Grant Contract

This grant contract ("Contract") is hereby entered into by and between the North Carolina Department of Natural and Cultural Resources (the "Agency") and Caldwell County, North Carolina (the "Grantee") (referred to collectively as the "Parties").

Grantee Information:

Federal Tax ID #:
Address: 905 West Ave NW, Lenoir, NC 28645
Source of Funds: State Appropriation, America 250 North Carolina
Account Information: 105106 56600185 46001AC
Fiscal Year End Date: June 30
Amount of Grant Award: $10,000

The Parties agree to be bound by the terms, promises, and any other requirements appearing either directly or by reference in this Contract, as well as in the following documents, which are incorporated herein by reference, as though fully set forth herein:

1) The Scope of Work, description of services (Attachment A)
2) The line-item budget (Attachment B)
3) Notice of Certain Reporting and Audit Requirements (Attachment C)

DEFINITIONS

Except as otherwise provided in the Contract documents, the terms below shall have the following meanings in this Contract.

"Agency" means the North Carolina Department of Natural and Cultural Resources.

"Audit" means an examination of records or financial accounts to verify their accuracy.

"Certification of Compliance" means a report provided by the Grantee to the Agency that states that the Grantee has met the reporting requirements established by this Contract and included as a statement of certification by the Agency as part of the Grantee reporting package.

"Compliance Supplement" refers to the North Carolina State Compliance Supplement, maintained by the State and Local Government Finance Agency within the North Carolina Department of State Treasurer that has been developed in cooperation with agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.

"Deliverable(s)" means any tangible and original works of authorship created by or on behalf of Grantee under the Contract.

"Director of State Budget" means the State Budget Director of North Carolina.

"Fiscal Year" means the annual operating year of the non-State entity.

DRAFT

"Financial Statement" means a report providing financial statistics relative to a given part of an organization's operations or status.

"Grant" means financial assistance provided by DNCR to an eligible grantee to carry out the activities and purpose identified in this Contract.

“Grantee” means an entity that receives State financial assistance.

"Non-State Entity" has the meaning in G.S. 143C-1-1(d)(18).

"Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of Federal or State awards.

“State financial assistance" means State funds disbursed as a grant, cooperative agreement, non-cash contribution, food commodities, or direct appropriation to a grantee or subrecipient as defined in this Contract.

"Special Appropriation" means a legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.

“State Funds" means any funds appropriated by the North Carolina General Assembly or collected by the State of North Carolina. State funds include federal financial assistance received by the State and transferred or disbursed to non-State entities. Both Federal and State funds maintain their identity as they are disbursed as financial assistance to other organizations.

"Subrecipient" means a non-State entity that receives State financial assistance from a Grantee to carry out part of a State program; but does not include an individual that is a beneficiary of such program.

GENERAL TERMS AND CONDITIONS

1. **Choice of Law:** The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the Parties to this Contract, are governed by the laws of North Carolina. The Grantee, by signing this Contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this Contract and all transactions and understandings relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters shall be determined.

2. **Grantee’s Duties:** The Grantee shall provide the services as described in Attachment A, Scope of Work and Description of Services and in accordance with the approved budget in Attachment B. The Grantee may make line-item adjustments of less than ten percent (10%) for budgeted expenditures without prior approval from the Agency, except if the adjustment would exceed the total grant amount.

   For line-item adjustments of ten percent (10%) or more for budgeted expenditures, the Grantee shall submit a written request for approval to the Agency and include a justification for the adjustment. Line-item adjustments requiring approval shall be effective only upon a dually executed amendment between the parties, in accordance with the terms of this Contract.

   Amendments executed under this Paragraph shall include the new line-item adjustment(s) (Attachment B) and any changes in the Scope of Work and Description of Services (Attachment A) related to the duties and services affected by the line-item adjustment. An amendment that fails to comply with the

requirements of this Paragraph shall not be binding upon the parties. A violation of this Paragraph shall constitute a material breach and shall entitle the Agency to terminate the contract and pursue all rights and actions available to it under the law.

