda.gov/grants. Click on the applicable grant program website, and then click on "How to Administer the Award" in the left menu bar. AMS will review the request and provide disposition instructions for the real property, equipment and/or supplies. The disposition instructions will notify the recipient that AMS is entitled to an amount calculated as follows:

AMS Amount = Current Market value or proceeds from sale of the equipment/supplies X

Percentage of AMS participation in the cost of the original purchase

If the equipment and/or supplies are sold, the recipient is permitted to deduct and retain from the Federal share \$500 or 10 percent of the proceeds, whichever is less, for its selling and handling expenses.

13.0 ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

You agree to comply with the following Federal statutes and regulations as applicable to your award. These include but

are not limited to the ones listed below. The full text of Code Federal Regulations references can be found at: [eCFR-Code of Federal Regulations](#).

Federal statutes and regulations found on the SF-424B "Assurances –Non-Construction Programs." [2](#)

[2 CFR § 25](#) – System for Award Management and Universal Identifier Requirements

[2 CFR § 170](#) – Reporting Subaward and Executive Compensation Information

[2 CFR § 175](#) – Award Term for Trafficking in Persons

[2 CFR §§ 180](#) and [417](#) – OMB Guidelines to Agencies on Government-Wide Debarment and Suspension (Nonprocurement) and USDA Nonprocurement Debarment and Suspension

[2 CFR § 182](#) – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)

[2 CFR § 183](#) – Never Contract with the Enemy

[2 CFR § 200](#) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards [2](#)

[CFR § 400](#) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards [2](#)

[CFR § 415](#) – General Program Administrative Regulations

[2 CFR § 416](#) – General Program Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

[2 CFR § 418](#) – New Restrictions on Lobbying

[2 CFR § 421](#) – Requirements for Drug-Free Workplace (Financial Assistance)

[2 CFR § 422](#) – Research Institutions Conducting USDA-Funded Extramural Research; Research Misconduct

[7 CFR § 1, subpart A](#) – Official Records (Freedom of Information Act)

[7 CFR § 1\(b\)](#) – National Environmental Policy Act

[7 CFR § 3](#) – Debt Management (OMB Circular No. A-129)

[7 CFR § 15, subpart A](#) – Nondiscrimination in Federally-Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964

[7 CFR § 331](#) and [9 CFR § 121](#) – USDA implementation of the Agricultural Bioterrorism Protection Act of 2002

[37 CFR § 401](#) – Rights to Inventions made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements

[41 CFR §§ 301-10.131 to 301-10.143](#) – Use of United States Flag Air Carriers, which implements the Fly America Act (49 U.S.C. 40118). For more information see <http://www.gsa.gov/portal/content/103191>. [48](#)

[CFR subpart 31.2](#) – Contracts with Commercial Organizations

[8 U.S.C. § 1324a](#) – Unlawful employment of aliens

[29 U.S.C. § 794](#) – Nondiscrimination under Federal grants and programs

[41 U.S.C. § 22](#) – Interest of Member of Congress

[41 U.S.C. § 4712](#) – Pilot program for enhancement of contractor protection from reprisal for disclosure of certain information

44 U.S.C. § 3551 et seq. ([P.L. 107-347](#)) – Federal Information System Security Management Act of 2002 (FISMA)

[EO 13166](#), *Improving Access to Services for Persons with Limited English Proficiency*, take reasonable steps to ensure that LEP persons have meaningful access to programs in accordance with [LEP Implementation Strategy for AMS' Federally-Assisted Programs](#).

[EO 13798](#), *Promoting Free Speech and Religious Liberty*. As a recipient you must not discriminate against sub recipients on the basis of their religious character.

