

STANDARD AGREEMENT

AGREEMENT NUMBER

PURCHASING AUTHORITY NUMBER (if applicable)

STD. 213 (Rev 03/2019) CSD (Rev 07/2019)

20F-3029

1. This Agreement is entered into between the Contracting Agency and the Contractor named below

CONTRACTING AGENCY NAME

Department of Community Services and Development

CONTRACTOR NAME

Nevada County Department of Housing and Community Services

2. The term of this Agreement is: January 1, 2020 through December 31, 2020

3. The maximum amount of this Agreement is: Total \$271,287.00

4. The parties agree to comply with the terms and conditions of the following exhibits that are by this reference made a part of the Agreement:

Preamble

Article 1 - Scope of Work

Article 2 - Contract Construction, Administration, Procedure

Article 3 - Agreement Changes*

Article 4 - Administrative Policies and Procedures*

Article 5 - Program Budget Requirements and Payments*

Article 6 - Financial Reporting*

Article 7 - CSBG Terms, Conditions, Programmatic Provisions, and Reporting*

Article 8 - Compliance Policies and Procedures*

Article 9 - Federal and State Policy Provisions*

Definitions*

Table of Forms and Attachments*

Items shown with an Asterisk (*) are hereby incorporated by reference and made a part of this agreement as if attached hereto. These documents can be accessed at <https://providers.csd.ca.gov/>.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO**CONTRACTOR**

California
Department of General Services
Approval (or exemption, if applicable)

CONTRACTOR NAME *(If other than an individual, state whether a corporation, partnership, etc.)***Nevada County Department of Housing and Community Services**

CONTRACTOR BUSINESS ADDRESS, CITY, STATE ZIP

950 Maidu Avenue, Nevada City, CA 95959

PRINTED NAME OF PERSON SIGNING

TITLE

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Community Services and Development

CONTRACTING AGENCY ADDRESS

2389 Gateway Oaks Drive, Suite 100

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Brian Dougherty

TITLE

Deputy Director, Administrative Services

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

I hereby certify that all conditions for exemption have been complied with, and this document is exempt from the Department of General Services approval.

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SUBVENTION AGREEMENT

PREAMBLE

This subvention agreement, for the funding of Community Services Block Grant (CSBG) programs in 2020 (“Agreement”), is entered into between the Department of Community Services and Development (“CSD”) and the contractor named on the face sheet of this Agreement and the Form STD 213 (“Contractor”) and shall be enforceable on the date last signed.

NOW THEREFORE, in consideration of the promises and of the mutual agreements and covenants hereinafter set forth, the CSD and Contractor hereby agree as follows:

ARTICLE 1 – SCOPE OF WORK

1.1 General

Contractor shall administer and/or operate community-based programs designed to reduce poverty, revitalize low-income communities, and empower low-income families and individuals within Contractor’s service area to achieve greater self-sufficiency, pursuant to Title 42 of the United States Code (USC) Section 9901 et seq. (the Community Services Block Grant Act, as amended) and Government Code Section 12085 et seq., as amended. Unless otherwise specified in the Contractor’s Community Action Plan or elsewhere in this Agreement, Contractor shall make its services and activities available to the low-income community within its service area throughout the entire term of this Agreement. Contractor shall ensure that all services funded in whole or in part through this Agreement will support state and federal policies and goals of the CSBG Act as set forth in the above-referenced statutes. The CSBG Catalog of Federal Domestic Assistance number is 93.569. The award is made available through the United States Department of Health and Human Services.

1.2 Agreement Term

The term of this Agreement shall be as specified on the Agreement face sheet (STD 213).

1.3 Agreement Amount

The maximum amount of this Agreement shall be as specified on the face sheet (STD 213) and is subject to adjustment(s), in accordance with the following terms:

- 1.3.1 The initial amount shall be based on the prior year’s grant award of the federal Community Services Block Grant award.
- 1.3.2 Upon notification of the full federal fiscal year grant award amount from the U.S. Department of Health and Human Services (HHS), CSD shall, if necessary, issue an amendment to this agreement to increase or decrease the maximum amount.
- 1.3.3 If the full amount of the HHS CSBG grant to CSD is not available for allocation, CSD will notify Contractor in writing of the amount of Contractor’s allocation that is available for expenditure and shall advance funds in accordance with

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Article 5.2 of this Agreement, as appropriate. When additional funds are subsequently made available by HHS, CSD will notify Contractor of the total amount of funds that may be expended. Contractor may not expend funds in excess of the amount available and authorized by CSD for expenditure. Access to funding shall be conferred upon Contractor through written authorization by CSD, and amendment to this Agreement shall not be required for such purpose, except in cases where the maximum amount of the Agreement has been revised.

- 1.3.4 In the event HHS fails to provide sufficient funding to CSD to enable payment of Contractor's maximum amount of the Agreement prior to the end of the Contract term, the contract amount shall be deemed to be reduced to the amount actually provided by HHS and the contract shall be closed on that basis without need for amendment.

1.4 Service Area

The services shall be performed in the service area listed on the Providers' Website at <https://providers.csd.ca.gov>.

1.5 Legal Authorities – Program Requirements, Standards, and Guidance

- 1.5.1 All services and activities are to be provided in accordance with all applicable federal, state, and local laws and regulations, and as those laws and regulations may be amended from time to time, including but not limited to, the following:
- 1.5.1.1 The Community Services Block Grant Act, as amended, 42 U.S.C. § 9901 et seq., and 45 Code of Federal Regulations (CFR) Part 96;
 - 1.5.1.2 The California Community Services Block Grant Program, Government Code §12085 et seq., as amended, and Title 22, California Code of Regulations (CCR) §§ 100601-100795;
 - 1.5.1.3 The Single Audit Act, 31 U.S.C. § 7301 et seq., and Code of Federal Regulations Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, 45 CFR Part 75;
 - 1.5.1.4 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR 75);
 - 1.5.1.5 Information Integrity and Security (Department of Finance, Budget Letter 04-35); Safeguarding Against and Responding to a Breach of Security Involving Personal Information (Department of General Services, Management Memo 08-11);
 - 1.5.1.6 California Contractor Certification Clauses 04/2017 (CCC 04/2017); and
 - 1.5.1.7 State contracting requirements, "General Terms and Conditions, GTC

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04/2017". The provisions in their entirety, can be reviewed and downloaded at the [Department of General Services](#) website.

- 1.5.2 *Conflict of Laws*. Contractor shall comply with all of the requirements, standards, and guidelines contained in the authorities listed within this Agreement, as they may be amended from time to time, with respect to procurement requirements, administrative expenses, and other costs claimed under this Agreement, including those costs incurred pursuant to subcontracts executed by Contractor, notwithstanding any language contained in the following authorities that might otherwise exempt Contractor from their applicability. To the extent that the requirements, standards, or guidelines directly conflict with any State law or regulation at Government Code § 12085 et seq. or 22 CCR § 100601 et seq., or any provision of this Agreement, then that law or regulation or provision shall apply, unless, under specified circumstances, a provision of federal law applicable to block grants, such as 45 CFR 96.30, allows for the application of state law.
- 1.5.3 CSD shall provide Contractor with specific program guidance which shall be binding on the Contractor as a condition of the Contractor's eligibility to receive CSBG funds, provided:
- 1.5.3.6 That such guidance shall be issued by CSD in writing in the form of "CSD Program Notice (CPN) No. XX-XX" or "CSD Program Advisory (CPA) No. XX-XX";
- 1.5.3.7 That such guidance shall be issued by CSD in the most timely and expeditious manner practicable;
- 1.5.3.8 That such guidance shall be reasonably necessary to realize the intent and purposes of the CSBG Act;
- 1.5.3.9 That major and material changes in program requirements, which substantially affect the Contractor's and/or CSD's ability to fulfill contractual obligations, or which otherwise create a substantial hardship on either the Contractor or CSD, shall be subject to an amendment to this Agreement;
- 1.5.3.10 That the parties' failure or inability to execute a mutually acceptable amendment within a period of time allowing the parties to reasonably comply with any major change(s) in CSBG requirements, shall result in this Agreement being without force and effect, subject only to such provisions contained herein as are intended to survive the Agreement in accordance with the express and implied provisions of applicable federal and state law;
- 1.5.3.11 That Contractor is duly informed of the risk of de-designation as an eligible entity, based on CSD's obligation to avoid/minimize interruption of CSBG-funded services in any part of the state, in the event that this

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Agreement terminates due to failure to agree to any necessary amendment;
and

1.5.3.12 That upon CSD's or Contractor's good faith determination, delivered to the other party by written notice, that agreement to any necessary amendment cannot be achieved, then this contract shall be terminated, and any issues of eligible entity status addressed, in accordance with requirements of federal and state law and established CSD policy and procedure.

1.5.4 The federal and state laws, regulations, and other authorities referenced in this Agreement are hereby incorporated by reference. Copies may be accessed for reference at www.csd.ca.gov.

ARTICLE 2 – CONTRACT ADMINISTRATION AND PROCEDURE

2.1 Required Documents

2.1.1 Contractor shall provide the following documents, satisfactory to CSD in form and substance, together with a signed copy of this Agreement before CSD executes and returns the Agreement to Contractor for implementation:

2.1.1.1 Federal Funding Accountability and Transparency Act Report (CSD 279);

2.1.1.2 Certification Regarding Lobbying/Disclosure of Lobbying Activities;

2.1.1.3 Contractor Certification Clause (CCC 04/2017);

2.1.1.4 Current Insurance or Self-Insurance Authority Certification; and

2.1.1.5 Board Resolution authorizing execution of this Agreement.

2.1.2 In addition to the documentation requirements set forth in Article 2.1.1, CSD's obligations under this Agreement are expressly contingent upon Contractor providing the supplemental documentation set forth below, and available on the Providers' Website. The following documentation shall be subject to CSD's approval, in form and substance:

2.1.2.1 CSD 425.S CSBG Contract Budget Summary;

2.1.2.2 CSD 425.1.1 CSBG Budget Support Personnel Costs;

2.1.2.3 CSD 425.1.2 CSBG Budget Support Non-Personnel Costs;

2.1.2.4 CSD 425.1.3 CSBG Budget Support Other Agency Operating Funds;

2.1.2.5 CSD 425.1.4 CSBG Contract Budget Narrative;

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- 2.1.2.6 CSBG Annual Report Work Plan (CSD 641);
 - 2.1.2.7 Agency Staff and Board Roster (CSD 188);
 - 2.1.2.8 Board Meeting Schedule; and
 - 2.1.2.9 Updated Organizational Bylaws (if applicable).
- 2.1.3 *Board Resolution.* Contractor must also submit a governing board resolution with an original signature of the board's authorized representative, identifying the individual(s) authorized to execute the 2020 CSBG Agreement and any amendments.
- 2.1.4 CSD shall maintain a certified date-stamped hardcopy of this Agreement for inspection by Contractor during normal business hours, as well as a date-stamped, PDF version of this Agreement on the Providers' Website, which may be accessed by Contractor, downloaded and printed at Contractor's option.
- 2.1.5 This Agreement may not be changed or altered by any party, except by a formal written, fully executed amendment, or as provided in Article 1.5.3 with respect to program guidance, or as provided in Article 3 – Agreement Changes. Upon such amendment of any provision of Part II, the amended PDF version shall be date-stamped and posted to the Providers' Website until such time as a subsequent Agreement or amendment is executed by the parties.
- 2.1.6 Contractors that are public or governmental entities with local provisions requiring receipt of a hardcopy of all parts of this Agreement as a prerequisite to execution, as well as other contractors that make special arrangements with CSD, may receive hardcopies for execution and retention.

