

AUTHORIZING COMMUNITY DEVELOPMENT BLOCK GRANT FY2022 YEAR PUBLIC SERVICES FUNDING AGREEMENTS FROM APRIL 1, 2022, THROUGH MARCH 31, 2023, IN THE AMOUNT OF \$60,000 WITH THE CHILDREN'S LEARNING CENTER, ELDER CARE SERVICES, HOPE HAVEN, SAFE PASSAGE, AND THE VOLUNTARY ACTION CENTER.

WHEREAS, the City of DeKalb will receive Community Development Block Grant (CDBG) funds from the United States Department of Housing and Urban Development (HUD); and,

WHEREAS, the City Council approved, in the CDBG Annual Action Plan and Proposed Use of Funds for Program Year 2022, an estimated total of up to \$60,000 of CDBG funds to be adjusted based on the actual grant amount to be used for public services; now,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

SECTION 1: The City's corporate authorities approve the FY2022 Year Public Services Funding Agreements from April 1, 2022, through March 31, 2023, attached hereto and incorporated herein as Group Exhibit A in the amounts set forth as follows:

Children's Learning Center	\$ 8,500
Elder Care Services	\$ 9,000
Hope Haven	\$17,000
Safe Passage	\$15,000
Voluntary Action Center	\$10,500
Total	\$60,000

SECTION 2: That the Mayor of the City of DeKalb be authorized to execute the FY2022 Year Public Services Funding Agreements on the City's behalf, and for the City Manager to take all necessary actions to effect said agreements.

SECTION 2: This resolution and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such resolution should (a) contain terms contrary to the provision of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the City's corporate authorities that to the extent that the terms of this resolution should be inconsistent with any non-preemptive state law, that this resolution shall supersede state law in that regard within its jurisdiction.

SECTION 3: This resolution shall be in full force and effect from and after its passage and approval as provided by law.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting thereof held on the 8th day of August 2022 and approved by me as Mayor on the same day. Passed by a 7-0-1 roll call vote. Aye: Morris, Larson, Perkins, McAdams, Verbic, Faivre, Barnes (Remote). Nay: None. Abstain: Smith.




COHEN BARNES, Mayor

ATTEST:


Ruth A. Scott, Executive Assistant

**CHILDREN'S LEARNING CENTER
(CLC)
905 S. 4th Street
DeKalb, IL 60115
(815) 756-3506**

The project described herein is being funded by a Grant from the City of DeKalb, Illinois as part of the City's **2022 Community Development Block Grant (CDBG)** program which is authorized under Title 1 of the Housing and Community Development Act of 1974, as amended.

**CITY OF DEKALB
COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT**

This Community Development Block Grant Sub-Recipient Agreement (the "AGREEMENT") is made on this 8th day of August 2022, by and between the **City of DeKalb**, an Illinois Municipal Corporation (hereinafter "CITY") and the **Children's Learning Center (CLC)** (hereinafter "SUBRECIPIENT").

RECITALS

WHEREAS, Resolution 2022- 005, adopted on January 10, 2022 by the DeKalb City Council to approve the submission to the United States Department of Housing and Urban Development (hereinafter "HUD") of the 2022 One Year Action Plan, and the reallocation of unspent CDBG Funds from prior years, respectively, the City's application for Community Development Block Grant (hereinafter "CDBG") funds under Title 1 of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, said application was approved by HUD on Date TBA; and

WHEREAS, approval of the application by HUD, along with Resolution 2022- 005 authorizes City Staff to enter into this Agreement in furtherance of the CITY's Community Development objectives; and

WHEREAS, SUBRECIPIENT has been awarded certain CDBG grant funds (the "Grant") to utilize in Subrecipient's programming that is outlined in the Agreement and Appendices and this Agreement shall govern Subrecipient's use of the Grant funds;

NOW, THEREFORE, the CITY and the SUBRECIPIENT, having first found the foregoing recitals as fact, and in consideration of the mutual covenants set forth below, hereby agree as follows:

AGREEMENT

- I. **APPENDICES TO AGREEMENT:** All Appendices (A through F) attached to this Agreement are incorporated and made a part of this Agreement as referenced herein. SUBRECIPIENT agrees to abide by and follow all terms and conditions as set forth in said Appendices.
- II. **WORK TO BE PERFORMED BY SUBRECIPIENT:** In exchange for receiving CDBG grant funds from the CITY to subsidize the cost of transportation for 50 or more low to moderate income children to and from home to childcare and to and from childcare to school, the SUBRECIPIENT shall be responsible for administering the Program(s) as described in Appendix A (for each program) in a manner satisfactory to the CITY and substantially consistent with any standards and regulations that are specified in this Agreement and adherence to the same is a condition of providing these funds. SUBRECIPIENT commits to the Programs goals that are outlined in Appendix A, including (1) the number of people to be served, (2) the number of program participants who are expected to be DeKalb residents, and (3) the number of program participants who shall meet HUD's definition of low- or moderate-income persons, and outcome measures as outlined in

Appendix A. SUBRECIPIENT agrees to expend the total amount of CDBG funds covered in this Agreement, solely for the agreed upon activities and in accordance with the conditions outlined in this Agreement and the Program budget(s) in Appendix B.

- III. GENERAL COMPLIANCE WITH APPLICABLE LAWS:** SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (HUD regulations concerning CDBG). The SUBRECIPIENT also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this agreement.

SUBRECIPIENT additionally agrees to comply with any changes issued to the CITY's CDBG program by HUD. SUBRECIPIENT understands that changes issued to the CITY's CDBG program by HUD may materially alter the terms of this Agreement. The City will distribute any amendments to the CDBG program within thirty (30) days and SUBRECIPIENT must acknowledge the receipt.

SUBRECIPIENT acknowledges and affirms that the SUBRECIPIENT has the organizational capacity to adhere to collection and reporting requirements regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule ("Omni Circular") Subpart D, Sections 200.300 – 200.303. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C. Organizational capacity shall be demonstrated by various methods, including but not be limited to:

- Use of OMB-approved standard information collections when providing financial and performance information.
- Financial data is provided for performance accomplishments of the Grant award.
- Cost information shall be distributed to demonstrate cost effective practices.
- Subrecipient shall provide the City with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
- All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the CITY's CDBG Grant Administrator.

SUBRECIPIENT agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which the SUBRECIPIENT uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that the SUBRECIPIENT uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines shall be attached to this contract as Appendix D and shall be incorporated into this contract by reference. If the procurement guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to either (1) procurement by small purchase procedures, (2) procurement by sealed bids, (3) procurement by competitive proposals, or (4) procurement by noncompetitive proposals, as directed by and outlined in Section 200.320.

The SUBRECIPIENT affirms that, per Federal regulations, SUBRECIPIENT has a Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, Inc., and will provide proof of this DUNS number to the CITY, prior to the approval of project funding.

- IV. **LENGTH OF AGREEMENT:** The term of this Agreement shall begin no sooner than April 1, 2022 and end on March 31, 2023. Payment of CDBG grant funds by the CITY to the SUBRECIPIENT shall occur for eligible services and/or activities performed by the SUBRECIPIENT during the term of this Agreement as long as the SUBRECIPIENT is performing in accordance with the terms of the Agreement.

Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including any program income.

- V. **AMOUNT OF APPROPRIATION:** The appropriation of CDBG funds for the Program shall be for an amount not to exceed **Eight Thousand Five Hundred dollars (\$8,500.00)** to be distributed as funding for the following programs: Subsidy of the cost to transport income eligible children to and from home to daycare and to and from daycare to school. The SUBRECIPIENT understands that the amount of these appropriations may be adjusted during the program year due to funding alterations made by the United States Congress, HUD, and/or the CITY. Any new local appropriations shall occur upon approval by the DeKalb City Council. SUBRECIPIENT understands that the awarding of the grant(s) under this Agreement in no way implies the continued financial support of the program(s) or services of the SUBRECIPIENT by the CITY beyond the specific period of this Agreement.

- VI. **INELIGIBLE PROGRAM COSTS:** The SUBRECIPIENT agrees that certain direct program costs are ineligible for CDBG funds. Recording requirements prescribed by Congress, HUD or the CITY may require these costs be listed within the budget, but these costs will not be paid for using CDBG funds provided by the CITY. Ineligible direct program costs can be found in Appendix F, which is incorporated into this contract by reference.

- VII. **PAYMENT OF CDBG FUNDS TO SUBRECIPIENT:** The CITY agrees to fund the Program(s) in the form of a grant in a total aggregate amount not to exceed **Eight Thousand Five Hundred dollars (\$8,500.00)**. Such funds shall be paid to the SUBRECIPIENT according to the schedule in Appendix E. The CITY CANNOT disperse any grant funds until the Environmental Review is complete and this Agreement has been executed by both parties (24 CFR Sec. 570.503 (a)). The Environmental Review will be completed by the City and shall be executed in a timely manner.