3. **Grant Payments:** Grant payments will be remitted based on the payment schedule included in Line-Item budget and Narrative (Attachment B). Upon successful submission of the grant report outlined in the payment schedule, Grantee may submit to Agency a request for payment according to the schedule.

4. **No Employment Relationship Between State and Grantee:** The Grantee is and shall be wholly responsible for the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees in the performance of this Contract. The Grantee's performance of this Contract does not create or establish any employment relationship, joint venture, or partnership between the Grantee and the State or the Agency. The Grantee represents that it has, or shall secure at its own expense, all personnel required to perform the services under this Contract. Such personnel of Grantee shall not be employees of, or have any individual contractual relationship with, the State or the Agency.

5. **Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the Agency, the Agency may:

   (a) Forward the Grantee's payment check(s) directly to any person or entity designated by the Grantee; or
   (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check(s).

   In no event shall such approval and action obligate the Agency to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all contract obligations.

6. **Beneficiaries:** Except as otherwise provided herein, this Contract shall inure to the benefit of and be binding upon the Parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Agency and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Agency and Grantee that any such person or entity, other than the Agency or the Grantee, receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.

7. **Indemnification:** The Grantee shall hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Grantee in the performance of this Contract and that are attributable to the negligence or intentionally tortious acts of the Grantee.

8. **Noncompliance and Use of Grant Funds:** The Grantee may only use the grant funds disbursed hereto in the manner allowed under this Contract. The Agency will review reporting from the Grantee to ensure that grant fund expenditures meet the requirements of this Contract, as well as any applicable laws, rules, or regulations. If DNCR finds that the Grantee is noncompliant with any requirements of this Contract or law, DNCR will take action consistent with applicable laws and regulations, including, but not limited to, the requirements of 09 NCAC 03M .0801.

DRAFT

9. **Termination by Mutual Consent:** The Parties may terminate this Contract by mutual consent with 60 days' written notice to the other Party, or as otherwise provided by law.

10. **Termination for Cause:** If, through any cause, the Grantee shall fail to fulfill its obligations under this Contract in a timely and proper manner, the Agency shall have the right to terminate this Contract by giving written notice to the Grantee and specifying the effective date thereof.

11. **Effect of Termination**:
    (a) In the event the Contract is terminated by either party, the Grantee will be paid for work that is satisfactorily completed under the terms of this Contract, as determined by the Agency and under the terms herein.
    (b) The Grantee will not incur new obligations for the terminated portion of the Contract and will cancel as many outstanding obligations as possible, immediately after receiving the notification of termination from the Agency or providing the Agency with the same if the Grantee is terminating the Contract. Costs incurred after receipt or provision of termination notice will be disallowed.
    (c) The Grantee shall not be relieved of any liability owed to the Agency because of any breach of the Contract by the Subgrantee. The Agency may, to the extent authorized by law, withhold payments to the Subgrantee for the purpose of set-off until the exact amount of damages due the Agency from the Subgrantee is determined.
    (d) In the event of termination by either Party, the Grantee shall provide to the Agency an itemized list of all Deliverables created under the Contract. At the Agency's option, the Grantee shall produce high-quality copies or recordings of all finished or unfinished Deliverables prepared by the Grantee under this Contract; such copies or recordings of the Deliverables shall become the property of the Agency. The Agency shall have all right and authority to use the copies or recordings of the Deliverables under the license provided in Paragraph 16.

12. **Waiver of Default:** A failure of either party to insist upon strict enforcement of any term or provision or to exercise any right, option, or remedy of this Agreement, or to require, at any time, performance of any provision hereof, shall not be construed as a waiver of any such term or provision. No waiver by either Party of any term or provision hereof shall be binding unless made in writing and signed by the other, approving party.

