

STATE OF INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS
STANDARD SUB-RECIPIENT AGREEMENT FOR CDBG-FUNDED PROJECTS

(MODIFICATIONS TO THIS STANDARD AGREEMENT MUST BE APPROVED BY THE OFFICE
OF COMMUNITY AND RURAL AFFAIRS PRIOR TO FULL EXECUTION)

THIS AGREEMENT is entered into this _____ day of _____, 20____ by and between the City/Town/County of _____, State of Indiana (hereinafter referred to as the “Recipient”), by and through its _____ and _____, (hereinafter referred to as the “Subrecipient”) and approved by the Indiana Office of Community and Rural Affairs.

WHEREAS, the Recipient has received a grant under Title I of the Housing and Community Development Act of 1974, (P.L. 93-383), as amended, from the Indiana Office of Community and Rural Affairs (“OCRA” or “Grantee”) using federal Community Development Block Grant (“CDBG”) funds allocated by the United States Department of Housing and Urban Development, (“HUD”) bearing the grant-identifier number assigned by OCRA of _____; and,

WHEREAS, pursuant to this CDBG grant the Recipient is undertaking certain activities; and

WHEREAS, the Recipient desires to engage the Subrecipient to give certain assistance in connection with such undertakings; and

NOW, THEREFORE, the Recipient and the Subrecipient do mutually agree as follows:

I. DEFINITIONS

As used in this Agreement:

- A. “Area” means the corporate boundaries of the Recipient, or one or more sections of a defined boundary, as specifically delineated in the Statement of Work, Appendix I of this Agreement.
- B. “Contractor” means an entity other than the Subrecipient (except as noted in the Labor Standards Provisions), that furnishes to the Recipient and Subrecipient services or supplies (other than standard commercial supplies, office space or printing services).
- C. “HUD” means the federal agency that administers, oversees, and regulates the CDBG grant
- D. “OCRA” means the lead agency responsible for administering the State CDBG program.
- E. “Program” means the CDBG Program approved by OCRA as the same may be amended from time to time.
- F. “Recipient” means a unit of general local government or other eligible entity that receives CDBG funding allocated by a state or other administering authority under the non-entitlement CDBG program and is responsible for administering the funds and for ensuring that funded activities meet eligible national objectives.
- G. “Subrecipient” means the entity, whether public, not-for-profit or private, which has the responsibility for administering the activity subject to this Agreement.

II. SCOPE OF SERVICE

A. Activities

The Subrecipient will be responsible for administering funds for the CDBG Program _____ (Name) in a manner satisfactory to the Recipient and OCRA and consistent with any standards required as a condition of providing these funds to the Subrecipient. Such program will include the following activities eligible under the CDBG Program:

- | | |
|--|--|
| <input type="checkbox"/> Public Service | <input type="checkbox"/> Construction Activities |
| <input type="checkbox"/> Housing Activities | <input type="checkbox"/> Technical Assistance |
| <input type="checkbox"/> Economic Activities | <input type="checkbox"/> Administrative Services |

B. Statement of Work

The Subrecipient shall perform all services according to the Statement of Work attached as Appendix I and made part of this Agreement.

C. National Objectives

All activities funded with CDBG funds must meet one of the CDBG Program's National Objectives: benefit low- and moderate-income persons, aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.483.

The Subrecipient certifies that the activity (ies) carried out under this Agreement will meet the National Objective identified in Appendix I of this Agreement.

D. Levels of Accomplishment – Goals and Performance Measures

The levels of accomplishment may include such measures as units rehabbed, persons or households assisted, or meals served, and should also include time frames for performance. The Subrecipient agrees to provide this in Appendix I, Section 1(f).

III. GENERAL TERMS

A. Terms of Agreement

This Agreement shall commence on the ____ day of _____, 20____, and end on the ____ day of _____, 20____. The term of this Agreement may be extended by mutual consent of the Recipient and Subrecipient, subject to termination provisions set forth herein and the expiration date of the Recipient's CDBG Grant from the OCRA. The Subrecipient agrees to comply with the minimum five-year real property usage requirements set forth under 24 CFR 570.505 as well as usage requirements for CDBG funds or other CDBG assets, including program income.

B. Amendments

Any revision to this Agreement, including Appendices, shall only be made by written amendment to this Agreement. Such amendments shall not invalidate this Agreement, nor relieve or release the Recipient or Subrecipient from its obligations under this Agreement.

The terms and conditions of this Agreement may be changed at any time by mutual agreement of this parties. Such modification shall be effective upon the signing by both parties of an addendum to this Agreement encompassing those changes. Where the addendum changes the compensation or time of performance, it shall also describe the change in scope, character, or complexity of the work that is the basis for the change.

C. Suspension or Termination

In accordance with 2 CFR 200, the Grantee may suspend or terminate this Agreement, in whole or in part, by providing thirty (30) days' written notice to the Recipient, specifying the effective date of termination. Cause shall include:

1. Failure, for any reasons, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement, including compliance with the approved program and Agreement's conditions, and such statutes, executive orders, and HUD directives as may become applicable at any time.
2. Submission by the Subrecipient to the Recipient of reports that are incorrect or incomplete in any material respect.
3. Ineffective or improper use of funds provided under this Agreement.
4. Failure of the Subrecipient to supply the Recipient with quarterly reports and annual audits as required by the Recipient herein.
5. Failure of the Subrecipient to comply with the Recipient's corrective action plan respective to annual independent audits required by the Recipient herein.
6. Suspension or termination by OCRA of the grant to the Recipient under which this Agreement is made, or the portion of it delegated by this Agreement; provided however, that if the grant is merely reduced and in the absence of any contrary OCRA directive, the Subrecipient may adjust its budget and recommend Agreement amendments to the Recipient.
7. The Recipient may also terminate, assign, or transfer this Agreement when required by OCRA direction.

The Subrecipient may propose to terminate this Agreement in whole or in part, for good cause only, by giving at least thirty (30) days written notice specifically stating the cause for such requested termination. Any such request for termination shall be subject to the written approval of the Recipient, acted upon by the Recipient within ten (10) days of receipt of the notice of request to be terminated. The decision of the Recipient shall be final and conclusive, provided that such approval shall not be unreasonably withheld.

This Agreement may also be terminated by either the Recipient or the Subrecipient in whole or in part, by mutual agreement setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However,

if in the case of a partial termination, the Recipient determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Recipient may terminate the award in its entirety.

IV. BUDGET

See Appendix II to fill out the budget.

V. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Recipient under this Agreement shall not exceed \$ _____. Drawdowns for the payment of eligible expenses shall be made against the line-item budgets as specified in Appendix II herein and in accordance with performance. Expenses for general administration shall also be paid against the line-item budgets specified in Appendix II and in accordance with performance.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 CFR 200.302-2 CFR 200.303.

VI. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, personal delivery, or sent by facsimile or other electronic means. Any notice delivered or sent as previously mentioned shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this Agreement shall be directed to the following contract representatives.