- The SUBRECIPIENT understands that this Agreement is for Public Services Programs and that payments shall be made per the schedule in Appendix E.
- The SUBRECIPIENT understands that disbursement will be contingent upon the SUBRECIPIENT ensuring compliance with any applicable federal, state, and CITY requirements.
- No disbursement will be made by the CITY unless all required reports (including beneficiary, performance, financial and narrative reports, and source documents for CDBG-funded expenditures) have been submitted and approved by CITY staff. Payment may be withheld pending receipt and approval of all required documentation.

VIII. SUSPENSION OR TERMINATION:

- **Suspension or Termination for Cause by CITY:** The SUBRECIPIENT understands and agrees that if SUBRECIPIENT materially fails to comply with any or all provisions of this Agreement, the CITY may in its sole discretion suspend or terminate this Agreement.
 1. Material non-compliance includes, but is not limited to, the following:
 - i. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time.
 - ii. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this Agreement.
 - iii. Ineffective or improper use of funds provided under this Agreement; or
 - iv. Submission of reports by the SUBRECIPIENT to the CITY which are late, or incorrect or incomplete in any material respect.
 2. As a result of material non-compliance, the CITY may take one or more of the following actions:
 - i. Temporarily withhold cash payments pending correction of the deficiency by the SUBRECIPIENT. More severe enforcement action may be undertaken by the CITY if the deficiency is not corrected.
 - ii. Disallow (that is, deny both use of funds and matching credit for all or part of the cost of the activity or action not in compliance.)
 - iii. Wholly or partially suspend or terminate the current award for the SUBRECIPIENT's program.
 - iv. Withhold further awards for the program; or take other remedies that may be legally available including, but not limited to, seeking compensatory and/or liquidated damages for breach of this Agreement, or injunctive or equitable relief in any court of competent jurisdiction.
- **Termination for Convenience by CITY or SUBRECIPIENT:** Either the CITY or the SUBRECIPIENT may terminate the award of funds under this Agreement in whole or in part if either determines that the goals indicated in the SUBRECIPIENT's proposal cannot be met. Termination is effected by the initiating party upon receipt of written notification by the other party setting forth: (1) the reasons for termination; (2) the effective date of termination; and (3) the portion to be terminated, in the case of partial termination. In the case of partial award termination, if the CITY in its sole discretion determines that the remaining portion of the award will not accomplish the purposes for which the award was made, it may terminate the entire award.

- IX. REGULAR MEETING REQUIREMENT:** SUBRECIPIENT agrees to meet on a regular or as-needed basis with the designated staff member of the CITY's Community Development Department to discuss general and/or specific issues of this Agreement and to review the required reports. Furthermore, SUBRECIPIENT agrees to cooperate fully in any monitoring program, including on-site monitoring developed, implemented, or conducted by the CITY or by HUD.

X. RECORD REQUIREMENTS: SUBRECIPIENT shall provide the CITY, HUD, the Inspector General of the United States or any of their duly authorized representatives, access to any books, documents, papers, and records of the SUBRECIPIENT which pertain to the CDBG-funded program for the purpose of monitoring, making audits, examinations, excerpts, transcripts, and photocopying.

- SUBRECIPIENT shall be required to maintain all required records for five (5) years after the SUBRECIPIENT's final audit and program close out by the CITY. SUBRECIPIENT shall establish and maintain a project file that contains the following sections:
 1. General project correspondence and related items.
 2. Financial source documentation and associated transactional documentation.
 3. Procurement procedures and associated documents.
 4. Compliance with applicable State and Federal regulations.
 5. Program reports.
 6. Documentation of persons benefiting from grant activities, including race/ethnicity and income to substantiate achievement of the CDBG National Objective of benefiting primarily persons of low and moderate income.
 7. Personnel actions.
 8. Acquisition and disposition of property.
- The records which, at a minimum, must be maintained are as follows:
 1. Financial Records: The SUBRECIPIENT shall, at a minimum, maintain the following records for each grant received under separate agreement from the CITY:
 - i. Cash Receipts Register: For recording of funds received in connection with the grant program.
 - ii. Cash Disbursements Register: For recording disbursement of funds from the agency's CDBG account(s). All disbursements must be supported by appropriate documentation (e.g.: payroll records, invoices, contracts, etc.) demonstrating the nature and use of each payment and showing approval of the program director or other authorized official. In addition, the SUBRECIPIENT agrees to provide to the CITY such financial reports and additional source documentation as the CITY may reasonably require and to comply with such reasonable additional financial control procedures as may be required to be retained in files maintained by the SUBRECIPIENT.
 - iii. Payroll Records: A basic time and activity tracking system shall be maintained to substantiate the services and staff time charged to the project. This should include time sheets documenting each person's total time and time charged against the grant; time sheets must be signed by both the employee and authorized supervisor of the employee.
 2. Equipment Records: A record shall be maintained for each item of equipment acquired for the Program. Equipment is defined as tangible personal property (including information technology systems) which has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$500. The records shall include: (1) a description (including model and serial number) of the property; (2) the date of acquisition; and (3) the acquisition cost (showing the percentage of the total costs paid for out of this Grant.) Such equipment records are necessary for HUD recording requirements. However, SUBRECIPIENT acknowledges that this recording requirement does not indicate that the CITY will

pay for equipment. The CITY does not provide funds for equipment purchases, including information technology systems.

3. Indirect Costs Records: A record shall be kept of all indirect costs, per HUD requirements. Indirect costs are costs incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. However, SUBRECIPIENT acknowledges that indirect costs shall not be covered by funds provided by the CITY.

- XI. REPORTING REQUIREMENTS:** The SUBRECIPIENT agrees to provide the CITY's Community Development Department with regular reports described below per the schedule in Appendix E, and any other reports which may be required by the CITY's CDBG Program for compliance under this Agreement. This includes reporting on performance measures, as outlined in §200.301 of the Omni Circular. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C.

SUBRECIPIENT shall use OMB-approved information collection standards when providing financial and performance information. The SUBRECIPIENT shall provide financial data and its relation to performance accomplishments of the Federal award.

SUBRECIPIENT agrees to provide the CITY with documents pertaining to: (1) procedures; (2) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this Agreement; and (3) (if applicable) regularly updated schedule of program activities.

- **REPORTING:** Reports shall be submitted to staff via email by the SUBRECIPIENT throughout the term of the Program. **See Appendix E for report due dates.** All reports and required attachments may be viewed by members of the Community Development Department.
 1. The CITY reserves the right to withhold any of the SUBRECIPIENT's scheduled payments until such time as the CITY receives the SUBRECIPIENT's financial progress and performance reports.
 2. Improperly prepared reports will not be accepted. Subsequent Grant payments may be held pending receipt of accurate information together with any required source documentation. Upon receipt of improperly prepared or erroneous reports, field audit procedures may be initiated to evaluate the financial management, control, and record keeping procedures utilized by the SUBRECIPIENT. In addition, the CITY may require a meeting with the Executive Board of the SUBRECIPIENT to correct the situation.
 3. SUBRECIPIENT understands that a pattern of late, improper, or erroneous reporting could be grounds for termination of this Agreement at the CITY's sole discretion.

4. The CITY reserves the right to make appropriate adjustments for any funds previously paid out by the CITY but unexpended by the SUBRECIPIENT.
5. **Reports will be submitted via email and shall consist of the following:**
 - i. Beneficiary Demographic data: Client statistics (i.e., number of DeKalb residents served, beneficiary race/ethnicity and incomes) for the report period.
 - ii. Program Accomplishments and Narrative: Indicating progress against program goals as outlined in Appendix A, and additional information in narrative format that elucidates program accomplishments and outlines any unanticipated results.
 - iii. Financial Report: Indicating the budgeted expenses and revenues consistent with the 2021 appropriation for the grant Program as shown in Appendix B and the actual revenues and expenditures for the period covered by the report.
 - iv. Supporting documentation: **All Program expenditures charged to the CDBG Grant shall be supported with source documentation.** Documentation may include copies of paid invoices, receipts, and time sheets signed by each employee and supervisor paid with CDBG funds. Other documentation may be required by the CITY to document the amount expended in the report period.

XII. ANNUAL AUDIT: The CITY requires that all SUBRECIPIENTS prepare and submit to the CITY an audit of the financial records of the SUBRECIPIENT pertaining to the receipt and use of CDBG funds as required by the Omni Circular. If the SUBRECIPIENT receives federal funds from sources other than the CITY's CDBG program, a combined single audit is permissible, provided said audit clearly identifies the amount of CITY CDBG funds received, the amount expended and encumbered, and the purposes of the expenditures. The CITY shall have the right to review and modify the scope of said audit. Said audit of CDBG funds shall encompass and be limited to the term of this Agreement. SUBRECIPIENT is responsible for clearly identifying and accounting for funds received and expended during separate program years; that is, an individual audit must distinguish expenditures and encumbrances made against funds received under separate Grant Agreements, particularly if the SUBRECIPIENT and the CITY operate under different fiscal years.

XIII. ALTERNATIVE FUNDING REPORTING REQUIREMENT: SUBRECIPIENT shall promptly notify the CITY if the SUBRECIPIENT receives funding (full or partial) that is incremental to the Program budget as shown in Appendix B from any and all sources for the performance of activities outlined under this Agreement. The SUBRECIPIENT further understands that the amount granted by the CITY may be reduced by the amount of such alternative funding.