2.2 Contractor's Option of Termination

- 2.2.1 Contractor may, at Contractor's sole option, elect to terminate this contract in lieu of adherence to the procedures set out in Article 1.5.3, should Contractor determine that any subsequent program guidance or proposed amendment to the contract is unjustifiably onerous or otherwise adverse to Contractor's legitimate business interests and ability to implement the contract in an effective and reasonable manner, provided:
- 2.2.1.1 Such notice of termination is in writing and will be effective upon receipt by CSD, delivered by U.S. Postal Service Certified Mail, Return Receipt Requested.
 - 2.2.1.2 Notice contains a statement of the reasons for termination with reference to the specific provision(s) in the program guidance or proposed amendment in question.

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- 2.2.2 Contractor shall be entitled to reimbursement for all allowable costs incurred prior to termination of the contract. Such reimbursement shall be in accordance with the program guidance and contract provisions in effect at the time the cost was incurred.
- 2.2.3 Contractor shall, within 60 days of termination, close out the contract in accordance with contractual closeout procedures.
- 2.2.4 By executing this Agreement, Contractor acknowledges and understands that voluntary termination prior to the end of the Agreement term may result in Contractor's permanent or temporary de-designation as an eligible entity, due to CSD's obligation to seek replacement CSBG Provider(s) in accordance with state and federal CSBG requirements.

2.3 Budget Contingencies

2.3.1 *State Budget Contingency.*

2.3.1.1 It is mutually agreed that if funds are not appropriated for implementation of CSBG programs through the state budget process or otherwise, whether in the current year and/or any subsequent year covered by this Agreement, this Agreement shall be of no further force and effect. Upon written notice to Contractor by CSD that no funds are available for contract implementation, the Agreement shall be terminated, and the State shall have no obligation to pay Contractor or to furnish other consideration under this Agreement and Contractor shall not be obligated for performance.

2.3.1.2 If CSBG funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, the State shall at its sole discretion have the option either to terminate this Agreement upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced funding. If the parties fail to reach agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract closeout obligations or final settlement.

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2.3.2 *Federal Budget Contingency.*

2.3.2.1 The parties agree that because of uncertainty in the federal budget process, this Agreement may be executed before the availability and amounts of federal funding can be ascertained, in order to minimize delays in the provision of services and the distribution of funds. The parties further agree that the obligations of the parties under this Agreement are expressly contingent on adequate funding being made available to the state by the United States Government.

2.3.2.2 If federal funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, the State shall at its sole discretion have the option either to terminate this Agreement upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced funding. If the parties fail to reach agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract closeout obligations or final settlement.

2.3.2.3 If federal funding authorities condition funding on any obligations, restrictions, limitations, or conditions not existent when this Agreement was executed, this Agreement shall be amended by mutual agreement for compliance with such obligations, restrictions, limitations or conditions. Failure of the parties to reach agreement on such amendment shall render this Agreement without force and effect.

2.4 **Miscellaneous Provisions**

2.4.1 *Assignment.* Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be assigned by any party without the prior written consent of the other parties, except in the case where responsibility for program implementation and oversight may be transferred by the State to another State agency. In the event of such transfer, this Agreement is binding on the agency to which the program is assigned.

2.4.2 *Merger/Entire Agreement.* This Agreement (including the attachments, documents and instruments referred to in this Agreement) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.

2.4.3 *Severability.* If any provision of this Agreement be invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired and shall remain in full force and effect.

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2.4.4 *Notices.* Unless otherwise provided herein, notice given by the parties shall be in writing, delivered personally, by United States mail, or by overnight delivery service (with confirmation). Certain reporting and other communications may be delivered electronically as specified by CSD or as is customary between the parties. Notice shall be delivered as follows:

To **Contractor's** address of record; and

To **CSD** at:

California Department of Community Services and Development
Field Operations Unit
2389 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

ARTICLE 3 – AGREEMENT CHANGES

3.1 Amendment

- 3.1.1 Formal amendments to this Agreement are required for changes to the term, amount, scope of work, and/or formal name changes. No amendment to this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
- 3.1.2 If Contractor intends to request a formal amendment to this Agreement, the request must be submitted on a CSD Form 425b, Justification for Contract Amendment/Modification, no later than 45 days prior to the expiration of the Agreement term. CSD Form 425b can be located on the Providers' Website.
- 3.1.3 *Term Extensions.* The term of this Agreement may be extended, upon request, to no later than May 31st of the year following the original expiration date of the Agreement. Accordingly, a term extension through April 30th allows for a 60-day close-out period, and an extension through May 31st allows for a 30-day close-out period.

3.2 Minor Modification

- 3.2.1 Any request(s) for modification to CSBG Fiscal Data or Work Plan documents must be submitted on a CSD Form 425b, Justification for Contract Amendment/Modification, no later than 45 calendar days prior to the expiration date of this Agreement.
- 3.2.2 Any increase to out-of-state travel costs or equipment purchases will require a request for modification to the budget and must be submitted on a CSD Form 425b, Justification for Contract Amendment/Modification.

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ARTICLE 4 - ADMINISTRATIVE POLICIES AND PROCEDURES

4.1 Board Roster, Bylaws, Resolution, and Minutes

4.1.1 Concurrently with Contractor's submission of this Agreement, Contractor shall submit to CSD at CSBGDiv@csd.ca.gov and the Contractor's assigned Field Representative the following:

4.1.1.1 Unless otherwise specified in 4.1.1.3 and 4.1.1.4 below, contractor shall submit to CSD an Agency Staff and Board Roster form (CSD 188) of the tripartite board including the name and sector (i.e., low-income, public, private) of each board member, contact information for each member including an address at a location other than the office of the eligible entity, vacancy title, date each board seat was vacated. Contractor is responsible to notify CSD of any changes to the tripartite board within 30 days of such occurrence.

4.1.1.2 Contractor must provide updated organizational bylaws if any changes occurred within the past calendar year.

4.1.1.3 In the case of Native American Indian (NAI) Contractors that have established another mechanism (in consultation with CSD and subject to CSD approval) to assure low-income individuals' participation in the management of programs funded by this Agreement, a current roster of the NAI governing council, commission, board, or other body responsible for administration of CSBG-funded programs, and the most recent version of the organizational bylaws. The roster shall include contact information for each member of the governing body at a location other than the office of the NAI Contractor and shall identify how low-income individuals are represented in the organization's governance. NAI Contractors shall also submit the most recent version of the organizational bylaws. Contractor is responsible to notify CSD of any changes to its governing body within 30 days of such occurrence.

4.1.1.4 In the case of Limited Purpose Agency (LPA) Contractors, a current roster of Contractor's board, including the name of each board member, contact information for each member at a location other than the office of the LPA, and the most recent version of the organizational bylaws. Contractor is responsible to notify CSD of any changes to its board within 30 days of such occurrence.

4.1.2 Contractor's current governing board must authorize the execution of this Agreement. Contractor has the option of demonstrating such authority by either: (a) direct signature of a board member having signing authority; or (b) any lawful delegation of such authority that is consistent with Contractor's bylaws.

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- 4.1.3 Where Contractor elects to delegate signing authority to the chief executive officer (CEO) or executive director (ED), CSD will accept either a resolution specific to this Agreement or a resolution approved by the current governing board with general applicability to any CSD program contract or amendment. Where Contractor provides a general resolution, Contractor shall maintain documentation that the CEO or ED provided timely and effective communication of the execution and terms of this Agreement to the board. Either a specific or current general resolution must be on file with CSD prior to CSD's final execution of this Agreement.
- 4.1.4 Contractor shall submit to CSD the approved minutes of regularly scheduled meetings of its tripartite board, LPA contractor's board, NAI governing council, commission, advisory board, or other body responsible for administration of CSBG-funded programs, no later than 30 days after the minutes are approved. Contractor shall submit board meeting minutes to CSD at CSBGDiv@csd.ca.gov and to the Contractor's assigned Field Representative. Regularly scheduled Board meetings shall be held in accordance with Contractor's bylaws.
- 4.1.5 In addition to the minutes referenced in Article 4.14, if Contractor's tripartite board is advisory to the elected officials of a local government, Contractor also shall submit to CSD the minutes from any meeting of the elected officials where matters relating to this Agreement are heard; including, but not limited to, discussions about or decisions affecting the Community Action program. Such minutes shall be submitted to CSD no later than 30 days after the minutes are approved. Contractor shall submit board meeting minutes to CSD at CSBGDiv@csd.ca.gov and to the Contractor's assigned Field Representative.

4.2 Training and Quarterly CSBG Advisory Committee Meetings (CAC)

Contractors shall make every effort to attend all trainings and quarterly CSBG Advisory Committee meetings associated with CSD.