13. **Availability of Funds:** The Parties to this Contract agree and understand that the payment of the sums specified in this Contract is dependent and contingent upon and subject to the allocation and appropriation of funds for this purpose to the Agency.

14. **Force Majeure:** Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

15. **Survival of Promises:** Except as otherwise provided herein or unless superseded by applicable federal or State statute of limitations, all promises, indemnifications, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Contract expiration or termination date.

16. **Intellectual Property Rights, Licensing, and Ownership of Deliverables:** The Grantee shall own all rights, title, and interest in deliverable items produced pursuant to this Contract. Notwithstanding the foregoing, the Grantee agrees to grant to the Agency, at no charge to the Agency, a non-exclusive, royalty-free, and irrevocable right and license to reproduce, publish, or otherwise use any deliverable item for Agency purposes, as well as purposes of the State, and to authorize others to do so. Further,

the Grantee shall require all subrecipients and subcontractors to include in all agreements relating to this Contract a clause giving the Agency the same rights, title, and license granted herein.

This license is not to be construed as a conveyance or surrender of copyright, trademark, or any other right or interest, based in intellectual property or otherwise, that is or may be vested in the Grantee's ownership of the deliverable items. Furthermore, the Grantee warrants and represents that it will only create deliverable items in which the Grantee is the sole owner of all rights, title, and interest thereto. Such rights, title, and interests include, but are not limited to, copyright, trademark, and any other intellectual property rights. The Grantee warrants and represents that this Contract and the rights licensed herein do not violate any other party's rights or interests in intellectual property or otherwise. In addition, the Grantee agrees to not use the deliverable items in any manner to suggest speech on the part of the Agency or the State of North Carolina or which would be unlawful by a government agency.

17. **Federal Intellectual Property Bankruptcy Protection Act:** The Parties agree that the Agency shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n) and any amendments thereto.

18. **Compliance with Laws:** All Parties to this Contract shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to its conduct and to the administration of this Contract.

19. **Equal Employment Opportunity:** The Grantee shall comply with all federal and State laws relating to equal employment opportunity and fair and equal employment, including, but not limited to, Governor Cooper's Executive Order 24 as well as Title VII of the Civil Rights Act of 1964, as applicable.

20. **Access to Persons and Records:** The State Auditor, DNCR Internal Auditors, the Joint Legislative Commission on Governmental Operations (as well as applicable legislative employees), and any other authorized State entity shall have access to persons and records as such access is required under North Carolina law (including but not limited to N.C.G.S. §§ 143-49 & 147-64.7).

21. **Record Retention:** The Grantee shall retain documents and records relating to this Contract for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later.

22. **Amendment**: This Contract may not be amended orally or by performance. Amendments shall be made in writing on a form prepared by the Agency and duly executed by an authorized representative of the Agency and the Grantee.

23. **Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect.

24. **Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the Contract and should not be used to construe the meaning of any text or content thereof.

DRAFT

25. **Sales/Use Tax Refunds:** If eligible, the Grantee and all subrecipients shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to N.C.G.S. § 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

26. **Travel Expenses:** Travel expenses shall not be reimbursed in the performance of this Contract. If travel is necessary in the performance of this Contract, it shall be included in the approved project budget and narrative.

27. **Entire Agreement:** This Contract and any documents incorporated specifically by reference represent the entire agreement between the Parties and supersede all prior oral or written statements or agreements. This Contract and any addenda thereto, are incorporated herein by reference as though set forth verbatim. All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

28. **Gifts and Favors Regulated:** Under N.C.G.S. §133-32, it is unlawful for any vendor or contractor (e.g., architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor) to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies. This prohibition covers those vendors and contractors who:

    (1) have a contract with a government agency;
    (2) have performed under such a contract within the past year; or
    (3) anticipate bidding on such a contract in the future.

    The requirements of N.C.G.S. § 133-32 are hereby incorporated by reference, including any subsequent amendments thereto, and shall apply to all vendors and subcontractors under this Contract

29. **Effective Period:** This Contract shall be effective upon signature by all Parties to this Contract and shall terminate upon final expenditure of all funds and submission of all reports as required by law.