XIV. REVISION OF BUDGET AND PROGRAM PLANS: The SUBRECIPIENT shall obtain written permission from the CITY CDBG Program Administrator prior to any change in the approved budget or program plans following Omni Circular §200.308(C) (increase or decrease) of ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under the SUBRECIPIENT's line item budget which is attached hereto and identified as Appendix B. In order for the CITY to approve such a request, SUBRECIPIENT's written request shall contain, at a minimum: (1) the reason and justification for the change; (2) the amounts to be changed; and (3) a description of which line items are affected. Changes made without the CITY's prior approval may result in non-reimbursement of expenditures from those affected line items.

- XV. NON-DISCRIMINATION:** SUBRECIPIENT agrees that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, gender identity, marital status, age, source of income or physical or mental disabilities, be excluded from participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity for which the SUBRECIPIENT receives financial assistance from or through the CITY.

SUBRECIPIENT agrees to comply with: Title VI of the Civil Rights Act of 1964 (P.L. 88-352); Title VII of the Civil Rights Act of 1968 (P.L. 90-284); Section 104(b) and Section 109 of the Housing and Community Development Act of 1974, as amended; Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, as amended, the Age Discrimination Act of 1975, as amended; Executive Order 11246, as amended and Executive Order 11063 as amended.

SUBRECIPIENT agrees to include a statement of its non-discrimination policy in any printed or electronic information released to the public regarding Program activities.

- XVI. EQUAL OPPORTUNITY POLICY/AFFIRMATIVE ACTION PLAN/CURRENT POLICY SETTING BODY INFORMATION:** The SUBRECIPIENT shall ensure the following documents have been provided to CITY staff:

- A copy of its policy on equal opportunity employment and a copy of its most current Affirmative Action Plan.
- The names, addresses, and professional affiliations of the current members of the Board of Directors or policy-setting body.

- XVII. WORKERS' COMPENSATION:** The SUBRECIPIENT shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

- XVIII. INDEMNITY:** SUBRECIPIENT hereby assumes liability for and agrees to protect, hold harmless and indemnify the CITY and its assigns, officers, directors, employees, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, claims, actions, suits, proceedings, costs, expenses and disbursements, including legal fees and expenses, of whatever kind and nature, imposed on, incurred by or asserted against the CITY, its successors, assigns, officers, directors, employees, agents and servants, in any way relating to or arising out of any of the following or allegations, claims or charges of any of the following:

- The use or application of the Grant proceeds.
- The violation by the SUBRECIPIENT of any of its covenants or agreements under the Agreement.
- Any tort or other action or failure to act done in connection with the performance or operation of the Program.
- Any act or failure to act of any officer, employee, agent, or servant of the SUBRECIPIENT.
- Any injury to any person, loss of life, or loss or destruction of property in any way arising out of or relating to the performance or operation of the Program.

The CITY agrees to notify the SUBRECIPIENT in writing of any claim or liability which the CITY believes to be covered under this paragraph. The CITY shall tender, and SUBRECIPIENT shall promptly accept tender of, defense in connection with any claim or liability in respect of which

SUBRECIPIENT has agreed in writing that based on the claim or liability the CITY is entitled to indemnification under this paragraph; provided, however, that the counsel retained by SUBRECIPIENT to defend the CITY shall be satisfactory to the CITY; and that the CITY shall be kept fully informed of the status of the proceeding. In the event that the SUBRECIPIENT, within ten (10) days after receipt of notice from the CITY of a claim or liability which the CITY believes to be covered under this paragraph, fails to advise the CITY in writing that the SUBRECIPIENT agrees that the CITY is entitled to indemnification under this paragraph based on the claim or liability, the CITY, without waiving or prejudicing any claim or right it may have to indemnification under this paragraph (including the recovery of legal fees and expenses), may retain its own counsel and present its own defense in connection with such claim or liability.

The CITY shall not settle or compromise any claim, suit, action, or proceeding in respect of which the SUBRECIPIENT has agreed in writing that the CITY is entitled to indemnification under this paragraph. Notwithstanding anything in the Agreement to the contrary, the indemnities contained in this paragraph shall survive the termination of the Agreement.

XIX. INSURANCE AND BONDING: SUBRECIPIENT shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any CDBG cash advances. SUBRECIPIENT shall comply with the bonding and insurance requirements of the Omni circular 200.310 and 200.325, Insurance and Bonding requirements.

XX. NON-PARTICIPATION BY CERTAIN PERSONS: SUBRECIPIENT agrees to exclude the following persons from participation in any aspect of this Agreement:

- SUBRECIPIENT agrees to not allow any member of, or delegate to, the United States Congress any share or part of this Agreement or to allow any benefit to arise from same.
- SUBRECIPIENT agrees that no officer, employee, designee, agent, or consultant of the CITY or the SUBRECIPIENT or member of the governing body of the CITY who exercises any functions or responsibilities with respect to the CITY's CDBG Program during his tenure or for one (1) year thereafter, will have any direct or indirect interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the Project assisted under this Agreement. The SUBRECIPIENT shall incorporate or cause to be incorporated in all such contracts or subcontracts a provision prohibiting such interest in conformance with the provisions of and pursuant to the purposes of this section. The provisions of 24 CFR § 570.611, "Conflict of Interest" shall apply to the SUBRECIPIENT.
- SUBRECIPIENT further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular § 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will participate in the selection, award, or administration of a contract supported by CDBG funds, if that employee, officer, or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a tangible personal benefit from a firm considered for a contract. Such officers, employees, or agents of the SUBRECIPIENT may not solicit nor accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of

nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests. The written standards shall also include standards of conduct covering organizational conflicts of interest, in which the SUBRECIPIENT may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between the SUBRECIPIENT and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by the SUBRECIPIENT will include disciplinary actions to be applied for violations of such standards.

- Copeland "Anti-kickback" Act. – Any SUBRECIPIENT paid in full or part with CDBG funds will comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3) that states whoever, by force, intimidation, or threat of procuring dismissal from employment, or by any other manner whatsoever induces any person employed in the construction, prosecution, completion or repair of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he is entitled under his contract of employment, shall be fined under this title or imprisoned not more than five years, or both. Though CDBG funds shall not be used to pay for the construction, prosecution, completion, or repair of buildings, the SUBRECIPIENT affirms that by accepting CDBG funds, the SUBRECIPIENT will comply with the Copeland "Anti-kickback" Act.

XXI. PROGRAM INCOME: Program income shall herein be defined as gross income received by the SUBRECIPIENT directly derived or generated from the use of CDBG funds. Program income includes, but is not limited to:

- Fees for services performed,
- Use or rental of real or personal property acquired under Federal awards,
- The sale of commodities or items fabricated under a Federal award,
- License fees and royalties on patents and copyrights,
- And principal and interest on loans made with Federal award money.

SUBRECIPIENT agrees that, unless otherwise stated in this section, the SUBRECIPIENT shall follow the program income requirements as outlined in § 200.307 of the Omni Circular.

SUBRECIPIENT understands and agrees that all program income shall be the property of the CITY, which shall have the exclusive right to determine the use and disposition of said income, except for fees for services which are used as part of the operating budget. However, such exempt fees must be small so as not to prevent the participation of Low and Middle-Income participants. SUBRECIPIENT will remit all other said income to the CITY. Said remittance shall be submitted annually and accompany the Final Report.

SUBRECIPIENT acknowledges that interest earned on advances of Federal funds, rebates, credits, and discounts do not count as program income.

Program income is to be: (check one)

_____ 1) returned to the CITY at times determined by the CITY; or

X 2) retained by SUBRECIPIENT to undertake the following activities:

Subsidize the cost of transportation for income eligible children to and from home to childcare and to and from childcare to school not to exceed a maximum of \$8,500.00

If retained by SUBRECIPIENT, all activities undertaken with the use of said income will be governed by all provisions of this Agreement. All program income, regardless of source, shall be substantially disbursed for any or all eligible CDBG activities undertaken by the SUBRECIPIENT before additional cash payments are made to the SUBRECIPIENT from the CITY (pursuant to CDBG regulations at 24 CFR Sec. 570.504 (c)). Any income on hand when this Agreement expires or received after such expiration shall be paid to the CITY upon request.