4.3 Internal Control Certification

Contractor shall establish and maintain a system of internal accounting and administrative control. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. The system of internal accounting and administrative control shall be attested to within the Contractor's independent audit conducted pursuant to this Agreement, and include:

- 4.3.1 Segregation of duties appropriate to safeguard State assets;
- 4.3.2 Access to agency assets is limited to authorized personnel who require these assets in the performance of their assigned duties;

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- 4.3.3 Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures;
- 4.3.4 Practices to be followed in performance of duties and functions;
- 4.3.5 Personnel of a quality commensurate with their responsibilities; and
- 4.3.6 Effective internal review.

4.4 Record Retention Requirements

- 4.4.1 All records maintained by Contractor shall meet the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR 75 § 75.361 through § 75.370).
- 4.4.2 Contractor shall maintain all records pertaining to this Agreement for a minimum of three years after submission of the final report. However, Contractor shall maintain applicable records until CSD resolves all audit and monitoring findings.
- 4.4.3 Contractor assures that employee and applicant records shall be maintained in a confidential manner to assure compliance with the Information Practices Act of 1977, as amended, and the Federal Privacy Act of 1974, as amended.

4.5 Insurance Requirements

- 4.5.1 By execution of this Agreement, Contractor agrees that required insurance policies and bond shall be in effect at all times during the term of this Agreement.
- 4.5.2 Contractor shall provide CSD with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement.
- 4.5.3 Notices of Insurance must be submitted to the following addresses:

Electronic copies: Contracts2@csd.ca.gov

Printed copies: California Department of Community Services and Development
Contract Services Unit
2389 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

- 4.5.4 In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide within 30 calendar days prior to said expiration date, a new Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. The Certificate shall identify and name CSD as the Certificate Holder. New Certificates of Insurance will be reviewed for content and form by CSD.

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- 4.5.5 In the event Contractor fails to maintain in effect at all times the specified insurance and bond coverage as herein provided, CSD may, in addition to any other available remedies it may have, suspend this Agreement.
- 4.5.6 With the exception of workers' compensation and fidelity bond, CSD shall be named as additional insured on all Certificates of Insurance required under this Agreement.
- 4.5.7 The issuance of other CSD contracts, to include any cash advances and reimbursement payments, to the Contractor shall be contingent upon required current insurance coverage being on file at CSD for this Agreement.
- 4.5.8 Should Contractor utilize a subcontractor(s) to provide services under this Agreement, Contractor shall indemnify and hold the State harmless against any liability incurred by that subcontractor(s).

4.6 Specific Insurance Requirements

4.6.1 *Self-Insurance.*

4.6.1.1 When Contractor is a self-insured governmental entity, CSD, upon satisfactory proof, may waive the appropriate insurance requirements. To qualify for a waiver, an appropriate county or city risk manager shall sign a certification that shall contain assurance of the adequacy of the governmental entity's ability to cover any potential losses under this Agreement.

4.6.1.2 Contractor shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable policy numbers, expiration dates, and coverage amounts.

4.6.1.3 In the event that the Contractor's self-insurance coverage does not contain any changes from the prior year, CSD will accept a certified letter signed by authorized personnel stating that no changes have occurred from last year. This letter is due at the time of Agreement execution or within 30 days of expiration of insurance.

4.6.1.4 In lieu of providing certification of self-insurance, Contractor may provide proof of excess insurance coverage through an insurance carrier who is licensed to underwrite insurance in the State of California.

4.6.2 *Workers' Compensation Insurance.*

4.6.2.1 Contractor shall have and maintain for the term of this Agreement workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.

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4.6.2.2 Contractor shall submit either an applicable Certificate of Insurance or a Certificate of Consent to Self-Insure issued by the Director of the California Department of Industrial Relations to CSD as evidence of compliance with the workers' compensation insurance requirement prior to issuance of an initial cash advance.

4.6.3 *Commercial or Government Crime Coverage (Fidelity Bond).*

4.6.3.1 Contractor shall maintain a commercial crime policy. If Contractor is a public entity, Contractor shall maintain a government crime policy. The commercial crime policy or government crime policy (hereinafter "fidelity bond") shall include the following coverages or their substantial equivalents: Employee Dishonesty/Theft, Forgery or Alteration, and Computer Fraud.

4.6.3.2 Contractor's fidelity bond coverage limits shall not be less than a minimum amount of 4% of the total amount of consideration set forth under this Agreement.

4.6.3.3 Contractor shall submit an applicable Certificate of Insurance (ACORD 25) to CSD as evidence of compliance with the fidelity bond requirement prior to issuance of an initial cash advance.

4.6.4 *General Liability Insurance.*

4.6.4.1 Contractor shall have and maintain for the term of this Agreement general liability and property damage insurance for a combined single limit of not less than \$500,000 per occurrence.

4.6.4.2 Contractor shall submit to CSD an applicable Certificate of Insurance naming CSD as an additional insured, as evidence of compliance with the general liability insurance requirement prior to issuance of an initial cash advance.

4.6.5 *Vehicle Insurance.*

4.6.5.1 Contractor shall have and maintain for the term of this Agreement vehicle insurance in the amount of \$500,000 for each person and each accident for bodily injury and in the amount of \$500,000 for each person and each accident for property damage.

4.6.5.2 When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the term of this Agreement non-owned and hired automobile liability insurance in the amount of \$500,000 for each person and each accident for bodily injury and \$500,000 for each person and each accident for property

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damage. Driving to and from place of business is not within the scope of employment.

- 4.6.5.3 Contractor shall submit to CSD an applicable Certificate of Insurance naming CSD as an additional insured as evidence of compliance with the vehicle insurance requirement prior to issuance of an initial cash advance.

4.7 System Security Requirements

Contractor shall, in cooperation with CSD, institute policies, processes, procedures, and security controls designed to ensure the security of data and to protect information in accordance with the Information Practices Act of 1977 (Civ. Code § 1798, et seq.), and such other State and Federal laws and regulations as may apply. In the event there are different system security standards that may be applied to this Article, Contractor shall endeavor to use the strictest security standard that complies with state and federal requirements.

4.8 Services Offered

Data exchange between CSD and Contractor shall be handled through one of three methods: (1) a Contractor user must upload data files or perform data entry using credentials provided by CSD; or (2) utilize CSD web applications as configured by the Contractor technology vendor; or (3) via email using security protocols, such as encryption and redaction, for any sensitive data.

4.9 Data Sensitivity

- 4.9.1 Data exchanged between CSD and Contractor must be limited to the data fields included on Data Transfer Rules documents posted on the Providers' Website. No personal financial information, i.e., credit card, bank account numbers, shall be stored or exchanged in the data exchange sessions.
- 4.9.2 Data exchanged between CSD and Contractor must be limited to the data fields as requested within the web applications. No personal financial information, i.e., credit card, bank account numbers, shall be stored or exchanged in the data exchange sessions.
- 4.9.3 Data exchanged between CSD and Contractor via email communication must have all personally identifying information (PII) and other sensitive information redacted before the document is sent. Alternately, Contractor is to encrypt any attachments that have sensitive data using encryption tool and configurations as required by CSD.
- 4.9.4 Access to the above-mentioned data must only be given to authorized personnel to complete essential duties. Authorized personnel are to log into these systems using their own assigned credentials (i.e., no login account sharing). Upon departure of personnel with logins, the contractor will remove the employee's access to the systems as soon as possible.

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4.10 Contractor Systems Security

4.10.1 The physical location of the application systems shall be within controlled access facilities. Individual users may not have access to the data except through their systems that are specifically credentialed for Contractor business. All access will be controlled by authentication methods to validate the approved users.

4.10.2 Standards for secure transmission may be accomplished through such means as certificates, secure socket layer, etc., and storage of the data with encryption, if applicable.

4.10.3 Both CSD and Contractor shall maintain security patches and anti-virus software updates.

4.11 Trusted Behavior Expectations

CSD's application system and users shall protect Contractor's application system/data, and the Contractor's application system and users shall protect CSD's application system/data, in accordance with the Privacy Act and Trade Secrets Act (18 U.S. Code 1905) and the Unauthorized Access Act (18 U.S. Code 2701 and 2710). Technology and systems code and functionality are owned by the respective parties and may not be shared with anyone else or used without the consent of the owner.

4.12 Incident Reporting

Any party discovering a security incident shall report it in accordance with its incident reporting procedures. Contractor shall, within 24 hours of discovery, report to CSD Information Technology Services Help Desk any security incident contemplated herein. Examples include, but are not limited to, stolen or lost equipment, malware/ransomware detection, suspected hacking, etc.

4.13 Audit Trail Responsibilities

Both parties are responsible for auditing application processes and user activities. Activities that will be recorded include event type, date and time of event, user identification, workstation identification, success or failure of access attempts, and actions taken by system administrators.

4.14 Data Sharing Responsibilities

Contractor shall ensure that all primary and delegated secondary organizations that share, exchange, or use personal, sensitive, or confidential data, pursuant to this Agreement and subcontracts issued by Contractor, shall adhere to these security requirements and applicable state and federal law, in addition to further data sharing guidance as may be issued by CSD during the term of this Agreement. If data sharing is accomplished via interconnectivity of an application system, then data sharing must be certified to be secure by both parties.

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4.15 Travel and Per Diem

- 4.15.1 Contractor's total travel and per diem costs for in-state and/or out-of-state shall be included in the Agreement Budget(s). Out-of-state travel costs that exceed the budgeted amount shall not be reimbursed without prior written authorization from CSD.
- 4.15.2 Contractor's employee travel costs and per diem reimbursement rates shall be reimbursed in accordance with Contractor's written policies and procedures not to exceed federal per diem requirements, and subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR 75.474) or any amendments thereto, as applicable.
- 4.15.3 In the absence of a written travel reimbursement policy, federal per diem limits shall apply.

4.16 Codes of Conduct

- 4.16.1 *Written Standards.* Contractor shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts or subcontracts. No employee, officer, or agent of the Contractor shall participate in the selection, award, or administration of a subcontract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Contractor shall neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to sub agreements. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipients.
- 4.16.2 *Self-Dealing Prohibited.* Contractor shall not pay federal funds received from CSD to any entity in which it (or one of its employees, officers, agents, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein) has an interest. As ownership constitutes a financial interest, Contractor shall not subcontract with a subsidiary. Similarly, Contractor shall not subcontract with an entity that employs or is about to employ any person described in 45 CFR § 75.327, or subsequent amendments to these requirements.