30. **Reversion of Unused Funds at Termination or Expiration of Contract and upon Certain Audit Findings**: Upon the expiration or termination of this Contract or upon certain audit findings, unexpended or unused Grant funds held by the Grantee shall revert to the Agency.

31. **Conflict of Interest Policy:** The Grantee shall have on file with the Agency a copy of the Grantee's policy addressing conflicts of interest that may arise involving the Grantee's management employees and the members of its governing body as set forth in N.C.G.S. § 143C-6-23(b). The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the Grantee's employees or members of its board or other governing body, from the Grantee's disbursing of State Funds and shall include actions to be taken by the Grantee or the individual, or both to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the Agency may disburse the grant funds.

32. **Compliance with Certain Reporting and Audit Requirements:** This Contract is subject to the reporting requirements described in the Notice of Certain Reporting and Audit Requirements (Attachment C).

33. **Disbursements:** As a condition of this Contract, the Grantee acknowledges and agrees to make disbursements in accordance with the following requirements:

(a) Implement adequate internal controls over disbursements;
(b) Ensure sufficient account coding information to provide for tracking of grant funds through the Grantee's accounting system;
(c) Assure adequate control of signature stamps/plates;
(d) Assure adequate control of negotiable instruments; and
(e) Implement procedures to ensure that all account balances are solvent and reconcile the account monthly.

34. **Outsourcing/Assignability/Subcontracting:** The Grantee shall not subgrant or subcontract any of the work contemplated under this Contract without prior written approval from the Agency. The Agency shall not be obligated to pay for any work performed by any unapproved subgrantee, subrecipient, or subcontractor. The Grantee is not relieved of any of the duties and responsibilities of this Contract upon assignment of this Contract or outsourcing or subcontracting for work to be performed under this Contract. Furthermore, any subrecipient or subgrantee must agree to abide by the standards contained in this Contract and to provide all information to allow the Grantee to comply with these standards.

35. **Contract Administrators:** All notices permitted or required to be given by one Party to the other and all questions about the Contract from one Party to the other shall be addressed and delivered to the other Party's Contract Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Contract Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Contract Administrator by giving written notice to the other Party within 30 calendar days of such change.

DRAFT

For the Agency:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Dan Brosz, Project Coordinator America 250 North Carolina Department of Natural and Cultural Resources 4601 Mail Service Center Raleigh, NC 27699-4601 (919) 814-6633 dan.brosz@dncr.nc.gov	Dan Brosz, Project Coordinator America 250 North Carolina Department of Natural and Cultural Resources 109 E. Jones Street Raleigh, NC 27601

For the Grantee:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Paige Counts, Public Information Officer Caldwell County, North Carolina 905 West Avenue NW Lenoir, NC 28645 (828) 757-1300 pcounts@caldwellnc.org	

36. **State Property**: The Grantee shall be responsible for the proper custody and care of any State-owned property furnished to it for use in connection with this Agreement and shall reimburse the State for any loss or damage to said property.

37. **Signature Warranty:** The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Contract.

[THIS SPACE INTENTIONALLY LEFT BLANK]

DRAFT

In Witness whereof, the Grantee and the Agency have executed this Contract in duplicate originals, with one original being retained by each Party.

GRANTEE

Anthony Helton Date
Chief Financial Officer, Caldwell County, NC

Donald E. Duncan, Jr. Date
Caldwell County Manager

[CORPORATE SEAL] – (optional)

NORTH CAROLINA DEPARTMENT OF NATURAL AND CULTURAL RESOURCES

Sarah E. Koonts Date
Director, Division of Archives and Records

Dr. Darin J. Waters Date
Deputy Secretary, Office of Archives and History

DRAFT

Attachment A
Scope of Work

- Any changes to the grant project team must be reported to DNCR as soon as possible along with reasons for the change and must include the new team member's contact information.