[EO 13858](#), *Strengthening Buy- American Preferences for Infrastructure Project (Except for Section 5, revoked by EO 14005)*

[EO 13864](#), *Improving Free Inquiry, Transparency, and Accountability at Colleges and Universities*

[EO 13933](#), *Protecting American Monuments, Memorials, and Statues and Combating Recent Criminal Violence*

[EO 13988](#), *Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation*

[EO 13991](#), *Protecting the Federal Workforce and Requiring Mask-Wearing* [EO](#)

[13999](#), *Protecting Worker Health and Safety*

[EO 14005](#), *Ensuring the Future Is Made in All of America by All of America's Workers*

Motor Vehicle Safety – Highway Safety Act of 1966, as amended ([23 U.S.C. §§ 402 & 403](#)); Government Organization and Employees Act, as amended ([5 U.S.C. § 7902 \(c\)](#)); Occupational Safety and Health Act of 1970, as amended ([29 U.S.C. § 668](#)); Federal Property and Administrative Services Act of 1949, as amended ([40 U.S.C. § 101, et seq.](#)); Increasing Seat Belt Use in the United States ([EO 13043](#)); Federal Leadership on Reducing Text Messaging While Driving ([EO 13513](#))

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. No. 112-55, Division A, Sections 738 and 739 regarding corporate felony convictions and corporate Federal tax delinquencies.

14.0 CLOSEOUT

AMS will close out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award are completed by the recipient, as provided in [2 CFR § 200.344](#). If the recipient fails to complete the requirements, AMS will proceed to close out the Federal award with the information available. When an award is closed out, terminated, or partially terminated, the recipient is responsible for compliance with the requirements in [2 CFR § 200.345](#).

The recipient must submit, no later than 120 calendar days after the period of performance end date, all financial, performance, and other reports as required by these award terms and conditions. A subrecipient must submit this information to the pass-through entity, no later than 90 calendar days after the end of the period of performance.

14.1 Closeout Checklist

The following documents must be submitted to and approved by AMS to successfully close out a grant:

1. Final Performance Report Template (see [Section 10.2](#)) and any project deliverables (e.g., photos, brochures, other print materials from the project);
2. Final SF-425 Federal Financial Report ([Section 10.2](#));
3. Final SF-270 Request for Advance or Reimbursement (see [Section 4.2](#) and subsections);
4. Refund check for any unused funds, if applicable (see [Section 14.2](#));
5. SF-428 B Tangible Personal Property Final Report, if applicable (see [Section 12.1](#)); and
6. Audit report, if applicable (see [Section 2.1](#))

Requirements for Reapplication

Upon receiving and accepting all closeout documents, AMS will issue a closeout letter. If the recipient fails to complete the requirements, AMS will proceed to close out the Federal award with the information available. Failure to submit all closeout reports within one year of the period of performance end date will result in AMS reporting the recipient's material failure to comply with these award terms and conditions to FAPIIS and may result in exclusion from future AMS grant consideration.

14.2 Unused and Returned Funds

Before submitting an SF-425 for a grant that has been completed or terminated, the recipient must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the performance period end date of the grant agreement. If the recipient has a balance of funds that AMS previously disbursed and that the recipient did not obligate by the performance end date of the grant agreement, the recipient must return these funds to AMS. AMS's request to return an unobligated balance following expiration or termination of a grant is not considered an adverse action and is not subject to appeal.

Return the funds payable by check to the "Agricultural Marketing Service." Because packages sent to AMS through the United States Postal Service may be damaged or delayed due to security procedures at USDA Washington, D.C. headquarters, the use of express mail or courier services is strongly encouraged.

Send payments by Express mail or courier submission to:

[Grant Program Name]
Attn: [Grant Program Name] Team Lead USDA, Agricultural Marketing Service
Transportation and Marketing Program 1400 Independence Avenue, SW
Room 1510–South Building, Stop 0264 Washington, DC 20250-0264

15.0 RECORD RETENTION

The recipient must retain all records relating to the grant for a period of three years after the final SF-425 is received by AMS or until final resolution of any audit finding or litigation. See [2 CFR § 200.334](#) for exceptions and qualifications to the retention requirement and period for other types of grant-related records, including property records.

The recipient should, whenever practicable, collect, transmit, and store grant-related information in open and machine-readable formats rather than in closed formats or on paper, in accordance with applicable legislative requirements ([EO 13642](#)). A machine-readable format is a standard computer language (not English text) format that can be read automatically by a web browser or computer system.

16.0 ACCESS TO RECORDS

As described in [2 CFR § 200.337](#), AMS, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have right of access to any documents, papers, or records of recipients and subrecipients which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the recipient's and subrecipient's personnel for interview and discussion related to such documents.