4.17 Conflict of Interest

- 4.17.1 Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who performs any functions or responsibilities in connection with this Agreement

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shall have any personal financial interest or benefit that either directly or indirectly arises from this Agreement.

- 4.17.2 Contractor shall establish written safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

4.18 Fraud, Waste, and Abuse

- 4.18.1 Contractor shall make timely, a written report to CSD of incidents and activities, or suspected incidents and activities, involving fraud, waste, and abuse of CSBG funds by Contractor's employees, subcontractors, clients, or other parties affiliated with Contractor. Incidents and activities subject to reporting under this section include, but are not limited to, criminal acts and other violations of law constituting a misuse of funds that could result in cost disallowance. Contractor shall, in a timely manner, inform CSD of any reports or complaints submitted to law enforcement officials by Contractor, Contractor's employees, subcontractors, clients or other parties affiliated with Contractor, concerning the misuse of CSBG funds.
- 4.18.2 Contractor shall provide employees, subcontractors, clients, and other parties affiliated with the Contractor the information necessary to report fraud, waste, and abuse to the U.S. Department of Health and Human Services Office of Inspector General Fraud hotline.

4.19 Procurement Standards

- 4.19.1 *Maintenance of Written Procurement Procedures.* Contractors shall administer this Agreement in accordance with all federal and State rules and regulations governing CSBG pertaining to procurement, including Code of Federal Regulations Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards and amendments thereto, consistent with the general CFR compliance requirement in Article 1 of this Agreement. Contractors shall establish, maintain, and follow written procurement procedures consistent with the procurement standards in 45 CFR § 75.326 through § 75.340, or any subsequent amendments to these standards, and all additional provisions in this Agreement, including but not limited to a code of conduct for the award and administration of contracts and a procedure that provides, to the maximum extent practical, open and free competition.
- 4.19.2 *Eligible Bidders.* Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals, or firms that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements.

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Contractor shall award any subcontract to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors. Contractor's solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient.

- 4.19.3 Contractor assures that all supplies, materials, vehicles, equipment, or services purchased or leased with funds provided by this Agreement shall be used solely for the activities allowed under this Agreement, unless a fair market value for such use is charged to the benefiting program and credited to this Agreement.
- 4.19.4 Contractor shall provide for open and free competition and adequate cost analysis in all procurement transactions for each purchase order, lease, or subcontract for any articles, supplies, equipment, or services to be obtained from vendors or subcontractors.
- 4.19.5 *Non-Competitive Bid Justification.* If a service or product is of a unique nature, is in response to a public exigency or emergency, or more than one vendor/provider cannot reasonably be identified, Contractor shall maintain adequate justification for the absence of competitive bidding. "Adequate justification" must include, but is not limited to: (a) explanation of why the acquisition of goods or services is limited to one vendor or supplier; (b) description of sole vendor/supplier's unique qualifications to provide the goods or services in question; and (c) analysis of cost(s) to demonstrate reasonableness.
- 4.19.6 *CSD Lease/Purchase Pre-Approval Requirements.* To ensure that significant procurement transactions are conducted in an open and freely competitive manner, Contractor shall obtain prior written approval from CSD of capital expenditures for equipment with a unit cost of \$5,000 or more through the submission of a Request for Purchase/Lease Pre-Approval (form CSD 558) to CSD at least 15 calendar days prior to execution. Transactions without CSD's prior written approval may be disallowed.
- 4.19.7 In all procurements, whether requiring CSD pre-approval or not, Contractor is solely responsible for maintenance of adequate procurement records demonstrating compliance with Federal and State requirements.
- 4.19.8 Noncompliance with any of the provisions in this section may result in a disallowance of the costs of the procurement transaction.

4.20 Use and Disposition of Vehicles and Equipment

- 4.20.1 Use of CSBG-funded vehicles and equipment by other programs shall comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR § 75.320 and § 75.439)

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- 4.20.1.1 Vehicles and equipment purchased with CSBG funds must be used by Contractor in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by CSBG funds, and Contractor must not encumber the property without prior approval of CSD. When no longer needed for the original program or project, the equipment may be used in other activities supported by CSD, in the following order of priority: (a) activities under a Federal award from CSD; then (b) activities under Federal awards from other HHS awarding agencies.
- 4.20.1.2 During the time that equipment is used on the project or program for which it was acquired, Contractor must also make the equipment available for use on other projects or programs currently or previously supported by the Federal Government. User fees should be considered, if appropriate, in accordance with federal regulations.
- 4.20.1.3 Any use fees shall be treated as “program income” to the CSBG program, as described in 45 CFR § 75.307.
- 4.20.1.4 Contractor may be compensated for the use of its buildings, capital improvements, equipment and software projects capitalized in accordance with generally accepted accounting principles (GAAP), provided they are used, needed in Contractor’s program activities, and properly allocated to the CSBG grant. Such compensation must be made by allocating and computing depreciation in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR § 75.436).
- 4.20.2 Contractor shall comply with all equipment management requirements outlined in the Uniform Administrative Requirements for HHS Awards (45 CFR § 75.320 (d)), including, but not limited to: (a) property Records; (b) physical inventory of the property; (c) a control system to prevent loss, damage, or theft; (d) adequate maintenance procedures; and (e) proper sale procedures.
- 4.20.3 *Sale or Disposition of CSBG-Funded Vehicles and Equipment.*
- 4.20.3.1 If/when Contractor’s CSBG program(s) no longer need(s) items of equipment with a current per unit fair market value of \$5,000 or less, the equipment may be retained, sold, or otherwise disposed in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR § 75.320).
- 4.20.3.2 Conflict of interest policies and proper sales procedures should be followed to ensure that the best possible value and sale price is realized.
- 4.20.3.3 Pursuant to 45 CFR 75.307(d), (*see also* 45 CFR 75.2 “Program Income”), sale proceeds from the sale of real property, equipment, or

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supplies are not program income. Such proceeds will be handled in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards – *Subpart D–Post Federal Award Requirements* (45 CFR 75.300 et seq.).

4.21 Subcontracts

4.21.1 Contractor may enter into subcontract(s) to perform part or all of the direct services covered under this Agreement. Prior to the commencement of subcontracted services under this Agreement, Contractor shall obtain board approval, to include but not be limited to, an assurance that the subcontractor agreement(s) shall comply with all terms, conditions, assurances, and certifications of this Agreement for the nonprofit and local governmental agencies performing services in the area(s) described in ARTICLE 1 - SCOPE OF WORK.

4.21.2 *Notification of Subcontract Execution.*

4.21.2.1 Contractor shall provide written notification to the State within 60 calendar days of execution of each subcontractor agreement by completing the CSD 163 Subcontractor List (Form), which can be found on the Providers' Website.

4.21.2.2 This written notification shall also include a certification that, to the best of Contractor's knowledge, the subcontractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency. For purposes of this certification of subcontractor eligibility, Contractor may rely on information provided via the Excluded Parties List System (EPLS), available at <https://www.sam.gov>.

4.21.2.3 If CSD determines that Contractor has executed a subcontract with an individual or entity listed as debarred, suspended, or otherwise ineligible on EPLS as of the effective start date of the subcontract, costs Contractor has incurred under the subcontract may be disallowed.

4.21.2.4 Contractor must ensure that funds expended pursuant to this Agreement are allowable and allocable and Contractor must adopt fiscal control and accounting procedures sufficient to enable the tracing of funds paid to any subcontractor to a level of expenditure adequate to establish that such funds have not been used in violation of this Agreement. Contractor shall ensure that any subcontracts under this Agreement contain all provisions necessary to ensure adequate substantiation and controls of the expenditure of such funds. Contractor may achieve this through detailed invoices, by periodic monitoring of subcontractor's program activities and fiscal accountability, by retaining a right of reasonable access to the subcontractor's books and records, or by any

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other method sufficient to meet the Contractor's responsibility to substantiate costs required by the Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards (45 CFR 75, Subpart E – Cost Principles, 45 CFR 75.400 et seq.).

- 4.21.3 Contractor is solely responsible for performance of the terms, conditions, assurances, and certifications of this Agreement, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues arising out of subcontract agreement(s) entered into in support of this Agreement, including disputes, claims, or other matters of a contractual nature as well as civil liability arising out of negligence or intentional misconduct of the subcontractor(s).
- 4.21.4 Nothing contained in this Agreement shall create any contractual relation between CSD and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor shall be liable for any acts and omissions of its subcontractors or of persons either directly or indirectly employed by subcontractors in violation of this Agreement. Contractor's obligation to pay subcontractor(s) is independent from CSD's obligation to make payments to Contractor. As a result, CSD shall have no obligation to pay or to enforce payment of any moneys to any subcontractor.
- 4.21.5 In the event CSD suspends, terminates, and/or makes changes to the services to be performed under this Agreement, Contractor shall notify all of its subcontractors in writing within five working days of receipt of notice of such action

ARTICLE 5 – PROGRAM BUDGET REQUIREMENTS AND PAYMENTS

5.1 Budget

- 5.1.1 Concurrent with the submission of this Agreement, Contractor shall complete and submit the CSBG Fiscal Data forms [CSBG Contract Budget Summary (CSD 425.S), CSBG Budget Support - Personnel Costs (CSD 425.1.1), CSBG Budget Support - Non-Personnel Costs (CSD 425.1.2), CSBG Budget Support - Other Agency Operating Funds (CSD 425.1.3), and Budget Narrative (CSD 425.1.4)] attached to this Agreement. Contractor must include an itemized list identifying all other funding sources and amounts that make up the total annual operating budget of the community action program(s). Notwithstanding any other provision of this paragraph, Contractor may submit the itemized list of other funding sources by either of the following methods: (a) completing the attached form (CSD 425.1.3); or (b) submitting an internal annual budget document displaying the funding sources and their anticipated revenues.
- 5.1.2 Contractor shall submit the CSD 425.1.4 (CSBG Contract Budget Narrative) with a justification for each projected line item reported on the CSD 425.1.1 and CSD 425.1.2.

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- 5.1.3 *Administrative Expenses.* For the purpose of administrative expenditures, Contractor shall use funds allocated under this Agreement in an amount not to exceed 12% of the total operating budget of its community action program(s) only, including other agency funds used to support CSBG. Contractor shall not use funds provided under this Agreement to cover administrative costs incurred in the Low-Income Home Energy Assistance Program (LIHEAP) in excess of the LIHEAP contractual limitations by the Contractor's agency.