RECIPIENT	
Recipient of Notice	
Title	
Address	
City, State, Zip Code	
Telephone	
Facsimile	
Website	

SUBRECIPIENT	
Recipient of Notice	
Title	
Address	
City, State, Zip Code	
Telephone	
Facsimile	
Website	

OCRA	
Recipient of Notice	
Title	
Address	1 North Capital Avenue, Suite 600
City, State, Zip Code	Indianapolis, IN. 46204
Telephone	(317) 232-8806
Facsimile	(317) 233-3597
Website	www.ocra.in.gov

VII. SPECIAL CONDITIONS

[This section of the Agreement may be amended as necessary to accommodate any special conditions required by the Recipient in relation to the specific activities undertaken by an individual Subrecipient.]

VIII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning CDBG) including subparts J and K of these regulations, except that the Subrecipient does not assume the Recipient's environmental responsibilities described in 24 CFR 570.604. The Subrecipient also agrees to comply with all General HUD Program Requirements under 24 CFR Part 5, as applicable and other applicable federal, state, and local laws, regulations, and policies governing the funds provided under this Agreement. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

All activities authorized by this Agreement shall be performed in accordance with the approved Program Description, the approved Budget, the Grant Conditions, and the relevant Department of Housing and Urban Development regulations, as set forth in the initial grant agreement between the OCRA and the Recipient. The Subrecipient may not use the CDBG-assisted facilities in any manner which does not meet the intent and requirements of such initial CDBG grant agreement and such CDBG-facilities must be used to meet the prescribed CDBG National Objective under which the OCRA awarded said CDBG grant to the Recipient.

B. Community Development Identification in Project Activities

1. All buildings, offices, vehicles, and other such property purchased, rehabilitated, or supported in whole or in part with funds made available under this Agreement shall identify the Program and OCRA as a sponsor of the activity.
2. All pamphlets, brochures, or other printed material prepared and/or distributed by the Subrecipient in connection with activities for which CDBG funding is provided under this Agreement shall identify the Program and OCRA as sponsors of the activity by the inclusion of the following statement of all such material.
 - a. “This (brochure, pamphlet, etc.) was produced (in whole or in part) with the assistance of the Recipient of _____ through federal funds made available by the OCRA under Title I of the federal Housing and Community Development Act, as amended.”
3. Failure to comply with 1 or 2 above shall result in a disallowance of all costs incurred for the activity.
4. If this Agreement results in a publication or other copyrightable materials, the author may copyright the work but the Recipient and OCRA reserve royalty free, nonexclusive, and irrevocable licenses to reproduce, publish, or otherwise use, and to authorize others to use, all copyrighted material and all material which can be copyrighted.
5. The Subrecipient shall insure recognition of the role of the Recipient in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.
6. No reports, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the contractor. The U.S. Department of Housing and Urban Development, the OCRA, and the Recipient shall possess all rights to invention or discovery, as well as rights in data which may arise as a result of the contractor’s services.
7. Any discovery or invention arising out of or developed in the course of work aided by this Agreement shall be promptly and fully reported to OCRA for determination by OCRA as to whether patent protection on such invention or discovery, including rights under any patent issued thereon, shall be disposed of and administered in order to protect the public interest.

C. Subcontract Provisions

The performance covered by this Agreement shall not be subcontracted, assigned, or delegated without the prior written consent of the Recipient, and the prior written consent of the OCRA.

D. “Independent Contractor”

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an “independent contractor” with respect to the services to be performed under this Agreement. The Recipient shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and or medical insurance, and Workers’ Compensation Insurance, as the Subrecipient is an independent contractor.

E. Workers’ Compensation

The Subrecipient shall provide Workers’ Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

F. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Recipient. The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR 200.326, Bonding requirements and 2 CFR 200.310, Insurance coverage.

G. Hold Harmless and Claims Against Recipient

The Subrecipient shall hold harmless, defend, and indemnify the Recipient and OCRA from any and all claims, actions, suits, charges, and judgments whatsoever that arise out of the Subrecipient’s performance or nonperformance of the services or subject matter called for in this Agreement provided, however, that nothing contained in this Agreement shall be construed as rendering the Subrecipient liable for acts of the Recipient, its officers, agents, or employees. The Subrecipient further agrees to include the Recipient and the OCRA as co-insured parties under all policies of liability insurance maintained by the Subrecipient respective to the subject CDBG-funded Program.

H. Disallowances of Program Costs by OCRA or HUD

The Subrecipient agrees to indemnify and save harmless the Recipient from disallowances by OCRA or HUD of program costs incurred by the Subrecipient which arise from the Subrecipient’s performance of this Agreement due to the Subrecipient’s failure to meet a National Objective of the CDBG Program pursuant to 24 CFR 570.200(a)(2), 24 CFR 570.208 and 24 CFR 570.483, or for failure to comply with CDBG/HUD regulations or OCRA regulatory requirements as determined by the OCRA or HUD. The Subrecipient agrees to promptly repay the Recipient for all such disallowed costs incurred by the Subrecipient.

I. Cooperation with Subrecipient

The Recipient shall provide all available maps, reports, and other data requested by the Subrecipient to accomplish the services which are the subject of this Agreement. The Subrecipient shall pay for all articles so supplied.

J. Compliance with Federal Rules and Regulations

The Subrecipient agrees to abide by all applicable federal rules and regulations, as amended from time to time, including but not limited to those federal rules and regulations referred to in this Agreement. Unearned payments under this Agreement may be suspended or terminated upon refusal to accept any additional conditions that may be imposed by HUD at any time or if the grant to the Recipient under Title I of the Housing and Community Development Act of 1974, is suspended or terminated.

K. Compliance With Federal CDBG Third-party Contract Provisions

The Subrecipient agrees to abide by all federal and OCRA Agreement provisions in carrying out the subject CDBG Program. The Subrecipient agrees to incorporate into all third-party contracts undertaken by the Subrecipient involving CDBG funds the provisions provided herein as Appendix IV.

IX. ADMINISTRATIVE REQUIREMENTS**A. Financial Management****1. Fiscal and Administrative Responsibilities**

The Subrecipient agrees to comply with the provisions of 24 CFR 570.502(a), as applicable, and all requirements and standards which include but are not limited to the following:

- a. **Cost Principles and Allowable Costs:** Costs must be necessary, reasonable, and directly related to the scope of work of this Agreement. In addition, costs must be legal and proper. The budget included in Appendix II shall control amounts of allowable expenditure within budget categories. The Subrecipient shall administer its program in conformance with 2 CFR 200, Subpart E as set forth in 24 CFR 570.502. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.
- b. **Accounting Standards:** The Subrecipient agrees to comply with 2 CFR 200.303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- c. **Documentation of Costs:** All costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of charges. All

checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

- d. **Restriction on Disbursements:** No money under this Agreement shall be disbursed by the Subrecipient to any contractor except pursuant to a written contract which incorporates the applicable requirements of this Agreement and OCRA/HUD regulations and unless the contractor is in compliance with OCRA/HUD requirements for applicable accounting and fiscal matters.