17.0 REMEDIES FOR NONCOMPLIANCE

AMS may take one or more of the following remedies for a recipient's failure to comply with the U.S. Constitution, Federal statutes, regulations, or the award General Terms and Conditions, including reporting requirements, depending on the severity and duration of the noncompliance. In addition to the options listed below, AMS may take other remedies that are legally available, including initiating suspension or debarment under [2 CFR § 180](#).

The recipient may be given an opportunity to correct the deficiencies before AMS takes enforcement action; however, AMS may take proactive steps to protect the Federal government's interests, including placing specific conditions on awards as described in 2 CFR § 200.208 and in accordance with [2 CFR § 200.339](#), such as requiring more frequent reporting or requiring the recipient to obtain technical or management assistance.

17.1 Disallow Costs

AMS may disallow (deny the use of funds) for all or part of the cost of the activity or action that is not in compliance.

17.2 Withdrawal of Authorized Personnel Approval

AMS may withdraw its approval of the Authorized Representative and/or other project representatives if the Agency concludes that they are no longer qualified or competent to perform their duties. If this occurs, AMS may request that the recipient designate new Authorized Representative or other key personnel. The decision to impose special conditions by withdrawing approval of the Recipient Authorized Representative or other key personnel, or otherwise, is discretionary on the part of AMS and not subject to appeal.

17.3 Withholding of Payments

AMS may temporarily withhold cash payments pending correction of the deficiency by the recipient, in accordance with [2 CFR § 200.206](#). This decision is discretionary on the part of AMS and not subject to appeal.

17.4 Withholding of Support

AMS may decide not to make an award within the current award cycle if a recipient failed to meet the terms and conditions of a previous award or if continued funding would not be in the best interests of the Federal government.

17.5 Suspension or Termination

AMS may terminate an award in whole or in part per [2 CFR §200.340](#). AMS generally will suspend (rather than immediately terminate) a grant and allow the recipient an opportunity to take appropriate corrective actions before terminating a grant agreement. AMS may terminate the grant if the recipient does not take appropriate corrective actions during the period of suspension or if the grant no longer effectuates the program goals or agency priorities. AMS may also terminate the grant without first suspending if the deficiency warrants immediate termination or if public health or welfare concerns require immediate action. AMS will provide the recipient a notice of termination that includes the reason(s) for the termination and if the decision will be considered in evaluating future applications.

AMS and the recipient may mutually terminate a grant agreement, partially or totally, if the two parties agree upon the termination conditions, including the effective date and the portion to be terminated. The recipient must contact the AMS representative should it decide to terminate all or part of its award. If the recipient decides to terminate a portion of a grant agreement, AMS may determine that the remaining portion of the grant agreement will not accomplish the purposes for which the grant agreement was originally awarded. In that case, AMS will advise the recipient of the possibility of termination of the entire grant and allow the recipients to withdraw its request for partial termination. If the recipient does not withdraw its request for partial termination, AMS may initiate a procedure to terminate the entire grant, which may include reporting the situation to FAPIIS

When an award is terminated or partially terminated, the recipient is responsible for compliance with section [14.0 Closeout](#) requirements.

17.6 Special Conditions for High-Risk Recipients

AMS will evaluate the degree of risk associated with a given recipient and may impose additional award conditions per [2](#)

[CFR § 200.206\(b\)](#) on the recipient that corresponds to the degree of risk assessed. This risk assessment may incorporate the results of the evaluation of the applicant's eligibility or the quality of its application. These specific award conditions are specified in [2 CFR § 200.208](#). AMS will promptly remove any special conditions once the conditions that prompted them have been corrected and verified.

18.0 SITE VISITS

AMS may conduct periodic site visits, at its own expense, to review project accomplishments and monitor progress, to review financial and performance records, organizational procedures, and financial control systems, and to provide technical assistance as required. AMS will make every effort to notify the grant recipient at least two weeks in advance of any trip to the AMS-funded project location. If AMS makes any official site visit on the premises of a recipient or a subrecipient(s), the recipient must provide, and must require its subrecipients to provide, all reasonable facilities and assistance for the safety and convenience of government officials in the performance of their duties. All site visits and evaluations are expected to be performed in a manner designed to not unduly delay the implementation of the project.