The budgets of the Contractor's community action programs, not the budget of the organization or the organizational division to which the community action programs are assigned, shall be used in calculating the amount of allowable administrative expenditures under this subparagraph.

- 5.1.3.1 A qualifying community action program is defined as:

“A community action program is a locally planned and operated program comprising a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem,” as defined by Cal. Gov. Code § 12750(b).

- 5.1.3.2 Community action programs typically:

5.1.3.2.1. maintains a tripartite board or advisory board, as defined in Cal. Gov. Code § 12751, which in the case of governmental entities, has operational jurisdiction and oversight or advisory responsibility, and

5.1.3.2.2 serves the purposes and goals of the federal Community Services Block Grant, Section 672 and Cal. Gov. Code § 12750 with particular reference to the reduction of the causes and conditions of poverty and persistent economic insecurity.

- 5.1.4 For purposes of allocating indirect costs, contractors may use current negotiated indirect cost rates that have been approved by a cognizant federal agency. Contractor shall submit a copy of the letter of approval from the cognizant agency which includes date of approval and amount of rate.
- 5.1.5 *Budget modifications requiring pre-approval.* In accordance with 22 CCR § 100715(a), no originally approved budget line item may be increased or decreased by more than 10% without prior CSD approval. Any increase or decrease of more than 10% to the originally approved budget line item will require a request for modification to the budget and shall be submitted to CSD on form CSD 425b, Justification for Contract Amendment/Modification.

5.2 Advance Payments – Amount

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- 5.2.1 Upon approval of all contract deliverables, CSD shall, in accordance with CA Gov. Code § 12781 (b), issue an advance payment to Contractor in an amount not to exceed 25% of the maximum amount of this agreement.
- 5.2.2 If HHS does not initially make enough funds available for CSD to pay the advance amount in full, CSD shall provide that portion of the advance amount that is available and pay the remaining portion(s) as funds become available.
- 5.2.3 If HHS fails to provide sufficient funds to pay the authorized advance amount during the first six months of the contract term, Contractor will not be entitled to additional advance payments thereafter.
- 5.2.4 If, during the first six months of the contract term, CSD amends this Agreement to increase the maximum amount, CSD shall advance up to 25% of the increase to Contractor.
- 5.2.5 Contractors who opt not to receive an advance payment must notify CSD in writing on agency letterhead. Written notification must be submitted with the contract.

5.3 Advance Payments – Interest on Advances

- 5.3.1 Contractor must deposit all advances in an interest-bearing account in accordance with 45 CFR 75.305(b)(8), unless the following apply:
 - 5.3.1.1 Contractor receives less than \$120,000 in Federal awards per year.
 - 5.3.1.2 The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on CSBG cash balances.
 - 5.3.1.3 The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
 - 5.3.1.4 Interest earned amounts up to \$500 may be retained by Contractor for administrative expenses. Any additional interest earned on CSBG advance payments deposited in interest-bearing accounts must be remitted annually to the U.S. Department of Health and Human Services at:

HHS Program Support Center
P. O. Box 979132
St. Louis, MO 63197

When returning interest, the refund should include: an explanation stating that the refund is for interest, the name of the awarding agency (CSD), and the grant number for which the interest was earned.

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5.4 Advance Payments – Liquidation of Advance

5.4.1 Contractor may liquidate the advance at any time through offsets against CSD-approved reimbursement requests; however, CSD shall initiate repayment of the advance through offsets of approved expenditures when the first of either of the following occurs:

5.4.1.1 Contractor has expended 75% of the maximum amount of this Agreement;
or

5.4.1.2 At the beginning of the seventh monthly (or fourth bimonthly) reporting period of the contract term.

5.4.2 CSD-initiated repayments of the advance shall be accomplished through offsets against subsequent reimbursement of approved expenditures. CSD shall determine the amount to be offset against reimbursements by dividing the unpaid advance amount by the number of remaining expenditure reporting periods in the contract term. In the event that an expenditure request for a reporting period is less than the offset amount as determined above, the entire amount of the expenditure reimbursement request shall be applied against the remaining advance balance.

5.5 Advance Payments – Lien Rights

The State retains lien rights on all funds advanced.

5.6 Payments

5.6.1 Upon approval of Contractor deliverables CSD shall issue payments (as specified by Contractor on the CSD 425.S) to Contractor upon receipt and approval of a certified CSBG Expenditure/Activity Report. The report shall indicate the actual expenditures being billed to CSD for reimbursement for the specific report period.

5.6.2 Subsequent payments to Contractor shall be contingent on receipt and approval by CSD of the preceding Expenditure/Activity Report. If Contractor owes CSD any outstanding balance(s) for overpayments of any Agreement, current or previous, the balance(s) may be offset after notice to the Contractor providing an opportunity to present any valid objection to the offset.

5.7 Disaster Set-Aside Funding

5.7.1 In the event a State of Emergency has been issued by the Office of the Governor, CSD authorizes Contractor to expend its CSBG funds as an interim solution to provide disaster relief services to CSBG eligible, low-income persons.

5.7.1.1 Disaster Expenditures under this section must be allowable and allocable in accordance with CSD's Disaster Discretionary Funding Application,

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CSD D 101, (“Application”). The application is available on the Providers’ Website.

5.7.1.2 Contractor must apply to receive CSBG discretionary disaster set-aside funding. Applications shall be submitted to Contractor’s assigned Field Representative and will subsequently undergo an expedited review and approval process.

5.7.1.3 If Contractor’s application is approved CSD shall, through the amendment process, reimburse Contractor for all allowable and CSD-approved expenditures in accordance with the Application, and CSBG procedures and requirements of reimbursement.

5.7.2 The reimbursement of CSBG funds for disaster relief services is expressly conditioned upon CSD and Contractor executing a contract amendment increasing the contract amount by a sum equivalent to the disaster expenditures authorized herein, utilizing set-aside funds made available by CSD.

ARTICLE 6 – FINANCIAL REPORTING

6.1 Fiscal Reports

6.1.1 Contractor shall request reimbursement for expenditures associated with all contract activities by reporting in the Expenditure Activity Reporting System (EARS) in accordance with CPN-C-19-####. CSBG Financial Reporting Policies and Procedures, which is available online at: <http://providers.csd.ca.gov/>.

6.1.2 Contractor shall submit adjustments in accordance with CPN-C-19-####.

6.2 Close-Out Report

Contractor shall complete and submit all CSD close-out forms within 90 calendar days after the expiration date of this Agreement.

6.2.1 The close-out report shall include the following forms: Close-Out Checklist and Certification of Documents Transmitted (CSD 715), Close-Out Program Income/Interest Earned Expenditure Report (CSD 715C), Close-Out Equipment Inventory Schedule (CSD 715D). The latest version of the close-out form is available on the Providers’ Website.

6.2.2 Final expenditures must be submitted by entry into EARS.

6.2.3 All adjustments must reflect the actual expenditure period and be submitted by entry into EARS.

6.2.4 Subsequent payments for expenditures under any open CSBG contract and the issuance of other CSD contracts shall be contingent upon timely submission of the closeout report.

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- 6.2.5 If CSD grants Contractor a term extension, regardless of the extension period, Contractor must submit all required close-out documents, without exception, no later than June 30, 2021.

6.3 Transparency Act Reporting

- 6.3.1 In accordance with requirements of the Federal Funding Accountability and Transparency Act (FFATA), Contractors that: (a) are not required by the IRS to annually file a Form 990 federal return; (b) receive at least 80% of their annual gross revenues from federal sources (excluding any ARRA funds); and (c) have annual gross revenues totaling \$25,000,000.00 or more from federal grants, contracts, or other federal sources (excluding any ARRA funds), shall provide to CSD a current list of names and total compensation of Contractor's top five highly compensated officials/employees. The list shall be provided with the executed copy of the Agreement returned to CSD. This requirement applies only to Contractors that fall within all three categories set forth in this paragraph.
- 6.3.2 Pursuant to the FFATA reporting requirements (2 CFR 170), CSD is required to report information regarding Contractors (sub-awardees) receiving CSBG funds. Contractor must complete CSD form 279, located in Subpart H, and return with the contract Part I to ensure compliance.
- 6.3.3 CSD may issue guidance and/or Amendment(s) to this Agreement, establishing additional reporting requirements as necessary to ensure compliance with the FFATA or other Federal and State regulations, as applicable.

ARTICLE 7 – CSBG TERMS, CONDITIONS, PROGRAMMATIC PROVISIONS, AND REPORTING

7.1 Fair Hearing for Denial of Client Benefits by Contractor

- 7.1.1 Pursuant to 22 CCR § 100751, as amended, Contractor shall advise individuals who have been denied assistance under a program funded by this Agreement of their right to appeal to CSD for a fair hearing within 20 days from the denial of assistance.
- 7.1.2 Within five working days of receipt of an appeal from a client, CSD's Fair Hearings Officer shall schedule an administrative hearing to be conducted no later than 30 calendar days from the receipt of the request.
- 7.1.3 The client may withdraw the appeal/request for fair hearing at any time during the appeal process by providing written, email, or telephonic notice to CSD. Telephonic notice of withdrawal must be confirmed in writing by the Fair Hearings Officer or designated CSD staff.

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7.2 Organizational Standards

To maintain compliance with the Office of Community Services' *CSBG IM 138: State Establishment of Organizational Standards for CSBG Eligible Entities*, each Contractor shall submit the Organizational Standards annually utilizing the eGov ReportHub system no later than August 31st. Contractor shall have until January 31, 2021 to address modification requests from CSD and/or complete the technical assistance plan(s) for unmet standards in the 2020 Organizational Standards Assessment.