- Grantee must follow the agency's branding guidelines and use the official America 250 NC logo on all printed materials and online webpages related to the grant-funded project.

- Grantee must use following acknowledgement statement regarding the source of project funding: *"This project was produced with assistance from the America 250 North Carolina initiative, administered by the North Carolina Department of Natural and Cultural Resources. Any opinions, finding, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the State of North Carolina."*

- Grantee must submit grant funded events to the America 250 NC online calendar.

- Grantee must provide the Department with link(s) to online, grant-funded resources for use and/or reference on the Department's America 250 NC webpages.

- Grantee must submit all printed materials funded by the grant for Department review and comment on the historical accuracy of the printed **materials prior to printing**.

- Grantee must send links and print materials to the Grant Administrator as they are published and should include the acknowledgement statement above as applicable.

- If the project impacts properties listed in the National Register of Historic Places, grantee must compile project information for review by the North Carolina State Historic Preservation Office (HPO). Grantee must provide America 250 NC staff a copy of the final review letter from HPO and work in good faith effort to resolve any adverse effect findings with the HPO on a case-by-case basis.

- Grantee must send award notifications to the elected officials in the North Carolina General Assembly that represent their organization's legislative districts, as well as those in which the projects occur, if different. Notifications must specifically reference the America 250 NC County Committees grant created by the General Assembly as part of SL 2023-134 and administered by the North Carolina Department of Natural and Cultural Resources. Grantees must also provide a brief description of what the grant award will fund or funded.

Project deliverables

Project deliverables are listed below as found in the grant application. Any change in deliverables or scope of the project must receive approval from the Grant Administrator.

1. Creation of an exhibit about the history of Caldwell County to be installed within the Caldwell County Office Plaza.
2. Submit any public events to the America 250 NC event calendar.
3. Send award notifications to appropriate elected officials to the North Carolina General Assembly.
4. Final report

DRAFT

Reporting

America 250 NC Reporting Schedule			
Reporting Period Start Date	Reporting Period End Date	Report Type	Reporting Period Due Date
7/1/2024	6/30/2025	Final	7/31/2025

Interim Reports
The purpose of interim reports is to explain progress to date of the grant project and to provide an idea of the overall accomplishments and challenges that the project has experienced during a particular reporting period. Please use the **Interim Project Worksheet** to provide both the narrative and budget reports.

- Not applicable

Draft Documents/Products Review
Drafts of documents must be submitted to DNCR for review prior to publication. Please submit the documents for review electronically to the Grants Administrator listed in your grant agreement. DNCR staff will make all efforts to review materials in a timely manner. Submit materials early to minimize the chance of project delay. Allow time for DNCR staff review while creating your overall project timeline.

- Spring/Summer 2025 – Submit draft of exhibit panels, including text and imagery.
- Fall/Winter 2025/Winter 2026 – Submit link to online companion component to the exhibit at least four weeks prior to the website's public launch.

Final Report
The Final Report will provide a record of grant-funded project accomplishments at the conclusion of the grant. DNCR uses these narratives to report the agency's progress addressing its strategic goals. If you have questions concerning the final reporting requirements, you may address them to the Grants Administrator assigned to your grant and whose name and contact information appears in your Grant Agreement. DNCR may share final reports with grantees, potential grantees, and the general public to further the mission of the agency and the development of America 250 North Carolina. Reports may be disseminated in a variety of ways and formats, including online. Final narrative reports must contain:

- Narrative reports are to include a summary of all activities of the project, specifically those tied to the project deliverables as found in Attachment A of the grant agreement. If there were changes to deliverables or activities, those changes should be explained.
- Final copies of all grant products
- Statistics on impact of project as applicable. Sample table below.
- Analysis of the impact of the project and the beneficial results. If there were unanticipated pitfalls for the project, please discuss those as well as remedies to solve those issues.
- Next steps, if any, to describe how this project will generate long-term results for the intended audiences.