19.0 APPEALS

The recipient may appeal an AMS decision to remedy non-compliance by submitting a written request for review to the Federal Agency Project contact, identified in block 9 and 10 of the Notice of Award, unless directed otherwise. The appeal letter must explain the decision or action it is appealing, describe what happened, and include any documentation that substantiates the appeal. AMS will review the notification and respond within 30 calendar days.

AMS encourages all recipients to try to resolve disputes by using Alternative Dispute Resolution (ADR) techniques. The benefits of using ADR can include decreasing time, cost, and other resources expended in resolving conflicts and increasing customer satisfaction. ADR techniques include mediation, early neutral evaluation, and other consensual resolution methods. Recipients must obtain their own mediator.

20.0 LIMIT OF FEDERAL LIABILITY

The maximum obligation of AMS to a recipient is the amount indicated in the award. Nothing in these award terms and conditions or in the other requirements of the award requires AMS to make any additional award of funds or limits its discretion with respect to the amount of funding provided for the same or any other purpose. However, if an erroneous amount is stated in the award, the approved budget, or supporting documentation relating to the award, AMS has a unilateral right to make the correction and to make an appropriate adjustment in the AMS share of the award to align with the Federal amount authorized.

21.0 FRAUD, WASTE, AND ABUSE

Anyone who witnesses or has knowledge of the existence (or apparent existence) of fraud, waste, or abuse related to AMS grants or use of grant funds should report this information to USDA. The USDA Office of Inspector General (OIG) provides several means, including toll-free numbers, for this purpose. Recipients can reach the OIG Hotline in the following ways:

Online: www.usda.gov/oig/hotline Write: United States Department of Agriculture
Office of Inspector General PO Box 23399
Washington, DC 20026-3399

Call: 1-800-424-9121 (toll free) or 202-690-1202 (TDD) Fax: 202-690-2474

Fraud, waste, and abuse include, but are not limited to, embezzlement, misuse, or misappropriation of grant funds or property, and false statements and misrepresentation, whether by organizations or individuals. Examples are theft of grant funds for personal use; using funds for non-grant-related purposes; theft of Federally owned property or property acquired or leased under a grant; charging inflated building rental fees for a building owned by the recipient; submitting false financial reports and submitting false financial data in bids submitted to the recipient (for eventual payment under the grant). Callers are not required to give their names and, if they do, OIG keeps the identity of complainants protected under the provisions of the Whistleblower Protection Act of 1989 and the Inspector General Act of 1978.

The Federal government may pursue administrative, civil, or criminal action under a variety of statutes that relate to fraud and false statements or claims. Even if the Federal government does not award a grant, the applicant may be subject to penalties if the information contained in or submitted as part of an application, including its certifications and assurances, is found to be false, fictitious, or fraudulent.

22.0 PROHIBITION OF CONFIDENTIALITY AGREEMENTS

The prohibition of using funds under grants and cooperative agreements with entities that require certain internal confidentiality agreements are described below.

- (a) The recipient may not require its employees, contractors, or subrecipients seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting them from lawfully reporting that waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal Department or Agency authorized to receive such information.
- (b) The recipient must notify its employees, contractors, or subrecipients that the prohibitions and restrictions of any internal confidentiality agreements inconsistent with paragraph (a) of this award provision are no longer in effect.
- (c) The prohibition in paragraph (a) of this award provision does not contravene requirements applicable to any other form issued by a Federal department or Agency governing the nondisclosure of classified information.
- (d) If the Government determines that the recipient is not in compliance with this award provision, it:
 - (1) Will prohibit the recipient's use of funds under this award, in accordance with sections 743, 744 of Division E of the Consolidated Appropriations Act, 2016, (Pub. L. 114-113) or any successor provision of law; and
 - (2) May pursue other remedies available for the recipient's material failure to comply with award terms and conditions.

23.0 PAPERWORK REDUCTION

According to the Paperwork Reduction Act of 1995, an Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 0581-0240. The time required to complete this information collection is estimated to average 2.22 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information.

24.0 NONDISCRIMINATION STATEMENT

USDA is an equal opportunity provider, employer, and lender. Recipients should follow the instructions found at <https://www.usda.gov/non-discrimination-statement>.