XXII. RETURN OF UNEXPENDED FUNDS: SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds upon the completion or termination of the Program:

- If the work of the program cannot be completed, or if SUBRECIPIENT ceases to function as an operating entity, SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds.
- Within thirty (30) days after the closing date of this Agreement, the SUBRECIPIENT shall submit to the CITY expenditure reports and documentation of all expenses or encumbrances during the time period covered by this Agreement. The CITY will then compare these expenditures with the amount of disbursements issued to the SUBRECIPIENT by the CITY. Disbursement of any final payment, if any, under the Agreement shall not be made until such a comparison has been completed to the CITY's satisfaction.
 1. If said expenditures and encumbrances are greater than the disbursements made to the SUBRECIPIENT, the CITY will issue a check to the SUBRECIPIENT for an amount equal to this difference, up to the amount of the authorized grant set forth in this Agreement.
 2. If said expenditures and encumbrances are less than the disbursements, the CITY shall withhold the difference from any final payment to the SUBRECIPIENT. If after withholding any such difference, the expenditures and encumbrances are still less than the disbursements, the SUBRECIPIENT shall promptly pay to the CITY a check for the difference of these sums.
 3. Funds paid to SUBRECIPIENT in excess of the amount to which the SUBRECIPIENT is finally determined to be entitled constitute a debt to the CITY. If not paid as stipulated in the preceding paragraphs, the CITY may take other action permitted by law.
- A final adjustment will be made to reconcile with the completed audit or Final Grant Report of CDBG expenditures within thirty (30) days of the submission of audit to the CITY. Subsequent grant payments or awards will be withheld until audit or grant report is completed for the current year. Only the City Manager can release funds if audit or grant report is not reconciled.

XXIII. INDEPENDENT CONTRACTOR: SUBRECIPIENT shall be and act as an independent contractor and not as a partner, joint venturer, or agent of the CITY and shall not bind nor attempt to bind CITY to any contract. SUBRECIPIENT is an independent contractor and is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including, but not limited to, Worker's Compensation Insurance. SUBRECIPIENT agrees to defend, indemnify, and hold the CITY harmless from any and all claims, damages, liability, attorney's fees, and expenses on account of: (1) a failure or an alleged failure by SUBRECIPIENT to satisfy any such obligations; or (2) any other action or inaction of SUBRECIPIENT.

ADDITIONAL REGULATIONS: As a non-governmental entity, SUBRECIPIENT shall comply with the regulations, policies, guidelines, requirements and standards of federal OMB 2 CFR Chapter I, Chapter II, Part 200, et al, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; Final Rule" (Omni Circular Omni Circular, as specified in this paragraph:

- Subpart B – "General";
- Subpart C – "Pre-Federal Award Requirements and contents of Federal Awards," except for §§ 200.203 Notices of funding opportunities, 200.204 Federal awarding agency review of merit of proposals, 200.205 Federal awarding agency review of risk posed by applicants, and 200.207 Specific conditions, which are required only for competitive Federal awards,
- Subpart D – "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 1. Section 200.305 "Payment." The CITY shall follow the standards of paragraph 85.20(b)(7) and 85.21 in making payments to SUBRECIPIENT.
 2. Section 200.306, "Cost Sharing and Matching".
 3. Section 200.307, "Program Income." In lieu of paragraph 200.307, SUBRECIPIENT shall follow CDBG program regulations at 570.504 regarding Program Income.
 4. Section 200.308, "Revision of Budget and Program Plans".
 5. Section 200.311, "Real Property." In lieu of 200.311, CDBG SUBRECIPIENT shall follow CDBG program regulations at 570.505, Use of Real Property.
 6. Section 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
 - ii. Equipment not needed by the SUBRECIPIENT for CDBG activities shall be transferred to the CITY for the CDBG program or shall be retained after compensating the recipient.
 7. Section 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance";
 8. Section 84.52, "Financial Reporting";
 9. Section 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual CDBG activities shall be five years following grant close out; and
 - ii. The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which

the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award.

10. Section 84.61 "Termination". In lieu of the provision of 84.61, SUBRECIPIENT shall comply with 570.503(b)(7) Suspension and Termination; and

- Subpart D - "After-the Award Requirements", except for paragraph 84.71, "Closeout Procedures."

XXIV. COMPLIANCE WITH FIRST AMENDMENT CHURCH/STATE PRINCIPLES: SUBRECIPIENT agrees to comply with the First Amendment Church/State Principles which state that CDBG funds may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations apply to the use of CDBG funds:

- As a general rule, CDBG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the CITY that, in connection with the provision of such services:
 1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
 2. It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion.
 3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.
- Where the public services provided under paragraph a of this section are carried out on property owned by the primarily religious entity, CDBG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG expenditure for the public services.

XXV. CERTIFICATION: To the best of its knowledge or belief, the SUBRECIPIENT certifies that:

- No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement;
- If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub-grants, agreements) and that all sub awardees shall certify and disclose accordingly, and
- This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering this Agreement pursuant to Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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

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

XXVIII. WAIVER: The CITY's failure to act with respect to a breach by the SUBRECIPIENT does not waive the CITY's right to act with respect to subsequent or similar breaches. The failure of the CITY to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

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

XXX. NOTICES: All notices, requests, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon delivery, if delivered personally, or on the fifth (5th) day after mailing if sent by registered or certified mail, return receipt requested, first-class postage prepaid, as set forth below. Faxed or emailed communications are a convenience to the parties, and not a substitute for personal or mailed delivery.

- if the CITY, to: Bill Nicklas
City Manager
City of DeKalb
164 East Lincoln Highway
DeKalb, Illinois 60115
Email: bill.nicklas@cityofdekalb.com
- if the SUBRECIPIENT, to: Nancy Teboda
Executive Director
Children's Learning Center
905 S. 4th Street
DeKalb, IL 60115
Email: nancy@clcd daycare.org

XXI. CHANGES TO AGREEMENT: The CITY and the SUBRECIPIENT agree that any and all alterations, variations, modifications, or waivers of provisions of this Agreement shall be valid only when they have been reduced to writing, duly signed by both parties, and attached to the original of this Agreement.

IN WITNESS, WHEREOF, the parties have executed this Agreement in duplicate and the Effective Date is the date that the City signs the document.

CITY OF DEKALB

SUBRECIPIENT (DUNS Number: 119356772)

BY: Cohen Barnes
Signature

BY: Nancy Teboda
Signature

NAME: Cohen Barnes

NAME: Nancy Teboda

TITLE: Mayor

TITLE: Executive Director

DATE: 9-27-2022

DATE: 10/11/2022

Appendix A

SUBRECIPIENT Program Description and Outcome Measures Program Description

The City of DeKalb shall provide funding as contemplated by the attached Appendix B, Program Budget, in the amount of \$8,500.00 for Program Year 2022 ("PY22"), for the Children's Learning Center ("CLC") program described below, subject to CLC's compliance with the terms of this Agreement and its appendices.

CLC shall be responsible for providing services (as described below) over the period constituting PY22. The services provided herein will be transportation to and from home and school to CLC's main day care center at 905 S. Fourth Street, DeKalb, IL. CLC will administer all tasks in the provision of the aforementioned public services in compliance with all applicable Federal, state, and local rules and regulations, and in a matter satisfactory to the City.

- 1) 100% of persons served through the program funded by the City shall be Low-Moderate Income ("LMI") clientele based upon compliance with one of the two following standards:
 - a. Participants may be LMI based upon financial data utilizing the most recent available LMI standards available from the Department of Housing and Urban Development ("HUD"). CLC shall utilize the application form attached hereto as Exhibit 1 (or a replacement to this form that is approved by the City), to verify LMI status of program participants. CLC shall review financial information for the program participants to establish the IRS definition of income and obtain the necessary documentation for participants to verify compliance with LMI thresholds described above. The verification and the documentation provided for participants to certify LMI status shall be subject to review by the City at any time upon request. Additionally, CLC shall provide a written affidavit certifying compliance with this standard. As the program services are provided to children, CLC shall verify LMI status for their parents/guardians or, in the case of children who are not presently placed in a permanent foster placement and who have been removed from the care of their parent(s) or guardian(s), CLC shall verify LMI status for the program participant. If verifying LMI status for the program participant, CLC shall be authorized to certify "no income" for minors who are unemployed and have no independent basis of support.
 - b. Participants may be LMI presumed clientele if they are abused or neglected children. For identification as abused or neglected children, participants must have been referred to CLC by a judicial referral from the Circuit Court, a referral from a state agency having jurisdiction over minor children, or a licensed physician, psychologist, or psychiatrist. CLC shall maintain records of all such referrals and, within the constraints of applicable privacy laws, shall permit the City to review redacted copies of such referrals upon request. Additionally, CLC shall provide an affidavit certifying compliance with this standard.
- 2) The facility at which services are provided (as funded under this Agreement) shall be a facility for the provision of childcare. Transportation shall be provided in accordance with the details provided in this agreement. CLC shall provide a written affidavit certifying compliance with this requirement.