7.3 Programmatic Reporting

- 7.3.1 *Submission of Required Plans/Reports.* Unless otherwise specified by the provisions of this Article, all Community Action Plans and reports required by the provisions of this Article shall be submitted via email to CSBGDiv@csd.ca.gov, no later than the date specified.
- 7.3.2 *Community Action Plan.* Contractor shall submit a Community Action Plan meeting the requirements of Government Code § 12747 no later than June 30th of every odd year, unless/until otherwise instructed by CSD.
- 7.3.3 *CSBG Annual Work Plan Modules 3 and 4.* Annual programmatic work plan covers the proposed programmatic activities from January 1, 2020, through December 31, 2020. Contractor must complete and submit the CSBG Annual Work Plan CSD 641 form and enter the Targets in the eGov System as part of the contract deliverables. The Contractor must complete the Community Initiative Status Form in Module 3, Initiative List, Section A and Section B Targets CNPI. The Contractor must enter the targets for the number of participants expected to achieve the identified outcome in Module 4, Sections A Targets FNPI. As applicable, Modules 2 through 4 and Agency Success Stories must be completed and submitted in the eGov Reporting system no later than February 1, 2021. Access to the eGov system is <https://cacsd.communitysoftwaregroup.com/CsgIdentity/Account/LogIn>.
- 7.3.4 *CSBG Annual Report Modules 2 through 4 and Agency Success Stories.* Annual programmatic reporting covers the programmatic activities from January 1, 2020, through December 31, 2020. As applicable, Modules 2 through 4 and Agency Success Stories must be completed and submitted in the eGov Reporting system no later than February 1, 2021. Access to the eGov system is <https://cacsd.communitysoftwaregroup.com/CsgIdentity/Account/LogIn>.
- 7.3.5 *Term Extension Reports.* Contractor shall be required to collect programmatic outcomes associated with services provided under an extended contract term covering the period January 1, 2021 through the extended period as specified on the STD 213. The programmatic outcomes report shall be submitted to CSD with the close out packet.

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ARTICLE 8 – COMPLIANCE POLICIES AND PROCEDURES

8.1 Right to Monitor, Audit, and Investigate

- 8.1.1 Any duly authorized representative of the federal or State government, which includes but is not limited to the State Auditor, CSD Staff, and any entity selected by CSD to perform inspections, shall have the right to monitor and audit Contractor and all subcontractors providing services under this Agreement through on-site inspections, audits, and other applicable means the State determines necessary.
- 8.1.2 Contractor shall make available all reasonable information necessary to substantiate that expenditures under this agreement are allowable and allocable, including, but not limited to books, documents, papers, and records. Contractor shall agree to make such information available to the federal government, the State, or any of their duly authorized representatives including representatives of the entity selected by CSD to perform inspections, for examination, copying, or mechanical reproduction, on or off the premises of the appropriate entity upon a reasonable request.
- 8.1.3 Any duly authorized representative of the federal or State government shall have the right to undertake investigations in accordance with 42 U.S.C. § 9901 et seq., as amended.
- 8.1.4 All agreements entered into by Contractor with audit firms for purposes of conducting independent audits under this Agreement shall contain a clause permitting any duly authorized representative of the federal or State government access to the working papers of said audit firm(s).

8.2 Compliance Monitoring – Contractor’s and CSD’s Shared Responsibilities for Federal Funds

- 8.2.1 As the recipient of federal CSBG funds under this Agreement, Contractor is responsible for substantiating that all costs claimed under this Agreement are allowable and allocable under all applicable federal and State laws, and for tracing all costs to the level of expenditure.
- 8.2.2 As the State CSBG administrator, CSD must conduct onsite and follow-up monitoring, and other audits/reviews as necessary, to ensure that:

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- 8.2.2.1 Contractor meets federal and state performance goals, administrative and financial management standards, and other requirements, including federal organizational standards, as discussed in Article 7.2, applicable to CSBG-funded programs; and
- 8.2.2.2 Funds allocated to Contractor are expended for the purposes identified in federal and State CSBG law for allowable and allocable costs in accordance with CFR requirements.
- 8.2.3. CSD shall provide Contractor reasonable advance written notice of on-site monitoring reviews of Contractor's program or fiscal performance. Contractor shall cooperate with CSD program staff and other representatives, and provide access to all programs, records, documents, resources, personnel, inventory, and other things reasonably related to the administration and implementation of the services and activities funded directly or indirectly by this Agreement.
- 8.2.4 Except under certain conditions whereby advanced notice may not be feasible such as, a whistleblower or other investigation, CSD shall provide Contractor reasonable advance written notice of on-site audit of Contractor's program or fiscal performance. Contractor shall cooperate with CSD audits and other representatives, and provide access to all programs, records, documents, resources, personnel, inventory, and other things reasonably related to the administration and implementation of the services and activities funded directly or indirectly by this Agreement.
- 8.2.5 In the event CSD determines that Contractor is not in compliance with material or other legal requirements of this Agreement, CSD shall provide Contractor with observations, recommendations, and/or findings of noncompliance in writing, along with specific action plans for correcting the noncompliance. All noncompliance findings must be resolved by the mutually agreed upon corrective action timeframe.

8.3 Collection of Disallowed Costs

- 8.3.1 In the event questioned costs are identified in a final decision on cost disallowance issued by CSD, Contractor shall comply with any demand for repayment, as specified in such final report.
- 8.3.2 *Time for Response.* Contractor shall have no less than 30 days from receipt of the final decision to tender payment to CSD or, alternatively, to provide CSD with complete and accurate information or documentary evidence in support of the allowability of questioned costs.
- 8.3.3 *Notice After Review of Further Supporting Evidence.* If Contractor challenges questioned costs and submits complete and accurate information or documentary evidence in support of the allowability of questioned costs as provided above in Article 8.3.2, CSD shall, after consideration of Contractor's submission,

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accordingly issue a revised Notice of Disallowed Costs, if any, no later than 30 days after receipt of Contractor's information or documentation. Contractor shall have 15 days from receipt of such Notice to tender payment or a repayment plan acceptable to CSD. In the alternative, Contractor may request a hearing in accordance with this Agreement, for CSD's final determination of disallowed costs.

- 8.3.4 All statements, notices, responses and demands issued in accordance with this Article 8.3 shall be in writing.
- 8.3.5 CSD may, at its discretion, reasonably extend the time periods allowed for responses specified in this Article 8.3.

8.4 Auditing Standards

- 8.4.1 *Applicability.* The standards set forth in in 2 CFR § 200.500 *et seq* are hereby incorporated by reference.
- 8.4.2 *Supplemental Audit Guide.* In addition to the applicable audit requirements specified in Article 8.4.1, Contractor must follow the most current CSD Supplemental Audit Guide, incorporated into this Agreement by reference and may be accessed on the Providers' Website.

8.5 Audit Reports

- 8.5.1 Funds provided under this Agreement shall be included in an audit conducted in accordance with the provisions of 2 CFR Subpart F – Audit Requirements § 200.500-521, standards promulgated by the American Institute of Certified Public Accountants (AICPA), and those standards included in “Government Auditing Standards,” December 2011 Revision, as amended.
- 8.5.2 *Organizations below audit threshold.* Contractors falling below the federal funding threshold, currently \$750,000, that mandates a single audit may be subject to an audit and/or other fiscal or program-specific review conducted by CSD or its agents, upon 30 days written notice.
- 8.5.3 The financial and compliance audit report shall contain the following supplementary financial information: (a) a combined statement of revenue and expenditures for each contract that presents, by budget line item, revenue and expenditures for the audit period; and (b) a description of the methodology used to allocate and claim indirect costs and any administrative cost pools.
- 8.5.4 *Submission of Audit Reports.* Contractor shall submit to CSD one electronic copy of the required audit report(s) and any management letter(s) issued by the accountant, within the earlier of 30 calendar days after receipt of the auditor's report, or nine months after the end of the Contractor's fiscal year.

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- 8.5.5 The audit report(s) and all supplemental financial information must be submitted to the following addresses:

One Electronic copy:

audits@csd.ca.gov

Upon receipt of the audit report, CSD's Audit Services Unit (ASU) will send a confirmation email within five to ten days. The Agency should verify receipt of ASU's confirmation email to ensure your single audit was received.

In accordance with the guidelines of the Division of Audits of the California State Controller's Office (SCO), if Contractor is a local government agency, additional copies of the audit report must be submitted to the following address:

State Controller's Office
Division of Audits
300 Capitol Mall, Fifth Floor
Sacramento, CA 95814

8.6 Failure to Comply with Audit Requirements

- 8.6.1 In the event that an agency fails to comply with the audit requirements under this Article, CSD, as appropriate in the circumstances, may take one or more of the following actions, provided in 45 CFR § 75.371 - § 75.380 "Remedies for Noncompliance":
- 8.6.2 Temporarily withhold cash payments pending correction of the deficiency by contractor or more severe enforcement action by the non-Federal awarding agency entity or more severe enforcement action by CSD;
- 8.6.3 Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
- 8.6.4 Wholly or partly suspend (suspension of award activities) or terminate the award;
- 8.6.5 Recommend that suspension or debarment proceedings be initiated by the HHS awarding agency, as authorized under 2 CFR Part 180 and Federal awarding agency regulations at 2 CFR Part 376 be initiated by CSD;
- 8.6.6 Withhold further federal awards for the project or program; and
- 8.6.7 Take other remedies that may be legally available.
- 8.6.8 *Collection of Disallowed Costs.* Contractor shall have no less than ten (10) working days from receipt of the draft Audit Transmittal Report (TR) or comparable document to provide acceptance of the disallowed costs or,

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alternatively, to provide CSD with complete and accurate information or documentary evidence in support of the allowability of questioned costs.

- 8.6.9 If Contractor challenges questioned costs and submits complete and accurate information or documentary evidence in support of the allowability of questioned costs CSD shall, after consideration of Contractor's submission, issue a final TR, no later than thirty (30) days after receipt of Contractor's information or documentation. If questioned costs are determined to be owing, ASU shall notify CSD's Financial Services Unit (FSU) to send an invoice. The Agency will tender payment to FSU or a repayment plan acceptable to FSU.

8.7 Enforcement Actions Resulting from Noncompliance with this Agreement

- 8.7.1 *Legal Authority.* The authority for CSD Enforcement Actions, as defined in Article 8.7.2, for cost disallowances/recovery of misused funds, and for de-designation of eligible entity status (collectively "Enforcement Process") is found in the federal CSBG Act (42 U.S.C. 9901, et. seq.), in the Code of Federal Regulations, and in state regulations, with particular reference to 22 CCR § 100780. In order to facilitate compliance with the cited authorities, the parties to this Agreement agree that Article 8.7 shall: (a) guide, inform and clarify the Enforcement Process; (b) establish the procedures to be followed; and (c) establish the rights and obligations of the parties with respect to the enforcement process, for purposes of implementing the principles set out in the applicable legal authorities.