DRAFT

Sample Activity	Number
Number of People Attending Event(s)	
Number of Students Served	
Deliverables distribution (booklets, brochures, printed materials)	
Number of meetings/events/workshops held and number of participants	
Website: total number of visitors	
Website: most visited pages	
Web: number of downloads	

DRAFT

Attachment B
Line Item Budget and Narrative

Approved Budget:

	Year 1		Year 2		Year 3		Totals		
	Grant Funds	**Cost Share**	**Grant Funds**	**Cost Share**	**Grant Funds**	**Cost Share**	**Grant Funds**	**Cost Share**	**Total**
Salaries and Wages	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0
Supplies & Equipment	0	0	0	0	0	0	0	0	0
Contracts	0	0	$10,000	0	0	0	$10,000	0	$10,000
Other Costs	0	0	0	0	0	0	0	0	0
Totals	0	0	$10,000	0	0	0	$10,000	0	$10,000

Any changes to the budget as shown above must be approved by the America 250 NC Grants Administrator prior to expenditures.

Budget Narrative:
Grantee will provide explanations of expenditures and cost sharing measures in interim and final reports. Proof of expenditures (invoices, payments, receipts, volunteer logs, etc.) will be required for final report submission.

Payment Schedule:
Payment schedules are negotiated when grant agreements are signed. If the agreed upon payment schedule has become a burden, please reach out to your America 250 NC Grants Administrator. Payment schedules will coincide with reporting schedules unless otherwise noted below. Payment beyond the initial disbursement requires the submission of proof of expenditure (invoice, receipt, etc.) prior to processing. A request for payment template will be provided.

Initial Grant Award Payment: $5,000 upon receipt of executed contract and receival of first invoice.
Final Grant Award Payment: $5,000 upon DNCR approval of final report and receival of second invoice.

DRAFT

Attachment C
Notice of Certain Reporting and Audit Requirements

The Grantee shall comply with all rules and reporting requirements established by State statute or administrative rules. For convenience, the requirements are set forth in this Attachment.

Reporting Thresholds.
There are three reporting levels established for grantees and subrecipients receiving State financial assistance. Reporting levels are based on the level of State financial assistance from all funding sources. The reporting levels are:

(1) Level I – A grantee or subrecipient that receives, holds, uses, or expends State financial assistance in an amount less than twenty-five thousand dollars ($25,000) within its fiscal year.

(2) Level II – A grantee or subrecipient that receives, holds, uses, or expends State financial assistance in an amount of at least twenty-five thousand ($25,000) or greater, but less than five hundred thousand dollars ($500,000) within its fiscal year.

(3) Level III – A grantee or subrecipient that receives, holds, uses, or expends State financial assistance in an amount equal to or greater than five hundred thousand dollars ($500,000) within its fiscal year.

Reporting requirements for grantees that meet the following reporting standards on an annual basis:

(1) All grantees and subrecipients shall provide a certification that State financial assistance received or, held was used for the purposes for which it was awarded.

(2) All grantees and subrecipients shall provide an accounting of all State financial assistance received, held, used, or expended.

(3) Level II and III grantees and subrecipients shall report on activities and accomplishments undertaken by the Grantee, including reporting on any performance measures established in this Contract.

(4) Level III grantees and subrecipients shall have a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book.

All reports shall be filed with the Agency in the format and method specified by the Agency no later than three months following the end of the Grantee's fiscal year. Audits must be provided to the funding Agency no later than nine months following the end of the Grantee's fiscal year. The Grantee shall use the reporting package forms provided by the Agency in making and submitting reports to the Agency.

Unless prohibited by law, the costs of audits made in accordance with the provisions of this Contract shall be allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 CFR Part 200. The cost of any audit not conducted in accordance with this Contract shall not be charged to State awards.

Notwithstanding the provisions of this Contract, a grantee may satisfy the reporting requirements of this Contract by submitting a copy of the report required under federal law with respect to the same funds.

DRAFT