- 3) The services provided by CLC, as funded under this Agreement, shall constitute the subrecipient providing public services that provide transportation services between residences or public or private schools and the CLC childcare center.
- 4) Funds shall be utilized to provide for \$8,500.00 of the cost of providing such transportation services, with the portion of the cost funded hereunder not exceeding such portion of the total cost of providing transportation services that is attributable to LMI qualified program participants. CLC shall provide the City with a detailed expense accounting providing a description of the total cost of transportation and bussing. For third party provision of transportation and bussing, CLC shall provide the City with copies of the invoices received, along with a master summary of such invoices. For self-provision of transportation and bussing, CLC shall provide the City with a detailed statement outlining all expenses incurred for bus acquisition/maintenance/operation, staffing costs, insurance, and other expenses directly related to the operation of the bussing service. CLC shall also provide the City with an affidavit evidencing compliance with this requirement. Detailed financial information is provided on Appendix B hereto.
- 5) CLC shall provide the City with an annual budget and financial statements evidencing the total agency budget and the payment of incurred expenses consistent therewith. In the event that the incurred expenses are less than the projected budget, funding shall not be reduced under this Agreement, provided that CLC provides services in compliance with the minimum requirements contained herein. CLC shall also provide the City with an affidavit evidencing compliance with this requirement.
- 6) CLC shall annually provide services to not less than 50 LMI children. Not less than 100% of such children shall be residents of the City of DeKalb. CLC shall provide the City with an affidavit evidencing compliance with this requirement and shall also provide the City with a statement outlining the number of participants in the program, and the percentage of such persons receiving transportation who are residents of the City of DeKalb.
- 7) CLC may bill the actual direct costs and any allocable indirect costs incurred by the Subrecipient for the provision of day care-related transportation for authorized, enrolled children from low- and moderate-income families during the quarter in question, up to an aggregate limit of \$2,125.00 per quarter.

Appendix B

Program Budget

The total budget for services provided by CLC (as relating to the services funded hereunder) is \$1,310,500. The budget for the transportation services provided by CLC is \$32,102. The portion of such costs funded by the City under this agreement shall be \$8,500, which constitutes 26.5% of the cost of this specific service. Transportation services provided by CLC for LMI qualified children shall constitute not less than 26.5% of the total transportation costs funded by CLC (estimated to be \$32,102). The portion of total project costs funded by the City under this agreement shall be \$8,500, which constitutes 0.65% of total agency costs.

Appendix C

Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities

Appendix D

SUBRECIPIENT Procurement Guidelines



Children's Learning Center
P.O. Box 531, DeKalb, IL 60115
815-756-3506

PROCUREMENT POLICIES

Children's Learning Center performs fair and equitable procurements of all goods and services following the Children's Learning Center Board of Directors determined guidelines.

1. The Executive Director has the authority to purchase any single good or service up to the amount of \$750 without prior Board approval. It is expected that the Executive Director will in every purchase determine the best cost/value of the item(s) or service(s) to be purchased.
2. The Executive Director has authority to carry out the purchase of items or services approved through an awarded grant or scholarship even if the single item or service exceeds the \$750 threshold.
3. The Executive Director has the authority to purchase any single good or service deemed necessary through an active service or maintenance agreement/plan Children's Learning Center has with a vendor even if the single item or service exceeds the \$750 threshold. (Updated 6/18).
4. All food and food service items to be purchased will be put out for bid in October/November of every calendar year. The Food Service Manager (updated 6/18) will compile a cost comparison packet and make a recommendation to the Children's Learning Center Board of Directors the vendor(s) to purchase the food and food service items for each calendar year. (This procurement procedure is determined by the USDA, ISBE Child and Adult Care Food Program guidelines).
5. All single program supplies and materials exceeding the single item \$750 purchase threshold will be placed on competitive bid. The Board of Directors and the Executive Director will evaluate the cost/value and make a determination of the vendor to purchase the item(s) or service(s). *Specifications of single items exceeding the \$750 purchase threshold will be disseminated in writing to the appropriate vendors for a bidding opportunity. Each vendor will have the same deadline to respond and will be notified in writing upon the award of the bid.
6. All building equipment, supplies, and maintenance exceeding the single item \$750 purchase threshold will be placed on competitive bid. The Board of Directors and the Executive Director will evaluate the cost/value and make a determination of the vendor to purchase the item(s) or service(s).

Appendix E

City of DeKalb 2022 CDBG Program Schedule for Reporting and Disbursement of Funds

Programs that run throughout the 2022 program year will submit program and financial reports on a quarterly schedule. Grant reports and payments are generally on a quarterly schedule and are subject to change based on HUD date of release of grant funds. Reporting and payment schedules may be modified for SUBRECIPIENTS whose programs are completed in less than six months. Payments are contingent upon completion of the environmental review, execution of the SUBRECIPIENT AGREEMENT, and receipt of program and financial reports, as well as source documents that substantiate CDBG-funded expenditures.

Report Due Date	Period Covered	Funds Disbursed
July 10, 2022	April 1 – June 30, 2022	July 2022
October 10, 2022	July 1 – September 30, 2022	October 2022
January 10, 2023	October 1 – December 31, 2022	January 2023
April 10, 2023	January 1 – March 31, 2023	April 2023

Appendix F

City of DeKalb Community Development Block Grant – Public Services Program Costs Ineligible for CDBG Funds

The City of DeKalb uses Community Development Block Grant (CDBG) funds to support programs and services that provide for the needs of low- and moderate-income residents as identified in the City's 2020-2024 Consolidated Plan. Direct program costs are generally eligible for CDBG funds based on the federal Omni Circular. Some costs, though allowable under federal regulations, are ineligible for reimbursement with City of DeKalb CDBG funds. Please note that some costs may be included in the program budget but will not be paid with CDBG. This list is not all inclusive.

Ineligible Costs include:

- Entertainment costs.
- Alcoholic beverages.
- Fines, penalties, damages, and other settlements.
- Compensation to trustees, board members, and their immediate family members.
- Staff time and other costs related to applying for CDBG funding.
- Advertising and public relations costs (this does not include informational materials such as program flyers used for program outreach/recruitment of eligible participants);
- Fund raising costs.
- Equipment and capital expenditures.

Eligible costs that will not be paid with CDBG include:

- Costs relating to the federal Single Audit.
- Indirect cost allocations, whether approved by a federal cognizant agency or the 10% de minimus indirect cost allocation.
- Computers and other electronic devices.

**ELDER CARE SERVICES
(ECS)
1701 E. Lincoln Highway
DeKalb, IL 60115
(815) 758-6550**

The project described herein is being funded by a Grant from the City of DeKalb, Illinois as part of the City's **2022 Community Development Block Grant (CDBG)** program which is authorized under Title 1 of the Housing and Community Development Act of 1974, as amended.

**CITY OF DEKALB
COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT**

This Community Development Block Grant Sub-Recipient Agreement (the "AGREEMENT") is made on this 8th day of August, 2022, by and between the **City of DeKalb**, an Illinois Municipal Corporation (hereinafter "CITY") and the **Elder Care Services (ECS)** (hereinafter "SUBRECIPIENT").

RECITALS

WHEREAS, Resolution 2022- 005 adopted on January 10, 2022 by the DeKalb City Council to approve the submission to the United States Department of Housing and Urban Development (hereinafter "HUD") of the 2022 One Year Action Plan, and the reallocation of unspent CDBG Funds from prior years, respectively, the City's application for Community Development Block Grant (hereinafter "CDBG") funds under Title 1 of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, said application was approved by HUD on Date TBA; and

WHEREAS, approval of the application by HUD, along with Resolution 2022- 005 authorizes City Staff to enter into this Agreement in furtherance of the CITY's Community Development objectives; and

WHEREAS, SUBRECIPIENT has been awarded certain CDBG grant funds (the "Grant") to utilize in Subrecipient's programming that is outlined in the Agreement and Appendices and this Agreement shall govern Subrecipient's use of the Grant funds;

NOW, THEREFORE, the CITY and the SUBRECIPIENT, having first found the foregoing recitals as fact, and in consideration of the mutual covenants set forth below, hereby agree as follows:

AGREEMENT

- I. **APPENDICES TO AGREEMENT:** All Appendices (A through F) attached to this Agreement are incorporated and made a part of this Agreement as referenced herein. SUBRECIPIENT agrees to abide by and follow all terms and conditions as set forth in said Appendices.
- II. **WORK TO BE PERFORMED BY SUBRECIPIENT:** In exchange for receiving CDBG grant funds from the CITY to support the portion of salary of the Choices for Care Program screener when providing direct services and advocacy for City of DeKalb clients, the SUBRECIPIENT shall be responsible for administering the Program(s) as described in Appendix A (for each program) in a manner satisfactory to the CITY and substantially consistent with any standards and regulations that are specified in this Agreement and adherence to the same is a condition of providing these funds. SUBRECIPIENT commits to the Programs goals that are outlined in Appendix A, including (1) the number of people to be served, (2) the number of program participants who are expected to be DeKalb residents, and (3) the number of program participants who shall meet HUD's definition of low- or moderate-income persons, and outcome measures as outlined in Appendix A. SUBRECIPIENT agrees to expend the total amount of CDBG funds covered in this

Agreement, solely for the agreed upon activities and in accordance with the conditions outlined in this Agreement and the Program budget(s) in Appendix B.

III. GENERAL COMPLIANCE WITH APPLICABLE LAWS: SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (HUD regulations concerning CDBG). The SUBRECIPIENT also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this agreement.

SUBRECIPIENT additionally agrees to comply with any changes issued to the CITY's CDBG program by HUD. SUBRECIPIENT understands that changes issued to the CITY's CDBG program by HUD may materially alter the terms of this Agreement. The City will distribute any amendments to the CDBG program within thirty (30) days and SUBRECIPIENT must acknowledge the receipt.