2. CDBG Program Income

The Subrecipient shall report quarterly all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504(c). Any gross program income directly generated from the use of the CDBG grant funds shall be used only for those activities delineated in the Appendix I and all relevant provisions of this Agreement shall apply to such activities in compliance with 24 CFR 570.504(b) and (c).

Recipient and Subrecipient agree that all CDBG Program Income shall be expended prior to drawing any additional CDBG funds from the OCRA for Program-related expenses.

Any gross program income directly generated from the use of the CDBG grant funds shall be used only for those activities delineated in the Appendix I and all relevant provisions of this Agreement shall apply to such activities. Disposition of CDBG Program Income received by the Subrecipient shall be governed by the requirements outlined in Appendix I, and in compliance with 24 CFR 570.504(b) and (c).

3. Payment Procedures

The Recipient will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with Appendix II and Recipient policy concerning payments. Payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Recipient in accordance with advance funds and program income balances available in Subrecipient accounts.

In accordance with 24 CFR 570.502(a)(1), payments under this Agreement are to be lump sum drawdown.

B. Asset Management

1. Assignment of Liens or Covenants

- a. The Subrecipient shall complete the form entitled “CDBG Lien and Restrictive Covenant Agreement”, found in Appendix III, for all real property improved with CDBG funds awarded under this Agreement. Appendix III must be duly recorded with the County Recorder in the county in which the improved property is located.
- b. The Subrecipient shall not assign, pledge, or otherwise encumber the Subrecipient’s or Recipient’s interest in the CDBG assisted facilities or assets without the prior written consent of the Recipient and the OCRA.
- c. The Subrecipient shall not pledge or mortgage the CDBG assisted facilities or assets as collateral for loans without the prior written consent of the Recipient and the OCRA. The Subrecipient shall cure and otherwise perfect all liens placed against the CDBG assisted facilities or assets.

2. Real and Non-expendable Property

- a. **Inventory:** The Subrecipient shall maintain inventory records, in a form acceptable to the Recipient, for all real property and non-expendable personal property acquired under this Agreement with a unit cost of \$500 or more, in accordance with the State of Indiana Capital Asset Policy. The Subrecipient shall provide an inventory report of all such property at the close of each program year and shall update and resubmit the report annually, incorporating any necessary revisions.
- b. **Insurance and Maintenance:** For all real and non-expendable property occupied, operated, and/or purchased under this Agreement, the Subrecipient shall maintain sufficient insurance to cover the cost of replacement due to loss by fire, theft, or accidental damage pursuant to 2 CFR 200.310. The Recipient shall be named as loss payee under such policies of insurance. The Subrecipient shall also be responsible for the maintenance and upkeep of all such property.

3. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 CFR 200, 2 CFR 200.313 and 24 CFR 570.200(j), 570.503(b)(7), 24 CFR 570.504, and 24 CFR 570.505.

Unless specified otherwise within this Agreement, at the conclusion, cancellation, assignment, or termination of this Agreement, the disposition of assets under this Agreement shall be in compliance with 24 CFR 570.503(b)(7), 24 CFR 570.504, and 24 CFR 570.505, as applicable, which include but are not limited to the following:

- a. The Subrecipient shall transfer to the Recipient any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
- b. Property and equipment acquired under this Agreement shall revert to the Recipient or disposition in compliance with 24 CFR 570.503, unless Subrecipient continues to carry out the same Program for which said property and equipment was acquired.
- c. Where there is a residual inventory of unused supplies in excess of \$5,000.00 in total aggregate fair market value in which the Subrecipient has vested title through acquisitions under this Agreement, and where there is no need for said supplies for any other federally sponsored programs or projects, the Subrecipient shall compensate the Recipient for its share in compliance with 24 CFR 570.505.
- d. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000.00 unless otherwise specified in Appendix I, shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after OCRA issues a "Certificate of Completion" respective to the approved CDBG Program to the Recipient.
- e. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for a period of five (5) years following the date OCRA issued a "Certificate of Completion" to the Recipient respective to the Recipient's CDBG Program, the Subrecipient shall pay the Recipient an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment to Recipient shall constitute CDBG Program Income and shall be subject to the provisions of 24 CFR 570.489(e).
- f. If so specified in Appendix I to this Agreement, the Subrecipient may retain CDBG-assisted real and personal property acquired under the Recipient's CDBG Program after the expiration of the five-year period covered by 24 CFR 570.503 and 24 CFR 570.505.
- g. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be:
 - (1) transferred to the recipient for the CDBG program, or

- (2) retained after compensating the Recipient an amount equal to the current fair market value of the equipment, less than the percentage of non-CDBG funds used to acquire the equipment.

C. Procurement

1. Compliance

The Subrecipient shall comply with 2 CFR 200 Subpart D and Indiana Code (I.C.) 5-22 concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by program regulation or state law as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Recipient upon termination of this Agreement.

Unless otherwise stated in this Agreement, the Subrecipient must procure all materials, property, and services in compliance with 2 CFR 200 Subpart D as well as the procurement requirements established under I.C. 5-22 and 25 IAC 1.1.

2. Travel

The Subrecipient shall obtain written approval from the Recipient for any travel outside the area described and contracted in this Agreement with funds provided under this Agreement.

D. Records

1. Record Retention

The Subrecipient shall maintain records in accordance with the requirements prescribed by OCRA or the Recipient with respect to all CDBG activities covered by this Agreement. Except as otherwise authorized by OCRA such records shall be maintained for a period of five (5) years after final close-out of the grant by OCRA.

In the event of an activity subject to reversion of assets provisions pursuant to 24 CFR 570.503(b)(7) or change of use pursuant to 24 CFR 570.505, records must be maintained for as long as those provisions continue to apply to the activity.

2. Records to be Maintained

The Subrecipient shall maintain all records required by the applicable Federal regulations specified in 24 CFR 570.506 and 2 CFR 200.333 as referenced in 24 CFR 570.502 and in accordance with requirements prescribed by OCRA or the Recipient that pertain to the activities funded under this Agreement. Such records shall include, but are not limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;

- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502 and 2 CFR 200.333 with the applicable exemptions outlined in 24 CFR 570.502; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570;
- h. All records as required by OCRA or the Recipient with respect to all matters covered by this Agreement.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Recipient monitors or their designees for review upon request.

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Recipient's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by I.C. 4-1-6, 24 CFR Part 15 Subpart A and 24 CFR 16 unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent or guardian.

4. Access to Records

The Recipient shall furnish, and shall require the Subrecipient to furnish, all information and reports required under this Agreement.

- a. The Subrecipient shall provide the Recipient, HUD, OCRA, the Comptroller General of the United States, and any of their duly authorized agents or representatives with full and unrestricted access to all books, records, accounts, and other documents related to this Agreement. Such access shall be permitted at any time during normal business hours and as frequently as deemed necessary for the purpose of reviewing, auditing, or investigating compliance with all applicable laws, regulations, and provisions of this Agreement.
- b. The Subrecipient shall permit the Recipient, HUD, OCRA, and/or duly authorized representatives of the Comptroller General of the United States to audit, examine, and create excerpts or transcripts from any records

maintained in connection with this Agreement. Such parties shall also have the right to conduct audits of all contracts, invoices, materials, payrolls, personnel records, conditions of employment, and any other documentation or data relevant to the performance and administration of this Agreement.