8.7.2 *Definitions.*

Enforcement Action. For purposes of this Article, "Enforcement Action" shall refer to official steps taken by CSD in response to material breaches of this Agreement and/or Contractor's inability to fulfill contractual obligations of the Agreement due to serious financial instability or insolvency. Enforcement Actions may include any of the following: (a) "High-Risk" designation; (b) a determination of cost disallowance; (c) contract suspension; (d) contract termination; or (e) termination of Contractor's designation as eligible entity.

High Risk Designation refers to the status of a Contractor which, due to material breach/failure to fulfill contractual obligations and/or serious financial instability, is subject to Enforcement Action(s) that may include imposition of Special Conditions and/or Sanctions designed to allow for continued performance of the Agreement within the conditions/sanctions imposed, or other actions deemed necessary to safeguard public funds.

Material Breach means any act or omission by Contractor that is in contravention or disregard of Contractor's duties and obligations under the terms of this Agreement and under applicable State and federal law, which act or omission: (a) constitutes fraud or gross negligence by Contractor or its agent(s); (b) is likely to result in significant waste and/or abuse of federal funds; (c) has a

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significant adverse impact on Contractor's ability to meet its administrative, financial, or programmatic duties and obligations over the term of the contract or a significant portion thereof; (d) violates or otherwise disregards significant program guidance and other requirements of the Federal Government, whether issued directly or through CSD; (e) may have serious adverse effects and consequences on the Contractor's customers, employees, subcontractors, creditors, suppliers, vendors, or other stakeholders; or (f) may otherwise significantly and adversely affect the viability, effectiveness, or integrity of the program.

8.7.3 *Initiation of Enforcement Action.*

8.7.3.1 *Grounds for Enforcement Action.* If CSD determines that Contractor has not complied with the requirements of this Agreement and that Contractor's noncompliance constitutes a material breach of the Agreement, or if CSD determines that Contractor's financial condition is so unstable and tenuous that its ability to implement this Agreement is seriously compromised, CSD may initiate an Enforcement Action.

8.7.3.2 *Notice of High-Risk Designation.* To initiate an Enforcement Action, CSD must provide Contractor with written Notice of High Risk designation, setting forth: (a) the factual and legal basis for the determination of noncompliance, upon which the High-Risk designation is based; (b) the corrective action(s) required; and (c) the date by which they must be taken and completed.

8.7.4 *Special Conditions and Sanctions.*

8.7.4.1 CSD may impose Special Conditions and/or Sanctions upon a determination that such steps are reasonably necessary to address acute financial instability or a material breach, as defined above. Imposition of Special Condition(s) and/or Sanction(s) shall be in writing and shall become effective on the date specified in the notice. Such notices must contain the following information: (a) the nature of the Special Condition(s) and/or Sanction(s) being imposed; (b) the reason(s) for imposing Special Condition(s) and/or Sanction(s); and (c) the corrective actions that must be taken and the time allowed for completing them before CSD removes the Special Condition(s) and/or Sanction(s).

8.7.4.2 Special Conditions may include, but are not limited to: (a) requiring Contractor to obtain training and/or technical assistance; (b) imposition of special or additional reporting requirements; (c) special or conditional cost reimbursement requirements and procedures; (d) provision of documentation by Contractor; and/or (e) requiring Contractor to amend or modify systems, procedures, and/or policies.

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8.7.4.3 Sanctions may include but are not limited to: (a) suspension of advances and/or reimbursements; and/or (b) issuance of notices to suspend operations.

8.7.4.4 Sanctions may not be imposed without a hearing being first held in accordance with applicable regulations, *unless* CSD reasonably determines, based on credible information, that: (a) substantial sums to be paid to Contractor have been or will be used in violation of law or the provisions of this Agreement, and/or (b) associated costs are otherwise very likely to be disallowed; and (c) taxpayer dollars are at significant risk and are unlikely to be recovered if Sanctions are not immediately imposed.

8.7.5 *Procedures for Review of Special Conditions and/or Sanctions.*

8.7.5.1 If Contractor wishes to contest the imposition of Special Conditions and/or Sanctions, Contractor shall have five working days following receipt of a Notice of Enforcement Action in which to show cause, in writing, why the Special Conditions or Sanctions should not be imposed.

8.7.5.2 CSD shall have five working days following receipt of Contractor's response to accept or reject Contractor's objection and to state in writing the consequences of the decision and Contractor's obligations going forward, if any.

8.7.5.3 *Informal Meeting.* Within five working days of receipt of a Notice of Enforcement Action, Contractor may request an informal meeting for the parties to consider the matters addressed in the Notice and to discuss alternative courses of action, which meeting CSD may agree to if, in its sole judgment, it determines that the meeting would be helpful to the process, can be held expeditiously, and will not cause undue delay or further jeopardize taxpayer dollars.

8.7.5.4 Contractor may, at any time, request in writing that CSD initiate the contract suspension or contract termination processes, to include the requisite hearings, as set out in applicable federal and State law, with particular reference to 22 CCR § 100780.

8.7.5.5 Should Contractor fail to show cause as to why the Enforcement Action should not go forward, or should Contractor fail to request that CSD initiate either the contract suspension or termination processes, CSD may initiate such action at its own discretion.

8.7.5.6 Special Conditions and Sanctions shall remain in effect until the hearing procedure is completed, provided, with respect to sanctions, CSD reasonably determines that Article 8.7.5.3 applies.

8.7.6 *Enforcement Action Cost Disallowance.*

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- 8.7.6.1 *Statement of Questioned Costs.* If CSD determines that Contractor's non-compliance has resulted in questioned costs, CSD shall provide Contractor with a Statement of Questioned Costs along with the Notice of Enforcement Action, or at such later time in the enforcement process as questioned costs are identified.
- 8.7.6.2 Statements of Questioned Costs shall include, at minimum: (a) particular item(s) of cost questioned and the specified amount(s) by type or category of costs; (b) factual basis for questioning costs, and the information and/or documentation required to justify payment of the costs; and (c) timeframe and procedures for Contractor's submission of the required information or documentation to CSD.
- 8.7.6.3 *Investigative Audits and Reports.* If CSD determines that more information is required before a Statement of Questioned Costs can be issued or before a final determination of cost disallowance can be made, CSD may conduct an investigative audit of Contractor's records, files and books of account, or retain an audit firm for such purpose. Contractor agrees to cooperate fully in any audit conducted and to ensure that Contractor's agents, accountants and subcontractors cooperate in the performance of such audit. A report of any audit conducted shall be shared with Contractor, who shall be given ample opportunity to respond to findings and to submit information and documentation in support of the response.
- 8.7.6.4 *Effect of Non-Cooperation with Investigative Audits.* If Contractor fails to cooperate in the conduct of an audit initiated pursuant to Article 8.7.6.3, CSD may: (a) impose sanctions as provided in article 8.7.4.; and/or (b) issue a Notice of Disallowed Costs as determined appropriate.
- 8.7.6.5 *Notice of Disallowed Costs.* If CSD determines that further information and/or documentation provided by Contractor has not fully addressed or resolved any outstanding issues of questioned costs, CSD shall issue a Notice of Disallowed Costs, which notice shall include: (a) the amount of disallowed costs to be repaid, if any; and (b) the date by which repayment must be made or, in the alternative, (c) the date by which Contractor must submit a proposed repayment plan for consideration by CSD.
- 8.7.6.6 *Right to Dispute Notice.* Not later than five working days after receipt of a Notice of Disallowed Costs, Contractor may request a hearing disputing the Notice or statements made therein. The hearing shall be conducted in accordance with the procedures set out in 22 CCR § 100780, for the purpose of adjudicating the matter of cost disallowance; however, either Contractor or CSD may opt to adjudicate other pending enforcement action matters, in a combined proceeding.

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- 8.7.6.7 *Waiver of Right to Dispute.* If Contractor declines to request a hearing to adjudicate cost disallowance, or neglects to submit a request as provided in Article 8.7.6.6, the Notice of Disallowed Costs shall be deemed final and Contractor shall be obligated to comply with the requirements of the Notice.
- 8.7.6.8 Contractor will be deemed to have complied with a Notice of Disallowed Costs when CSD receives full repayment of outstanding disallowed amount(s), or when CSD formally approves a repayment plan. In reviewing Contractor's repayment plan, CSD shall take into consideration such factors as, but not limited to: (a) federal requirements or conditions applicable to the grant(s) under which the disallowed costs were funded; (b) the exigencies of the grant program and CSD's ability to reallocate the funds repaid or otherwise dispose of the funds in accordance with applicable law; (c) the risk of being unable to recover funding and the options for securing Contractor's repayment obligation; and (d) Contractor's financial condition and ability to pay.
- 8.7.7 *Removal of High-Risk Designation.* Contractor shall remain on High Risk until CSD reasonably determines that Contractor has complied with the requirements of the Notice of High Risk Designation, including verification by CSD that corrective measures have been implemented, that all conditions have been met and that disallowed costs have been repaid or, alternatively, that CSD has deemed Contractor's repayment plan to be acceptable and Contractor has demonstrated it is in compliance with the plan. Upon determination that Contractor has complied with the requirements of the Notice of High-Risk Designation, CSD shall give Contractor written notice of such determination.
- 8.7.8 *Further Enforcement Action.* In the event Contractor's non-compliance with the terms and conditions of this Agreement are not remedied through imposition of Special Conditions, and/or Sanctions, thereby enabling CSD to remove High Risk designation, CSD may initiate further Enforcement Actions involving Contract Suspension, Contract Termination and Termination of Contractor's designation as eligible entity, which shall be initiated and conducted in accordance with the applicable provisions found in 22 CCR § 100780 and other applicable State and federal statutes and regulations.
- 8.7.9 *Contractor's Status During Federal Review Period.* The final decision with respect to any enforcement action which involves contract termination, cost disallowance, a denial of refunding, and/or de-designation of an eligible entity shall become effective upon completion of the applicable federal review, if initiated by Contractor, and in compliance with appeal requirements pursuant to Section 676A of the Community Services Block Grant Act, (42 USC 9905A), except that Special Conditions and Sanctions shall remain in force during the course of any federal review and appeal, and no new contracts or amendments will be executed during the federal review and appeal process.