SUBRECIPIENT acknowledges and affirms that the SUBRECIPIENT has the organizational capacity to adhere to collection and reporting requirements regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule ("Omni Circular") Subpart D, Sections 200.300 – 200.303. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C. Organizational capacity shall be demonstrated by various methods, including but not be limited to:

- Use of OMB-approved standard information collections when providing financial and performance information;
- Financial data is provided for performance accomplishments of the Grant award;
- Cost information shall be distributed to demonstrate cost effective practices;
- Subrecipient shall provide the City with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
- All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the CITY's CDBG Grant Administrator.

SUBRECIPIENT agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which the SUBRECIPIENT uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that the SUBRECIPIENT uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines shall be attached to this contract as Appendix D and shall be incorporated into this contract by reference. If the procurement guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to either (1) procurement by small purchase procedures, (2) procurement by sealed bids, (3) procurement by competitive proposals, or (4) procurement by noncompetitive proposals, as directed by and outlined in Section 200.320.

The SUBRECIPIENT affirms that, per Federal regulations, SUBRECIPIENT has a Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, Inc., and will provide proof of this DUNS number to the CITY, prior to the approval of project funding.

- IV. LENGTH OF AGREEMENT:** The term of this Agreement shall begin no sooner than April 1, 2022 and end on March 31, 2023. Payment of CDBG grant funds by the CITY to the SUBRECIPIENT shall occur for eligible services and/or activities performed by the SUBRECIPIENT during the term of this Agreement as long as the SUBRECIPIENT is performing in accordance with the terms of the Agreement.

Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including any program income.

- V. AMOUNT OF APPROPRIATION:** The appropriation of CDBG funds for the Program shall be for an amount not to exceed **Nine Thousand dollars (\$9,000.00)** to be distributed as funding for the following programs: Support of the salary of the Choices for Care Program screener for the portion of time she spends providing direct services and advocacy for clients who are residents of the City of DeKalb. The SUBRECIPIENT understands that the amount of these appropriations may be adjusted during the program year due to funding alterations made by the United States Congress, HUD, and/or the CITY. Any new local appropriations shall occur upon approval by the DeKalb City Council. SUBRECIPIENT understands that the awarding of the grant(s) under this Agreement in no way implies the continued financial support of the program(s) or services of the SUBRECIPIENT by the CITY beyond the specific period of this Agreement.

- VI. INELIGIBLE PROGRAM COSTS:** The SUBRECIPIENT agrees that certain direct program costs are ineligible for CDBG funds. Recording requirements prescribed by Congress, HUD or the CITY may require these costs be listed within the budget, but these costs will not be paid for using CDBG funds provided by the CITY. Ineligible direct program costs can be found in Appendix F, which is incorporated into this contract by reference.

- VII. PAYMENT OF CDBG FUNDS TO SUBRECIPIENT:** The CITY agrees to fund the Program(s) in the form of a grant in a total aggregate amount not to exceed **Nine Thousand dollars (\$9,000.00)**. Such funds shall be paid to the SUBRECIPIENT according to the schedule in Appendix E. The CITY CANNOT disperse any grant funds until the Environmental Review is complete and this Agreement has been executed by both parties (24 CFR Sec. 570.503 (a)). The Environmental Review will be completed by the City and shall be executed in a timely manner.

- The SUBRECIPIENT understands that this Agreement is for Public Services Programs and that payments shall be made per the schedule in Appendix E.
- The SUBRECIPIENT understands that disbursement will be contingent upon the SUBRECIPIENT ensuring compliance with any applicable federal, state, and CITY requirements.
- No disbursement will be made by the CITY unless all required reports (including beneficiary, performance, financial and narrative reports, and source documents for CDBG-funded expenditures) have been submitted and approved by CITY staff. Payment may be withheld pending receipt and approval of all required documentation.

VIII. SUSPENSION OR TERMINATION:

- **Suspension or Termination for Cause by CITY:** The SUBRECIPIENT understands and agrees that if SUBRECIPIENT materially fails to comply with any or all provisions of this Agreement, the CITY may in its sole discretion suspend or terminate this Agreement.
 1. Material non-compliance includes, but is not limited to, the following:
 - i. Failure to comply with any of the rules, regulations, or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
 - ii. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this Agreement;
 - iii. Ineffective or improper use of funds provided under this Agreement; or
 - iv. Submission of reports by the SUBRECIPIENT to the CITY which are late, or incorrect or incomplete in any material respect.
 2. As a result of material non-compliance, the CITY may take one or more of the following actions:
 - i. Temporarily withhold cash payments pending correction of the deficiency by the SUBRECIPIENT. More severe enforcement action may be undertaken by the CITY if the deficiency is not corrected;
 - ii. Disallow (that is, deny both use of funds and matching credit for all or part of the cost of the activity or action not in compliance);
 - iii. Wholly or partially suspend or terminate the current award for the SUBRECIPIENT's program;
 - iv. Withhold further awards for the program; or Take other remedies that may be legally available including, but not limited to, seeking compensatory and/or liquidated damages for breach of this Agreement, or injunctive or equitable relief in any court of competent jurisdiction.
- **Termination for Convenience by CITY or SUBRECIPIENT:** Either the CITY or the SUBRECIPIENT may terminate the award of funds under this Agreement in whole or in part if either determines that the goals indicated in the SUBRECIPIENT's proposal cannot be met. Termination is effected by the initiating party upon receipt of written notification by the other party setting forth: (1) the reasons for termination; (2) the effective date of termination; and (3) the portion to be terminated, in the case of partial termination. In the case of partial award termination, if the CITY in its sole discretion determines that the remaining portion of the award will not accomplish the purposes for which the award was made, it may terminate the entire award.

IX. REGULAR MEETING REQUIREMENT: SUBRECIPIENT agrees to meet on a regular or as-needed basis with the designated staff member of the CITY's Community Development Department to discuss general and/or specific issues of this Agreement and to review the required reports. Furthermore, SUBRECIPIENT agrees to cooperate fully in any monitoring program, including on-site monitoring, developed, implemented, or conducted by the CITY or by HUD.

X. RECORD REQUIREMENTS: SUBRECIPIENT shall provide the CITY, HUD, the Inspector General of the United States or any of their duly authorized representatives, access to any books,

documents, papers, and records of the SUBRECIPIENT which pertain to the CDBG-funded program for the purpose of monitoring, making audits, examinations, excerpts, transcripts, and photocopying.

- SUBRECIPIENT shall be required to maintain all required records for five (5) years after the SUBRECIPIENT's final audit and program close out by the CITY. SUBRECIPIENT shall establish and maintain a project file that contains the following sections:
 1. General project correspondence and related items.
 2. Financial source documentation and associated transactional documentation.
 3. Procurement procedures and associated documents.
 4. Compliance with applicable State and Federal regulations.
 5. Program reports.
 6. Documentation of persons benefiting from grant activities, including race/ethnicity and income to substantiate achievement of the CDBG National Objective of benefiting primarily persons of low and moderate income.
 7. Personnel actions.
 8. Acquisition and disposition of property.
- The records which, at a minimum, must be maintained are as follows:
 1. Financial Records: The SUBRECIPIENT shall, at a minimum, maintain the following records for each grant received under separate agreement from the CITY:
 - i. Cash Receipts Register: For recording of funds received in connection with the grant program.
 - ii. Cash Disbursements Register: For recording disbursement of funds from the agency's CDBG account(s). All disbursements must be supported by appropriate documentation (e.g.: payroll records, invoices, contracts, etc.) demonstrating the nature and use of each payment and showing approval of the program director or other authorized official. In addition, the SUBRECIPIENT agrees to provide to the CITY such financial reports and additional source documentation as the CITY may reasonably require and to comply with such reasonable additional financial control procedures as may be required to be retained in files maintained by the SUBRECIPIENT.
 - iii. Payroll Records: A basic time and activity tracking system shall be maintained to substantiate the services and staff time charged to the project. This should include time sheets documenting each person's total time and time charged against the grant; time sheets must be signed by both the employee and authorized supervisor of the employee.
 2. Equipment Records: A record shall be maintained for each item of equipment acquired for the Program. Equipment is defined as tangible personal property (including information technology systems) which has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$500. The records shall include: (1) a description (including model and serial number) of the property; (2) the date of acquisition; and (3) the acquisition cost (showing the percentage of the total costs paid for out of this Grant.) Such equipment records are necessary for HUD recording requirements. However, SUBRECIPIENT acknowledges that this recording requirement does not indicate that the CITY will

pay for equipment. The CITY does not provide funds for equipment purchases, including information technology systems.

3. **Indirect Costs Records:** A record shall be kept of all indirect costs, per HUD requirements. Indirect costs are costs incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. However, SUBRECIPIENT acknowledges that indirect costs shall not be covered by funds provided by the CITY.

- XI. REPORTING REQUIREMENTS:** The SUBRECIPIENT agrees to provide the CITY's Community Development Department with regular reports described below per the schedule in Appendix E, and any other reports which may be required by the CITY's CDBG Program for compliance under this Agreement. This includes reporting on performance measures, as outlined in §200.301 of the Omni Circular. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C.