- c. The rights of access, examination, and audit described herein shall remain in full force and effect for as long as the Subrecipient is required to retain records under this Agreement or pursuant to any applicable federal, state, or local law or regulation.

E. Reports

1. Reporting

The Subrecipient shall prepare and submit Progress Reports to the Recipient and/or OCRA in such form, content, and frequency as may be prescribed or required by the Recipient or OCRA.

- a. The Subrecipient shall furnish to OCRA and/or the Recipient, at such times and in such form as may be required, all statements, records, data, and other information requested that pertain to the performance, administration, or compliance obligations under this Agreement.
- b. The Subrecipient shall, at a minimum, submit the following reports to the Recipient:
 - i. **Quarterly Progress Reports:** Such reports shall be due no later than the fifteenth (15th) calendar day following the close of each calendar quarter and shall detail all activities undertaken during the reporting period toward completion of the Program, as well as the progress made in achieving the applicable CDBG National Objective under the Recipient's grant Agreement with OCRA.
 - ii. **Quarterly Financial Statements:** Such statement shall be due no later than the fifteenth (15th) calendar day following the closing of each calendar quarter and shall provide a detailed accounting of all revenues and expenditures attributable to the CDBG-assisted facilities and activities undertaken during the reporting period.
 - iii. **Final Project Report:** A report at the conclusion of the project for which funds are provided under this Agreement summarizes the successes or failures of the assisted activity, and the level of attainment respective to the CDBG National Objective prescribed under the CDBG grant Agreement between the OCRA and the Recipient.
 - iv. The Subrecipient shall continue to submit the reports required under Section IX.E(1)(b)(i) and Section IX.E(1)(b)(ii) to the

Recipient for a period of five (5) years following the Administrative Closeout of the Program by OCRA to the Recipient, or until the _____ day of _____, 20____, whichever period is longer.

F. Monitoring and Audits of Subrecipient

1. Performance Monitoring

The Recipient and OCRA will monitor the performance of the Subrecipient against the goals and performance standards set forth in Appendix I of this Agreement. A determination by the Recipient of substandard performance shall constitute noncompliance with this Agreement. If the Subrecipient fails to take corrective action within thirty (30) calendar days after receipt of written notice from the Recipient, the Recipient may initiate procedures for suspension or termination of this Agreement in accordance with applicable law and contractual provisions.

2. Grant Information

The Recipient will provide the Subrecipient with the following information in compliance with 2 CFR 200:

- a. Catalog of Federal Domestic Assistance (CFDA) Number for CDBG 14.228
- b. CFDA Title for CDBG Project: "State Administered CDBG Program"
- c. Name of the Federal grantor agency: U.S. Department of Housing and Urban Development
- d. OCRA's Grant Number assigned to the Recipient's CDBG Project
- e. Amount of any State or Local matching funds
- f. Advise the Subrecipient of requirements imposed upon the Subrecipient pursuant to applicable federal regulations and OCRA policies

3. Subrecipient Monitoring

The Recipient is required by Federal Office of Management and Budget (OMB) 2 CFR 200 Subpart F to ensure that federal CDBG program requirements are met, that the funds are used for the purpose of the program, and that the Subrecipient complies with reporting and auditing requirements. If the Subrecipient is required to have an audit under 2 CFR 200 Subpart F (as described below), the Recipient must review the 2 CFR 200 Subpart F audit report and follow up on any audit findings that relate to the CDBG project. If there are findings relative to the CDBG project,

the Recipient must issue a management decision within six months of receipt of the audit report and ensure that the Subrecipient takes appropriate and timely corrective action. The management decision shall clearly state whether or not the audit findings are sustained, the reasons for the decision, and the expected Subrecipient action to repay disallowed costs, make financial adjustments, or take other action.

Recipient procedures to ensure that the Subrecipient is meeting program requirements may also include:

- a. Perform an analysis of financial status reports.
- b. Determine appropriateness of disbursements through review of supporting documentation.
- c. On-site visits by the Recipient to the Subrecipient's CDBG-assisted facilities. At regular intervals during the term of this Agreement, the Recipient may conduct reviews of the content and progress of the Subrecipient services. If, as a result of such reviews, it is the opinion of the Recipient that revisions to the Scope of Work (Appendix I) is necessary or the methods employed by the Subrecipient are inappropriate, the Recipient may require such revisions by notifying the Subrecipient in writing. Upon receipt of such notification of revision, the Subrecipient shall, within ten (10) calendar days, propose the manner in which the Subrecipient will comply with the revisions.
- d. Review limited scope audit reports. If the Subrecipient expended less than \$1,000,000 in federal awards the Recipient may require an agreed-upon procedures engagement. These engagements may address only one or more of the following types of compliance requirements: activities allowed or unallowed, allowable costs/cost principles, eligibility, matching level of effort, earmarking, and reporting. The requirements of 2 CFR 200.501 and 503 still apply.
- e. Review any financial statement audits when other type audits are not required.

The Recipient will also review the Subrecipient's fidelity bonding and fiscal and accounting procedures to determine if they meet the requirements of the Agreement.

4. Subrecipient Audit Requirements

- a. A Subrecipient that expends \$1,000,000 or more in federal funds is required to have an audit in compliance with 2 CFR 200 Subpart F and underlying sections. The Subrecipient (auditee) is responsible for submitting a data collection form and reporting package to the federal audit clearinghouse (FAC) within thirty (30) calendar days after the auditee receives the auditor's report or nine (9) months of the end of the period. All Federal agencies, pass-through entities and others interested in a reporting package and data collection form must obtain it by accessing the FAC. The reporting package consists of:
 - i. Financial statements and schedule or expenditures of Federal awards discussed in 2 CFR 200.510(a) and (b) respectively;
 - ii. Summary schedule of prior audit findings discussed in 2 CFR 200.511(b);
 - iii. Auditor's report(s) discussed in 2 CFR 200.515; and
 - iv. Corrective Action Plan discussed in 2 CFR 200.511(c).
- b. Subrecipients that receive any public funds (federal, state, or local government funds) are also subject to the audit requirements of I.C. 5-11-1-9 and the Indiana State Board of Accounts' Guidelines for Examination of Entities Receiving Financial Assistance From Governmental Sources. A Subrecipient that is not a governmental entity must annually file an Entity Annual Report (form E-1) with the State Board of Accounts. If the subrecipient's disbursements are less than fifty-percent (50%) from public funds they must request and receive a waiver from these audit requirements. If the Subrecipient is a not for profit corporation, and their disbursements are less than \$100,000 they may also request a waiver. Contact the Indiana State Board of Accounts for a copy of their Guidelines for Examination of Entities Receiving Financial Assistance From Governmental Sources and information on obtaining a waiver.
- c. An audit in compliance with 2 CFR 200 Subpart F will meet the audit requirements of I.C. 5-11-1-9. However, a waiver from the State Board of Accounts from the audit requirements of I.C. 5-11-1-9 does not exempt the Subrecipient from audits required by 2 CFR 200 Subpart F or other audit provisions within this Agreement.
- d. All Subrecipient audits shall be completed within 180 calendar days after the ending date of the Subrecipient's fiscal year. Two (2) copies of each audit report shall be delivered by the Subrecipient to the Recipient. One (1) copy will be retained and reviewed by the Recipient, with the remaining copy to be submitted by the Recipient to the OCRA.