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ARTICLE 9 – FEDERAL AND STATE POLICY PROVISIONS

9.1 Federal Certification Regarding Debarment, Suspension, and Related Matters

9.1.1 Contractor hereby certifies to the best of its knowledge that it, any of its officers, or any subcontractor(s):

9.1.1.1 Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.

9.1.1.2 Have not, within a three-year period preceding this Agreement, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes; commission of embezzlement, theft, forgery, or bribery; falsification or destruction of records; making false statements; or receiving stolen property.

9.1.1.3 Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in Article 9.1.1.2 of this certification.

9.1.1.4 Have not, within a three-year period preceding this Agreement, had one or more public (federal, state, or local) transactions terminated for cause or default.

9.1.1.5 If any of the above conditions are true for the Contractor, any of its officers, or any subcontractor(s), Contractor shall describe such condition(s) in writing and submit this information to CSD with the other forms Contractor must complete and return prior to CSD's execution of this Agreement. Based on the description, CSD in its discretion may decline to execute this Agreement or set further conditions of this Agreement. In the event any of the above conditions are true and not disclosed by Contractor, it shall be deemed a material breach of this Agreement, and CSD may terminate this Agreement for cause immediately pursuant to the termination provisions of State and federal law governing the CSBG program.

9.1.1.6 Contractor must certify in writing to the best of its knowledge that any subcontractor(s) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.

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9.2 Affirmative Action Compliance

- 9.2.1 Each Contractor or subcontractor with 50 or more employees and an agreement of \$50,000 or more shall be required to develop a written Affirmative Action Compliance Program.
- 9.2.2 The written Affirmative Action Compliance Program shall follow the guidelines set forth in 41 CFR § 60 1.40, §§ 60 2.10 through 60 2.32, §§ 60 250.1 through 60 250.33, and §§ 60 741.4 through 60 741.32.
- 9.2.3 Each Contractor or subcontractor with less than 50 employees shall comply with Section 202 of Part II of Executive Order 11246, as amended by Executive Order 11375. Contractor shall ensure that subcontractors falling within the scope of this provision shall fully comply with the requirements thereof.

9.3 Nondiscrimination Compliance

- 9.3.1 Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge will, unless exempted, comply with the nondiscrimination program requirements set forth in this section.
- 9.3.2 Contractor hereby certifies compliance with the following:
 - 9.3.2.1 Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity.
 - 9.3.2.2 Title VI and Title VII of the Civil Rights Act of 1964, as amended.
 - 9.3.2.3 Rehabilitation Act of 1973, as amended.
 - 9.3.2.4 Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.
 - 9.3.2.5 Title 41, Code of Federal Regulations (CFR), Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, as amended.
 - 9.3.2.6 Public Law 101 336, Americans with Disabilities Act of 1990, as amended.

9.4 Specific Assurances

- 9.4.1 *Pro-Children Act of 1994*. This Agreement incorporates by reference all provisions set forth in Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). Contractor further agrees that the above language will be included in any subcontracts that contain provisions for children's services and that all subcontractors shall certify compliance accordingly. For a detailed explanation, please visit the Providers' Website.

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- 9.4.2 This Agreement incorporates by reference all provisions set forth in “Child Support Services and Referrals (Section 678G (b) 1998 CSBG Reauthorization Act).” For a detailed explanation in the CSBG Act, please visit the Providers’ Website.
- 9.4.3 *American-Made Equipment/Products.* Contractor shall assure, pursuant to Public Law 103-333, Section 507, to the extent practicable, that all equipment and products purchased with funds made available under this Agreement shall be American made.
- 9.4.4 *Federal and State Occupational Safety and Health Statutes.* Contractor assures that it shall be in compliance with the provisions as set forth in Federal and State Occupational Safety and Health Statutes; the California Safe Drinking Water and Toxic Enforcement Act of 1986; Universal Waste Rule (Hazardous Waste Management System: Modification of the Hazardous Waste Recycling Regulatory Program); Final Rule; and Workers' Compensation laws.
- 9.4.5 *Political Activities.* Contractor shall refrain from all political activities if such activities involve the use of any funds that are the subject of this Agreement. Contractor is prohibited from any activity that is designed to provide voters or prospective voters with transportation to the polls or to provide similar assistance in connection with an election if such activities involve the use of any funds that are subject to this Agreement.
- 9.4.6 *Lobbying Activities.* Contractor shall refrain from all lobbying activities if such activities involve the use of any funds that are the subject of this Agreement or any other fund, programs, projects, or activities that flow from this Agreement. If Contractor engages in lobbying activities, Contractor shall complete, sign and date the attached CERTIFICATION REGARDING LOBBYING/DISCLOSURE OF LOBBYING ACTIVITIES, as required by the U.S. Department of Health and Human Services under 45 CFR Part 93.

9.5 Commercial and Government Entity (CAGE) Identification Code and Data Universal Numbering System (DUNS) Requirements

Contractor shall provide to CSD proof of an active nine-digit Data Universal Numbering System (DUNS) number and a five-character Commercial and Governmental Entity (CAGE) identification code as a prerequisite to execution of this Agreement. To obtain authentication of the CAGE and DUNS number, print and submit verification from the Systems for Award Management website at <https://www.sam.gov/portal/public/SAM/>.

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DEFINITIONS

All terms used in this Agreement shall be defined as stated in applicable federal and state statutes and regulations (42 U.S.C. § 9902; CA Govt. Code § 12730; 45 C.F.R. Part 75 and 22CCR § 100601). The following terms shall be more specifically defined for purposes of this Agreement, insofar as the definition accords with federal and state law, as follows:

Agreement: The complete contents of this contract entered into by and between the CSD and Contractor, including all rights, duties, and obligations whether expressed or implied required toward the legal performance of the terms hereof, and including all documents expressly incorporated by reference.

Amendment: A formal change to the Agreement of a material nature including but not limited to the term, scope of work, or name change of one of the Parties, or a change of the maximum amount of this Agreement.

Authorized Agent: The duly authorized representative of the Board of Directors of Contractor, and the duly elected or appointed, qualified, and acting officer of the State. In the case of Contractor, the State shall be in receipt of a board resolution affirming the agent's representative capacity to bind Contractor to the terms of this Agreement.

Board of Directors: For the purposes of a private nonprofit Community Action Agency, Board of Directors refers to the tripartite board as mandated by 42 U.S.C. § 9910 and Government Code § 12751. For the purposes of a publicly governed Community Action Agency, Board of Directors refers to the tripartite advisory/administering board that is mandated by 42 U.S.C. § 9910 and California Government Code § 12752.1 and established by the political subdivision or local government.

Community Action Agency: A public or private nonprofit agency that fulfills all requirements of Government Code § 12750.

Continuing Resolution: An appropriation act that provides budget authority for federal agencies, specific activities, or both to continue in operation when Congress and the President have not completed action on the regular appropriation acts by the beginning of the fiscal year.

Contractor: The entity (partnership, corporation, association, agency, or individual) designated on the face sheet (STD 213) of this Agreement.

CSD: The State of California Department of Community Services and Development.

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<u>Equipment:</u>	An article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-profit organization for financial statement purposes, or \$5000.
<u>Limited Purpose Agency (LPA):</u>	A community-based nonprofit organization without a tripartite board, as defined in California Government Code § 12775 and 42 U.S.C. § 9921.
<u>Maximum Amount:</u>	The dollar amount reflected on line 3 of the face sheet (STD 213) of this Agreement.
<u>Modification:</u>	An immaterial change to this Agreement that does not require an Amendment.
<u>Native American Indian Program (NAI):</u>	A tribal or other Native American Indian organization in an urban or rural off-reservation area, as defined in California Government Code § 12772, such as an Indian nonprofit organization, which meets the criteria of ‘eligible entity’ as defined in subdivision (g) of § 12730. An NAI may be considered a ‘public organization’ for purposes of tripartite board requirements or other mechanisms of governance in accordance with 42 U.S.C. § 9910(b).
<u>Parties:</u>	CSD on behalf of the State of California, and the Contractor.
<u>Program:</u>	The Community Services Block Grant (CSBG) Program, 42 USC §§ 9901 et seq., as amended.
<u>State:</u>	The State of California Department of Community Services and Development.
<u>Subcontractor:</u>	An entity (partnership, tribe, corporation, association, agency, or individual) that enters into a separate contract or agreement with Contractor to fulfill direct program or administrative tasks in support of this Agreement.
<u>Subcontract:</u>	A separate contract or agreement entered into by and between Contractor and Subcontractor to fulfill direct program or administrative tasks in support of this Agreement.
<u>Total Allocation:</u>	The actual amount of funds available to Contractor under this Agreement, as calculated pursuant to Government Code § 12759 after CSD receives the notice of grant award for the full allocation based on the appropriation by Congress for the related federal fiscal year, and as publicly announced by CSD’s Director or designee, subsequent to the execution of this Agreement.

SUBVENTION AGREEMENT

TABLE OF FORMS AND ATTACHMENTS

Forms (to be returned with signed Agreement):

- A. 425 Budget Series (Forms):
 - 1. CSD 425.S CSBG Contract Budget Summary
 - 2. CSD 425.1.1 CSBG Budget Support Personnel Cost
 - 3. CSD 425.1.2 CSBG Budget Support Non-Personnel Cost
 - 4. CSD 425.1.3 CSBG Budget Support Other Agency Operating Funds
 - 5. CSD 425.1.4 CSBG Contract Budget Narrative
- B. CSBG Annual Report Work Plan (CSD 641)
- C. CSBG Annual Work Plan Modules 3 and 4

Annual programmatic work plan covers the programmatic activities from January 1, 2020 through December 31, 2020. Contractor must complete and submit the CSBG Annual Work Plan in the eGov Report Hub database system as part of the contract deliverables. The Contractor must complete the Community Initiative Status Form in Module 3, Section A. The Contractor must enter the targets for the number of participants expected to achieve the identified outcome in Module 4, Section A. As applicable, Modules 3 and 4 must be completed and submitted in the eGov Reporting system. To access the eGov system click on the following link [eGovReportHub](#).

- D. Certification Regarding Lobbying/Disclosure of Lobbying Activities
- E. CSD Federal Accountability and Transparency Act Report (CSD 279)
- F. Agency Staff and Board Roster (CSD 188)

The following documents are hereby incorporated by reference:

Attachment A: CSBG Allocation Spreadsheet

Attachment B: Supplemental Audit Guide

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