SUBRECIPIENT shall use OMB-approved information collection standards, when providing financial and performance information. The SUBRECIPIENT shall provide financial data and its relation to performance accomplishments of the Federal award.

SUBRECIPIENT agrees to provide the CITY with documents pertaining to: (1) procedures; (2) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this Agreement; and (3) (if applicable) regularly updated schedule of program activities.

- **REPORTING:** Reports shall be submitted to staff via email by the SUBRECIPIENT throughout the term of the Program. **See Appendix E for report due dates.** All reports and required attachments may be viewed by members of the Community Development Department.
 1. The CITY reserves the right to withhold any of the SUBRECIPIENT's scheduled payments until such time as the CITY receives the SUBRECIPIENT's financial progress and performance reports.
 2. Improperly prepared reports will not be accepted. Subsequent Grant payments may be held pending receipt of accurate information together with any required source documentation. Upon receipt of improperly prepared or erroneous reports, field audit procedures may be initiated to evaluate the financial management, control and record keeping procedures utilized by the SUBRECIPIENT. In addition, the CITY may require a meeting with the Executive Board of the SUBRECIPIENT to correct the situation.
 3. SUBRECIPIENT understands that a pattern of late, improper, or erroneous reporting could be grounds for termination of this Agreement at the CITY's sole discretion.

4. The CITY reserves the right to make appropriate adjustments for any funds previously paid out by the CITY but unexpended by the SUBRECIPIENT.
5. **Reports will be submitted via email and shall consist of the following:**
 - i. Beneficiary Demographic data: Client statistics (i.e., number of DeKalb residents served, beneficiary race/ethnicity and incomes) for the report period.
 - ii. Program Accomplishments and Narrative: Indicating progress against program goals as outlined in Appendix A, and additional information in narrative format that elucidates program accomplishments and outlines any unanticipated results.
 - iii. Financial Report: Indicating the budgeted expenses and revenues consistent with the 2021 appropriation for the grant Program as shown in Appendix B and the actual revenues and expenditures for the period covered by the report.
 - iv. Supporting documentation: **All Program expenditures charged to the CDBG Grant shall be supported with source documentation.** Documentation may include copies of paid invoices, receipts, and time sheets signed by each employee and supervisor paid with CDBG funds. Other documentation may be required by the CITY to document the amount expended in the report period.

XII. ANNUAL AUDIT: The CITY requires that all SUBRECIPIENTS prepare and submit to the CITY an audit of the financial records of the SUBRECIPIENT pertaining to the receipt and use of CDBG funds as required by the Omni Circular. If the SUBRECIPIENT receives federal funds from sources other than the CITY's CDBG program, a combined single audit is permissible, provided said audit clearly identifies the amount of CITY CDBG funds received, the amount expended and encumbered, and the purposes of the expenditures. The CITY shall have the right to review and modify the scope of said audit. Said audit of CDBG funds shall encompass and be limited to the term of this Agreement. SUBRECIPIENT is responsible for clearly identifying and accounting for funds received and expended during separate program years; that is, an individual audit must distinguish expenditures and encumbrances made against funds received under separate Grant Agreements, particularly if the SUBRECIPIENT and the CITY operate under different fiscal years.

XIII. ALTERNATIVE FUNDING REPORTING REQUIREMENT: SUBRECIPIENT shall promptly notify the CITY if the SUBRECIPIENT receives funding (full or partial) that is incremental to the Program budget as shown in Appendix B from any and all sources for the performance of activities outlined under this Agreement. The SUBRECIPIENT further understands that the amount granted by the CITY may be reduced by the amount of such alternative funding.

XIV. REVISION OF BUDGET AND PROGRAM PLANS: The SUBRECIPIENT shall obtain written permission from the CITY CDBG Program Administrator prior to any change in the approved budget or program plans following Omni Circular §200.308(C) (increase or decrease) of ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under the SUBRECIPIENT's line item budget which is attached hereto and identified as Appendix B. In order for the CITY to approve such a request, SUBRECIPIENT's written request shall contain, at a minimum: (1) the reason and justification for the change; (2) the amounts to be changed; and (3) a description of which line items are affected. Changes made without the CITY's prior approval may result in non-reimbursement of expenditures from those affected line items.

- XV. NON-DISCRIMINATION:** SUBRECIPIENT agrees that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, gender identity, marital status, age, source of income or physical or mental disabilities, be excluded from participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity for which the SUBRECIPIENT receives financial assistance from or through the CITY.

SUBRECIPIENT agrees to comply with: Title VI of the Civil Rights Act of 1964 (P.L. 88-352); Title VII of the Civil Rights Act of 1968 (P.L. 90-284); Section 104(b) and Section 109 of the Housing and Community Development Act of 1974, as amended; Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, as amended, the Age Discrimination Act of 1975, as amended; Executive Order 11246, as amended and Executive Order 11063 as amended.

SUBRECIPIENT agrees to include a statement of its non-discrimination policy in any printed or electronic information released to the public regarding Program activities.

- XVI. EQUAL OPPORTUNITY POLICY/AFFIRMATIVE ACTION PLAN/CURRENT POLICY SETTING BODY INFORMATION:** The SUBRECIPIENT shall ensure the following documents have been provided to CITY staff:

- A copy of its policy on equal opportunity employment and a copy of its most current Affirmative Action Plan.
- The names, addresses, and professional affiliations of the current members of the Board of Directors or policy-setting body.

- XVII. WORKERS' COMPENSATION:** The SUBRECIPIENT shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

- XVIII. INDEMNITY:** SUBRECIPIENT hereby assumes liability for and agrees to protect, hold harmless and indemnify the CITY and its assigns, officers, directors, employees, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, claims, actions, suits, proceedings, costs, expenses and disbursements, including legal fees and expenses, of whatever kind and nature, imposed on, incurred by or asserted against the CITY, its successors, assigns, officers, directors, employees, agents and servants, in any way relating to or arising out of any of the following or allegations, claims or charges of any of the following:

- The use or application of the Grant proceeds.
- The violation by the SUBRECIPIENT of any of its covenants or agreements under the Agreement.
- Any tort or other action or failure to act done in connection with the performance or operation of the Program.
- Any act or failure to act of any officer, employee, agent, or servant of the SUBRECIPIENT.
- Any injury to any person, loss of life, or loss or destruction of property in any way arising out of or relating to the performance or operation of the Program.

The CITY agrees to notify the SUBRECIPIENT in writing of any claim or liability which the CITY believes to be covered under this paragraph. The CITY shall tender, and SUBRECIPIENT shall promptly accept tender of, defense in connection with any claim or liability in respect of which

SUBRECIPIENT has agreed in writing that based on the claim or liability the CITY is entitled to indemnification under this paragraph; provided, however, that the counsel retained by SUBRECIPIENT to defend the CITY shall be satisfactory to the CITY; and that the CITY shall be kept fully informed of the status of the proceeding. In the event that the SUBRECIPIENT, within ten (10) days after receipt of notice from the CITY of a claim or liability which the CITY believes to be covered under this paragraph, fails to advise the CITY in writing that the SUBRECIPIENT agrees that the CITY is entitled to indemnification under this paragraph based on the claim or liability, the CITY, without waiving or prejudicing any claim or right it may have to indemnification, under this paragraph (including the recovery of legal fees and expenses), may retain its own counsel and present its own defense in connection with such claim or liability.

The CITY shall not settle or compromise any claim, suit, action or proceeding in respect of which the SUBRECIPIENT has agreed in writing that the CITY is entitled to indemnification under this paragraph. Notwithstanding anything in the Agreement to the contrary, the indemnities contained in this paragraph shall survive the termination of the Agreement.

XIX INSURANCE AND BONDING: SUBRECIPIENT shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any CDBG cash advances. SUBRECIPIENT shall comply with the bonding and insurance requirements of the Omni circular 200.310 and 200.325, Insurance and Bonding requirements.

XX NON-PARTICIPATION BY CERTAIN PERSONS: SUBRECIPIENT agrees to exclude the following persons from participation in any aspect of this Agreement:

- SUBRECIPIENT agrees to not allow any member of, or delegate to, the United States Congress any share or part of this Agreement or to allow any benefit to arise from same.
- SUBRECIPIENT agrees that no officer, employee, designee, agent, or consultant of the CITY or the SUBRECIPIENT or member of the governing body of the CITY who exercises any functions or responsibilities with respect to the CITY's CDBG Program during his tenure or for one (1) year thereafter, will have any direct or indirect interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the Project assisted under this Agreement. The SUBRECIPIENT shall incorporate or cause to be incorporated in all such contracts or subcontracts a provision prohibiting such interest in conformance with the provisions of and pursuant to the purposes of this section. The provisions of 24 CFR § 570.611, "Conflict of Interest" shall apply to the SUBRECIPIENT.
- SUBRECIPIENT further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular § 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will participate in the selection, award or administration of a contract supported by CDBG funds, if that employee, officer, or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a tangible personal benefit from a firm considered for a contract. Such officers, employees, or agents of the SUBRECIPIENT may not solicit nor accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of

nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests. The written standards shall also include standards of conduct covering organizational conflicts of interest, in which the SUBRECIPIENT may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between the SUBRECIPIENT and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by the SUBRECIPIENT will include disciplinary actions to be applied for violations of such standards.