- e. If the Subrecipient is unable or unwilling to have an audit conducted in accordance with 2 CFR 200 Subpart F, the Recipient shall take one or more of the following actions:
 - i. Withhold a percentage of federal CDBG funds until the applicable audit is completed satisfactorily;
 - ii. Suspend further disbursements of federal CDBG funds until the audit is conducted; or
 - iii. Suspension and Termination in accordance with Section III.C of this Agreement.

G. Closeout

The Subrecipient's obligation to the Recipient shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Recipient), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

In the event the Subrecipient does not expend the amount allocated under this Agreement or the project is canceled, expired, assigned, or terminated for any reason, any funds not claimed by the Subrecipient and approved by the Recipient for allowable costs by the end of the term or by the date of cancellation, expiration, or termination of this Agreement, as the case may be, shall no longer be payable to the Subrecipient under this Agreement.

X. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.

XI. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XII. WAIVER

The Recipient's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Recipient

to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XIII. JURISDICTION AND VENUE

The parties agree that any suit, action, or proceeding with respect to this Agreement shall be brought within the State of Indiana and do hereby waive any questions of personal jurisdiction or venue for the purpose of carrying out this provision.

XIV. SUCCESSORS

This Agreement and all rights and obligations under this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective executors, administrators, legatees, heirs, successors, and permitted assigns.

XV. ASSIGNABILITY

Neither this Agreement nor any of the rights, benefits, liabilities, or obligations under this Agreement shall be assignable by any party to this Agreement without the prior written consent of the other party.

XVI. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Recipient and the Subrecipient for the use of funds received under this Agreement, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Recipient and the Subrecipient with respect to this Agreement.

Date: _____, 20____.

In WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

NAME OF SUBRECIPIENT: _____

By: _____ (printed)

Name of Chief Executive Officer or Chairman of Board of Directors

Signature: _____

Title: _____ **Date:** _____, 20____

Attest:

Name: _____ (printed)

Signature: _____

Title: _____ Date: _____, 20__

NAME OF RECIPIENT: _____

By: _____ (printed)

Name of Chief Elected Official or President of Legislative Body

Signature: _____

Title: _____ Date: _____, 20__

Attest:

Name: _____ (printed)

Recipient's Attorney

Signature: _____ Date _____, 20__

Recipient's Attorney

APPROVED BY THE INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS:

By: _____ (printed)

Name of State Executive Director

Signature: _____ Date _____, 20__

APPENDIX I: SCOPE OF WORK

1. Statement of Work to be Performed by Subrecipient 24 CFR 570(b)(1)
 - a. **National Objective to be Met** (24 CFR 570.483): Select the applicable National Objective under the CDBG program.
 - () Benefit low- and moderate-income persons
 - () Aid in the prevention or elimination of slums or blights
 - () Meet community development needs having a particular urgency
 - b. **Description of Work to be Performed:** Provide a detailed explanation of the tasks and objectives to be completed under the Agreement.
 - c. **Facility Location and Parcel Identification:** Provide the full property address and corresponding parcel number for each facility to be assisted under this program.
 - d. **Service Area of the CDBG Program:** Identify and define the geographic area in which CDBG activities will be implemented.

- e. **Schedule for Completion of Work:** Develop a comprehensive project timeline outlining key phases, milestones, and deadlines necessary to complete the statement of work.

- f. **Level of Accomplishments:** Specify the Subrecipient's targeted goals in a numbered format. Include the projected number of units to be assisted and the total amount of assistance expected to be delivered by the conclusion of the program.

2. **Records and Reports to be Furnished by Subrecipient 24 CFR 570.503(b)(2)**

Refer to Section IX(D) and Section IX(E) of this Agreement between Recipient and Subrecipient. Additional recording and reporting requirements will include the following:

3. **Federal CDBG Program Income Received by Subrecipient 24 CFR 570.503(b)(3)**

Pursuant to 24 CFR 570.504, the Subrecipient shall do one (1) of the following respective to all CDBG Program Income received resulting from operation of CDBG-assisted Program facilities and assets.

- a. () Return all such Program Income to the Recipient. All unexpended program income shall be returned to the Recipient at the end of the Agreement period, or

b. () Retain all such Program Income generated by the Subrecipient. The Subrecipient shall expend all such Program Income for the approved CDBG activity under this Agreement, or request approved by the Recipient and OCRA in writing to utilize the program income generated for another CDBG activity.

Recipient and Subrecipient agree that all CDBG Program Income shall be expended prior to drawing any additional CDBG funds from the OCRA for Program-related expenses.

Recipient and Subrecipient further agree that in the event of reversion of CDBG-assisted facilities and assets to Recipient upon the expiration of this Agreement, or if received after the expiration of this Agreement, all CDBG Program Income shall be paid to the Recipient as required by 24 CFR 570.503(b)(7).

4. **Compliance with Uniform Administrative Requirements 24 CFR 570.503(b)(4)**

The Subrecipient shall comply with all applicable federal Uniform Administrative Requirements as described in Section IX(A) of this Agreement and other requirements set forth in 24 CFR 570.502.

5. **Compliance with Other Program Requirements 24 CFR 570.503(b)(5)**

The Subrecipient must comply with all applicable federal laws and regulations outlined in 24 CFR 570, Subpart K, including the following CDBG-related provisions:

24 CFR 570.601:	Public Law 88-352 and Public Law 90-284; Affirmatively furthering fair housing (Executive Order 11063)
24 CFR 570.602:	Section 109 of the Housing and Community Development Act of 1977
24 CFR 570.603:	Federal Labor Standards compliance requirements
24 CFR 570.604:	Environmental standards
24 CFR 570.605:	National Flood Insurance Program
24 CFR 570.606:	Displacement, relocation, acquisition and replacement of housing
24 CFR 570.607:	Employment and contracting opportunities including Section 3 of the Housing and Community Development Act of 1968
24 CFR 570.608:	Compliance with lead-based paint requirements
24 CFR 570.609:	Prohibition of use of suspended and debarred contractors and subrecipients
24 CFR 570.610:	Compliance with Uniform Administrative Requirements (24 CFR 570.202)
24 CFR 570.611:	Compliance with Conflict of Interest requirements
24 CFR 570.612:	Compliance with Executive Order 12372
24 CFR 570.613:	Eligibility requirements of certain resident aliens
24 CFR 570.614:	Compliance with the Architectural Barriers Act and Americans With Disabilities Act

The Recipient shall be responsible for carrying out regulatory requirements respective to environmental responsibilities described at 24 CFR 570.604 and the Recipient shall have the responsibility for initiating the environmental review process as is required by 24 CFR Part 58.

6. Suspension and Termination Provisions 24 CFR 570.503(b)(6)

As set forth in Section III(C) of this Agreement and in accordance with 24 CFR 85.43, suspension or termination of this Agreement may occur if the Subrecipient materially fails to comply with any term of this CDBG award to Recipient from OCRA; further, the Agreement may be terminated for convenience in accordance with 24 CFR 85.44.

7. Use and Reversion of Assets 24 CFR 570.503(b)(7)

Upon expiration of this Agreement, the Subrecipient shall transfer to the Recipient any CDBG funds on hand and any CDBG-related accounts receivable. All CDBG-assisted real and personal property under control of Subrecipient shall be used to meet the prescribed CDBG National Objective applicable to the CDBG award to the Recipient until five (5) years after the date a "Certificate of Completion" is issued by OCRA respective to this project.

In the event the Subrecipient fails to use the CDBG-assisted real and personal property in a manner which meets the prescribed CDBG National Objective, the Subrecipient shall pay the Recipient an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvements to, the property.

No payment by Subrecipient to Recipient as set forth in Section IX(A) and Section IX(E) above is required after the expiration of the period of time set forth in Section III(A) above. Further, unless otherwise specified within this Agreement, the Subrecipient may retain the CDBG-assisted facilities and assets after the expiration of the five-year period cited in Section IX(B) above.

APPENDIX II: BUDGET

Detailed Budget: Provide a detailed breakdown of the program's projected costs. Include all anticipated expenses categorized by activity or line item, along with corresponding funding sources. The budget should clearly demonstrate how resources will be allocated to support the program's goals.

SAMPLE

APPENDIX III: LIEN AND RESTRICTIVE COVENANTS

Lien and Restrictive Covenant: When required under this Agreement, the Recipient and Subrecipient shall execute Lien and Restrictive Covenant Agreement when property is acquired, improved, or otherwise encumbered using CDBG funds in a form acceptable to the Recipient and OCRA. Such Agreement shall be incorporated herein by reference and made a binding part of this Agreement.

SAMPLE

APPENDIX IV: FEDERAL AND STATE THIRD-PARTY CONTRACT PROVISIONS – CDBG-ASSISTED NON-CONSTRUCTION AND CONSTRUCTION CONTRACTS.

This Appendix sets forth the federal and state third-party contract provisions applicable to CDBG – assisted non-construction contracts. These provisions are required pursuant to Title 24 of the Code of Federal Regulations, as well as additional requirements established by OCRA for CDBG-assisted grants and activities. The following Federal Regulations, Contract Provisions and Clauses are incorporated into this Agreement in their entirety and made an integral part hereof.

A. Minority and Women Business Enterprise Policy (State of Indiana)

The contractor agrees to ensure that minority business enterprises (MBEs) and women’s business enterprises (WBEs) as defined in 25 IAC 5-2-1 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this Agreement. In this regard all recipients, subrecipients, or contractors shall take all necessary and reasonable steps in accordance with 2 CFR 200.321 and 25 IAC 5-5 to ensure that MBE/WBEs have the maximum opportunity to compete for and perform contracts. The contractor shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of this contract. The contractor shall establish and pursue a 10% goal for participation in the proceeds of this contract.

During the performance of this contract, the contractor agrees to comply with Executive Order 12138 entitled “Women Business Enterprise Policy” which includes, but is not limited to, creating or supporting new programs responsive to the special needs of women business enterprises, establishing incentives to promote business or business-related opportunities of women business enterprises, collecting and disseminating information in support of women business enterprise in ensuring to women business enterprises knowledge of any ready access to business-related services and resources.

B. Relocation, Real Property Acquisition and One-for-One Housing Replacement

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient also agrees to comply with applicable Recipient ordinances, resolutions and policies concerning the displacement of persons from their residences.

C. Veteran Owned Small Business Policy (State of Indiana)

The contractor agrees to ensure that veteran-owned small businesses (IVOSBs) as defined in IC 5-22-14-3.5 have the maximum opportunity to participate in the performance of contracts and subcontracts finances in whole or in part with Federal funds provided under this agreement. In this regard all recipients, subrecipients, or contractors shall take all necessary and reasonable steps in accordance with 2 CFR 200.321 and 25 IAC 9-1 to ensure that IVOSBs have the maximum opportunity to compete for and perform contracts. The contractor shall not discriminate on the basis

of race, color, national origin, or sex in the award and performance of this contract. The contractor shall establish and pursue a 3% goal for participation in the proceeds of this contract.

D. Compliance in the Provision of Training, Employment and Business Opportunities

1. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from HUD through OCRA and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
3. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

E. Title VI Civil Rights Act of 1964

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

1. The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, sex or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices.
2. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential sub-contractor or supplier shall be notified by the contractor of the contractor’s obligations under this contract and the regulations relative to nondiscrimination on the grounds of race, color, sex, or national origin.

The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, their sources of information and its facilities as may be determined by OCRA or the HUD to be pertinent to ascertain compliance with such regulations, orders, and instructions. Where any information is required or a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the awarding agency, OCRA, or HUD, as appropriate, and shall set forth what efforts it has made to obtain the information.

In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, OCRA or HUD shall impose such contract sanctions as it may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the contractor under the contract until the contractor complies; and/or
 - (b) Cancellation, termination or suspension of the contract, in whole or in part.
3. The contractor shall include the provisions of paragraph (A) through (E) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directive issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as OCRA or HUD may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request OCRA to enter into such litigation to protect the interests of the State of Indiana, and, in addition, the contractor may request HUD to enter into such litigation to protect the interests of the United States.

F. Title VIII Civil Rights Act of 1968 (as applicable)

The contractor shall comply with Title VIII Civil Rights Act of 1968 which prohibits discrimination in the sale or rental of dwellings (as defined), discrimination in the financing or housing, blockbusting, and discriminatory advertising; and makes it unlawful to deny any person access to, or membership or participation in, any multiple listing service or real estate broker organization for discriminatory reasons.

G. Section 109 Housing and Urban Development Act of 1974 (as applicable)

The contractor provides that no person in the United States shall on the grounds of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part under this title.

H. Section 504 Rehabilitation Act of 1973

The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in

employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all demotion or transfer, recruitment, advertising, layoff or termination rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

In the event of the contractor's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by OCRA, provided by or through the contracting officer. Such notices shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of Section 504 of the Rehabilitation Act of 1973, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

The contractor will include the provisions of this clause in every subcontract or purchase order of \$2500 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to Section 504 of the Act, so that such provisions will be binding upon each subcontractor with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for non-compliance.

I. Fair Housing Amendments Act of 1988 (as applicable)

The contractor shall comply with Fair Housing Amendments Act of 1988 which amends Title VIII of the Civil Rights Act of 1968 that prohibits discrimination on the basis of race, color, religion, sex or national origin in the sale, rental, and financing of dwellings. The 1988 Amendments Act extends coverage of the 1968 Act to persons with disabilities and families with children. In addition, the 1988 Amendments establish certain design and construction requirements for new multi-family housing built for first occupancy on or after March 13, 1991.

J. Age Discrimination Act of 1975

The contractor shall comply with the Age Discrimination Act of 1975 which provides that no person, on the basis of age shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

K. Americans with Disabilities Act of 1990

The contractor shall comply with the Americans with Disabilities Act of 1990 which provides that no persons, on the basis of handicap, shall be excluded from participation in, be denied the benefits

of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

L. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Recipient and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program and assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

M. Certification of Nonsegregated Facilities

The contractor certifies that he/she does not maintain or provide for his/her employees any segregated facility at any of his/her establishments, and those under his/her control. He/she certifies further that he/she will not maintain or provide for employment segregated facilities at any of his/her establishments, and he/she will not permit employees to perform their services at any location under his/her control where segregated facilities are maintained. The contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause of the contract. As used in this certification, the term “segregated facilities” means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive, or in fact segregated on the basis of race, color, religion, or national origin, because of habitat, local custom, or otherwise. He/she further agrees that (except where he/she has obtained identical certifications from proposed subcontractors for specific time periods) he/she will obtain identical certification from proposed subcontractors prior to the awards of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that he/she will retain such certification in his/her files, and that he/she will forward this notice to such proposed subcontractors (except where proposed subcontractors have submitted identical certifications for specific time periods).

N. Retention and Access Requirements for Records (24 CFR Part 85.42)

The contractor shall comply with Retention and Access Requirements for Records (24 CFR Part 85.42) and State of Indiana records access and retention requirements.

Financial records, supporting documents, statistical records and all other records pertinent to a grant shall be retained for a period of five (5) years, with the following qualifications:

1. If any litigation, claim, negotiation, audits or other action is started before the expiration of the five-year period, the records shall be retained until all litigation, claim or audit findings involving the records have been resolved or the five-year period, whichever is later.

2. Records of nonexpendable property acquired with federal funds shall be retained for five years after final disposition of such property.
3. When records are transferred to or maintained by the federal sponsoring agency, the five-year retention required is not applicable to the grantee.
4. The five-year retention period starts from the date of issuance of a "Certification of Completion" respective to the grant by OCRA.
5. The OCRA shall request transfer of certain records to its custody from grantees when it is determined that the records possess long-term retention value. However, in order to avoid duplicate record-keeping, OCRA may make arrangements with grantees to retain any records that re continuously needed for joint uses.
6. The OCRA, HUD, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers and records of grantee and sub-grantees to make audits, examinations, excerpts and transcripts.
7. Unless otherwise required by law, OCRA shall not place restrictions upon grantees that will limit public access to the records of grantees that are pertinent to a grant except when the agency can demonstrate that such records must be kept confidential and would have been excepted from disclosure pursuant to the Freedom of Information Act (5 USC 552) if the records had belonged to the grantor agency.

O. Conflict of Interest (24 CFR 85.36 and 24 CFR 570.611)

The contractor shall maintain a written code or standards of conduct which shall govern the performance of their officers, employees or agents engaged in the award and administration of contracts supported by federal funds. No employee, officer, or agent of the grantee shall participate in selection, or in the award of administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Persons covered under this section include any person who is:

1. an employee, agent, consultant, officer, or elected or appointed official of the grantee, any designated public agency or any subrecipient agency that is receiving CDBG funds from OCRA;
2. any member of his/her immediate family;
3. his or her partner; or
4. an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

The contractor's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements funded with CDBG funds. To the extent permitted by state or local law or regulations, such standards of conduct shall provide for penalties, sanctions, or other disciplinary actions for

violations of such standards by the grantee's officers, employees, or agents, or by contractors of their agents.

No persons described in (1) through (4) above who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter, shall have any personal or financial benefit, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under the Contract.

The Subrecipient agrees that it will incorporate into every written contract the following provision:

Interest of Contractor and Employees

The Contractor covenants that no person who presently exercises any functions or responsibilities in connection with the Community Development Program, and no one with whom they have family or business ties, has any personal financial benefit, direct or indirect in this Contract.

P. Remedies/Sanctions or Breach of Contract Terms

Upon written notice, the grantee may withhold payments to the contractor if the contractor shall fail to fulfill in a timely and proper manner its obligations to grantee under this contract, or if the contractor shall violate any of the conditions of this contract. The grantee shall in its written notice to contractor fully describe the nature of failure or violation by contractor, the corrective action required of contractor, and the grantee shall allow the contractor thirty (30) days from the date of notification to correct such failure and/or violation. If such failure or violation is corrected by the contractor within thirty (30) days from the date of notification, then the grantee shall process payment(s) to the contractor. If such failure or violation is not corrected within thirty (30) days from the date of this notification, then the grantee may proceed to terminate this contract.

Q. Termination of Contract for Cause – 24 CFR 85.43 (All Contracts in Excess of \$10,000)

In the contractor shall fail to fulfill in a timely and proper manner his/her obligations under this contract, or if the contractor shall continue to violate any of the covenants, agreements, or stipulations of this contract, following notices by the grantee and allowances for corrective actions specified in Paragraph P above, the grantee shall thereupon have the right to terminate this contract by giving written notice to the contractor of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the contractor under this contract shall, at the option of the grantee, become the property of the grantee and the contractor shall be entitled to receive just equitable compensation for any work satisfactorily completed hereunder. In the event the contractor disputes grantee's

election to terminate this contract for cause under this paragraph, contractor may pursue equitable relief or remedy.

R. Termination for Convenience – 24 CFR 85.44 (All Contracts in Excess of \$10,000)

The grantee may terminate this contract for its convenience, at any time, by giving at least thirty (30) days' notice in writing to the contractor. If the contract is terminated by the grantee as provided herein, the grantee agrees to pay the contractor, no later than thirty (30) days following the date of the written notice of contract termination by grantee. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the contractor under this contract shall, at the option of the grantee, become the property of the grantee and the contractor shall be entitled to receive just equitable compensation for any work satisfactorily completed hereunder.

S. Contractor to Furnish Necessary Personnel Resources

The contractor represents that it has, or will secure at its own expense, all personnel required in performing the services specified in this contract. Such personnel shall not be employees of or have, as individuals, any contractual relationship with the grantee.

All of the services required hereunder will be performed by the contractor or its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

With the exception of the work described as being subcontracted within the contract, if any, none of the work or services covered by this contract shall be subcontracted without the prior approval of the grantee. Any additional work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this contract.

T. Reports and Information

The contractor, at such times and in such forms as the grantee or OCRA may require, shall furnish grantee and/or OCRA such periodic reports as it may request pertaining to the work or services undertaken pursuant to this contract, the costs and obligations incurred or to be incurred by grantee in connection therewith, and any other matters covered by this contract.

U. Records and Audits

The contractor shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this contract and such other records as may be deemed necessary by the grantee to assure proper accounting for all funds applicable to this contract. These records will be made available for audit purposes to the grantee or any authorized representative and will be retained for five (5) years after the expiration of this contract unless permission to destroy them is granted.

V. Compliance with State and Local Laws

The contractor specifically agrees that in performance of the services herein enumerated, contractor and his/her employees/agents will comply with any applicable state and local statutes, ordinances, and regulations at the time this Agreement is executed.

W. Disclosure Reports (HUD Reform Act of 1989 – 24 CFR Part 4.9)

Section 2 of the HUD Reform Act of 1989 requires that if the grantee receives \$200,000 or more in federal CDBG funds during a federal fiscal year, (October 1 – September 30) a HUD disclosure report must be completed for each contract funded in whole or in part with federal CDBG funds. A copy of all such Disclosure Reports must be submitted by the grantee to the Grant Support Office of OCRA within ten (10) calendar days after contract execution. In order for the grantee to comply with this federal requirement, the grantee will provide to the contractor the prescribed format of Part IV to the HUD Disclosure Report, and the contractor agrees to furnish the grantee a completed Part IV to the HUD Disclosure Report within seven (7) calendar days of execution of the Agreement between contractor and grantee. Within such Part IV of the prescribed HUD Disclosure Report, the contractor will provide the grantee with the following minimum information:

1. The name of all persons who are proprietors, partners, directors, or officers of the contractor and thereby have a pecuniary interest in the proceeds of the CDBG-assisted contract;
2. The social security account number of all proprietors listed in (1) above, or the federal identification number of the partnership or corporation which is subject to the CDBG-assisted contract, as applicable;
3. The type of participation each individual named in (1) above will have in the CDBG-assisted contract. Such participation may be listed in the Part IV of the HUD Disclosure Report as “direct” or “passive”, whichever applies to such proprietor, partner, director, or officer, as applicable; and
4. The financial interest of the named individual as set forth in (1) above such interest to be expressed in dollar terms or in terms of percentage of ownership of the proprietorship, partnership, or corporation which is to receive federal CDBG funding under this contract.

X. Compliance with Copeland “Anti-Kick Back” Act

In carrying out this Agreement, the contractor agrees to comply with the requirements of the Copeland “Anti-Kick Back” Act (18 USC 874) as supplemented in US Department of Labor regulations 29 CFR Part 3, respective to all contracts and subgrants for construction or repair services.

Y. Compliance with Davis-Bacon Act

In carrying out this Agreement, the contractor agrees to comply with the requirements of the Davis-Bacon Act (40 USC 276a to 276a-7) as supplemented in US Department of Labor regulations 29 CFR Part 5, respective to construction contracts in excess of \$2,000 awarded by grantees and subgrantees.

Z. Compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act

In carrying out this Agreement, the contractor agrees to comply with the requirements of the Contract Work Hours and Safety Standards Act (40 USC 327-333) as supplemented in US Department of Labor regulations 29 CFR Part 5, respective to construction contracts in excess of \$2,000 awarded by grantees and subgrantees, and \$2,500 for other contracts which involve the employment of mechanics or laborers.

AA. Compliance with Clean Air and Water Acts (applicable to all contracts over \$100,000)

In carrying out this Agreement, the contractor agrees to comply with the requirements of the Federal Clean Air Act (42 USC 7401 et. seq.), and the Federal Water Pollution Control Act (33 USC 1251 et seq.), as amended. Such statutes and regulations prohibit the use under non-exempt Federal contracts, grants, or loans of facilities included on the Environmental Protection Agency's List of Violating Facilities. The provision shall require reporting of violations to the grantor agency and to the US Environmental Protection Agency.

BB. Conservation

In carrying out this Agreement, the contractor agrees to comply with the requirements of mandatory standards and policies relating to energy efficiency which are contained in the State of Indiana's energy conservation plan issued in compliance with the federal Energy Policy and Conservation Act (PL 94-163, 89 Statutes 871).

CC. Drug-Free Workplace Requirements

In carrying out this Agreement, the contractor agrees to comply with the requirements of the Drug-Free Workplace Act of 1988 (42 USC 701) and to certify that contractor will comply with drug-free workplace requirements in accordance with the Act and with HUD rules found at 2 CFR Part 2429.

DD. Build America Buy America Act

In carrying out this Agreement, the contractor agrees to comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable, to the grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of BABA Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 1700 I), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver. Purchase of materials must be in compliance with 2 CFR 184.

EE. Prohibition Against Payments of Bonus or Commission

The assistance provided under this Agreement shall not be used in payment of any bonus or commission to obtain HUD or Recipient approval of the application for such assistance or for additional assistance, or any other approval or concurrence required under this Agreement, Title I of the Housing and Community Development Act of 1974, as amended, or OCRA/HUD regulations with respect thereto; provided, however, that reasonable fees or Bonafide technical, consultant, managerial, or other such services, rather than solicitation, are not prohibited if otherwise eligible as program costs.

FF. Confidentiality and Mandatory Disclosure/Fraud

The parties agree that all information, including but not limited to client information, received by Subrecipient or its subcontractors in administering the terms and provisions of this Agreement shall be received and maintained in a confidential manner commensurate with the conditions set forth in this Agreement and the requirements of all applicable state or federal laws, rules, and regulations, include but not limited to, the release of Social Security number provisions in I.C. 4-1-10 and the notice of security breach provision in I.C. 4-1-11.

The Subrecipient must disclose, in a timely manner, in writing to OCRA and the Recipient all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. The Subrecipient's failure to make these disclosures may subject the Subrecipient to remedies of non-compliance set forth in 45 CFR 75.371.

This Agreement may be suspended and/or terminated, in accordance with state and federal rules and regulations, if OCRA determines that Subrecipient or any of its employees, agents, or contractors, have committed fraud or has misused or misappropriated funds received under this Agreement or another agreement between Subrecipient and OCRA.

GG. Political Activity Prohibited

None of the funds, materials, property, or services provided directly or indirectly under this Agreement shall be used for any candidate for public office or for political activities.

HH. Lobbying

The Subrecipient hereby certifies that:

Pursuant to 31 USC 1352, no federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. If Subrecipient is required to submit Standard Form-LLL, the form and instructions of preparation of the form may be obtained from OCRA, and it will require that the language of paragraph (4) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:

Lobbying Certification: This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, USC or with OCRA. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Lobbying Activities: Subrecipient shall comply with the provisions of 45 CFR part 93, 24 CFR part 87 and 2 CFR 200.

II. **Religious Activity**

The Subrecipient agrees that funds provided under this Agreement will not be used to promote religious activities or to assist religious organizations in promoting secular activities unless specifically allowed under 24 CFR 570.200(j). Participation of beneficiaries in a CDBG Funded activity must be in compliance with 24 CFR Part 5.109 and no requirements of religious activity participation shall be a requirement for beneficiaries to participate in a CDBG funded activity.