- Copeland "Anti-kickback" Act. – Any SUBRECIPIENT paid in full or part with CDBG funds will comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3) that states whoever, by force, intimidation, or threat of procuring dismissal from employment, or by any other manner whatsoever induces any person employed in the construction, prosecution, completion or repair of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he is entitled under his contract of employment, shall be fined under this title or imprisoned not more than five years, or both. Though CDBG funds shall not be used to pay for the construction, prosecution, completion, or repair of buildings, the SUBRECIPIENT affirms that by accepting CDBG funds, the SUBRECIPIENT will comply with the Copeland "Anti-kickback" Act.

XXI. PROGRAM INCOME: Program income shall herein be defined as gross income received by the SUBRECIPIENT directly derived or generated from the use of CDBG funds. Program income includes, but is not limited to:

- Fees for services performed,
- Use or rental of real or personal property acquired under Federal awards,
- The sale of commodities or items fabricated under a Federal award,
- License fees and royalties on patents and copyrights,
- And principal and interest on loans made with Federal award money.

SUBRECIPIENT agrees that, unless otherwise stated in this section, the SUBRECIPIENT shall follow the program income requirements as outlined in § 200.307 of the Omni Circular.

SUBRECIPIENT understands and agrees that all program income shall be the property of the CITY, which shall have the exclusive right to determine the use and disposition of said income, except for fees for services which are used as part of the operating budget. However, such exempt fees must be small so as not to prevent the participation of Low and Middle-Income participants. SUBRECIPIENT will remit all other said income to the CITY. Said remittance shall be submitted annually and accompany the Final Report.

SUBRECIPIENT acknowledges that interest earned on advances of Federal funds, rebates, credits, and discounts do not count as program income.

Program income is to be: (check one)

_____ 1) returned to the CITY at times determined by the CITY; or

X 2) retained by SUBRECIPIENT to undertake the following activities:

Support of the salary of the Choices for Care Program screener for that portion of his/her time when he/she is providing direct services and advocacy for City of DeKalb residents.

If retained by SUBRECIPIENT, all activities undertaken with the use of said income will be governed by all provisions of this Agreement. All program income, regardless of source, shall be substantially disbursed for any or all eligible CDBG activities undertaken by the SUBRECIPIENT before additional cash payments are made to the SUBRECIPIENT from the CITY (pursuant to CDBG regulations at 24 CFR Sec. 570.504 (c)). Any income on hand when this Agreement expires or received after such expiration shall be paid to the CITY upon request.

XXII. RETURN OF UNEXPENDED FUNDS: SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds upon the completion or termination of the Program:

- If the work of the program cannot be completed, or if SUBRECIPIENT ceases to function as an operating entity, SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds.
- Within thirty (30) days after the closing date of this Agreement, the SUBRECIPIENT shall submit to the CITY expenditure reports and documentation of all expenses or encumbrances during the time period covered by this Agreement. The CITY will then compare these expenditures with the amount of disbursements issued to the SUBRECIPIENT by the CITY. Disbursement of any final payment, if any, under the Agreement shall not be made until such a comparison has been completed to the CITY's satisfaction.
 1. If said expenditures and encumbrances are greater than the disbursements made to the SUBRECIPIENT, the CITY will issue a check to the SUBRECIPIENT for an amount equal to this difference, up to the amount of the authorized grant set forth in this Agreement.
 2. If said expenditures and encumbrances are less than the disbursements, the CITY shall withhold the difference from any final payment to the SUBRECIPIENT. If after withholding any such difference, the expenditures and encumbrances are still less than the disbursements, the SUBRECIPIENT shall promptly pay to the CITY a check for the difference of these sums.
 3. Funds paid to SUBRECIPIENT in excess of the amount to which the SUBRECIPIENT is finally determined to be entitled constitute a debt to the CITY. If not paid as stipulated in the preceding paragraphs, the CITY may take other action permitted by law.
- A final adjustment will be made to reconcile with the completed audit or Final Grant Report of CDBG expenditures within thirty (30) days of the submission of audit to the CITY. Subsequent grant payments or awards will be withheld until audit or grant report is completed for the current year. Only the City Manager can release funds if audit or grant report is not reconciled.

XXIII. INDEPENDENT CONTRACTOR: SUBRECIPIENT shall be and act as an independent contractor and not as a partner, joint venturer, or agent of the CITY and shall not bind nor attempt to bind CITY to any contract. SUBRECIPIENT is an independent contractor and is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including, but not limited to, Worker's Compensation Insurance. SUBRECIPIENT agrees to defend, indemnify, and hold the CITY harmless from any and all claims, damages, liability, attorney's fees, and expenses on account of: (1) a failure or an alleged failure by SUBRECIPIENT to satisfy any such obligations; or (2) any other action or inaction of SUBRECIPIENT.

ADDITIONAL REGULATIONS: As a non-governmental entity, SUBRECIPIENT shall comply with the regulations, policies, guidelines, requirements and standards of federal OMB 2 CFR Chapter I, Chapter II, Part 200, et al, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; Final Rule" (Omni Circular Omni Circular, as specified in this paragraph:

- Subpart B – "General";
- Subpart C – "Pre-Federal Award Requirements and contents of Federal Awards," except for §§ 200.203 Notices of funding opportunities, 200.204 Federal awarding agency review of merit of proposals, 200.205 Federal awarding agency review of risk posed by applicants, and 200.207 Specific conditions, which are required only for competitive Federal awards,
- Subpart D – "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 1. Section 200.305 "Payment." The CITY shall follow the standards of paragraph 85.20(b)(7) and 85.21 in making payments to SUBRECIPIENT.
 2. Section 200.306, "Cost Sharing and Matching".
 3. Section 200.307, "Program Income." In lieu of paragraph 200.307, SUBRECIPIENT shall follow CDBG program regulations at 570.504 regarding Program Income.
 4. Section 200.308, "Revision of Budget and Program Plans".
 5. Section 200.311, "Real Property." In lieu of 200.311, CDBG SUBRECIPIENT shall follow CDBG program regulations at 570.505, Use of Real Property.
 6. Section 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
 - ii. Equipment not needed by the SUBRECIPIENT for CDBG activities shall be transferred to the CITY for the CDBG program or shall be retained after compensating the recipient.
 7. Section 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance".
 8. Section 84.52, "Financial Reporting".
 9. Section 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual CDBG activities shall be five years following grant close out; and
 - ii. The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which

the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award.

10. Section 84.61 "Termination". In lieu of the provision of 84.61, SUBRECIPIENT shall comply with 570.503(b)(7) Suspension and Termination; and

- Subpart D - "After-the Award Requirements", except for paragraph 84.71, "Closeout Procedures."

XXIV. COMPLIANCE WITH FIRST AMENDMENT CHURCH/STATE PRINCIPLES: SUBRECIPIENT agrees to comply with the First Amendment Church/State Principles which state that CDBG funds may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations apply to the use of CDBG funds:

- As a general rule, CDBG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the CITY that, in connection with the provision of such services:
 1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
 2. It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion.
 3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.
- Where the public services provided under paragraph a of this section are carried out on property owned by the primarily religious entity, CDBG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG expenditure for the public services.

XXV. CERTIFICATION: To the best of its knowledge or belief, the SUBRECIPIENT certifies that:

- No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement;
- If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub-grants, agreements) and that all sub awardees shall certify and disclose; accordingly, and
- This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering this Agreement pursuant to Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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

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

XXVIII. WAIVER: The CITY's failure to act with respect to a breach by the SUBRECIPIENT does not waive the CITY's right to act with respect to subsequent or similar breaches. The failure of the CITY to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

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

XXX. NOTICES: All notices, requests, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon delivery, if delivered personally, or on the fifth (5th) day after mailing if sent by registered or certified mail, return receipt requested, first-class postage prepaid, as set forth below. Faxed or emailed communications are a convenience to the parties, and not a substitute for personal or mailed delivery.

- if the CITY, to: Bill Nicklas
City Manager
City of DeKalb
164 East Lincoln Highway
DeKalb, Illinois 60115
Email: bill.nicklas@cityofdekalb.com
- if the SUBRECIPIENT, to: Tara Russo
Executive Director
Elder Care Services of DeKalb County
1701 E. Lincoln Highway
DeKalb, IL 60115
Email: trusso@ecsdekalb.org

XXXI. CHANGES TO AGREEMENT: The CITY and the SUBRECIPIENT agree that any and all alterations, variations, modifications, or waivers of provisions of this Agreement shall be valid only when they have been reduced to writing, duly signed by both parties, and attached to the original of this Agreement.

IN WITNESS, WHEREOF, the parties have executed this Agreement in duplicate and the Effective Date is the date that the City signs the document.

CITY OF DEKALB

SUBRECIPIENT (DUNS Number: 802436105)

BY: Cohen Barnes
Signature

BY: Tara Russo
Signature

NAME: Cohen Barnes

NAME: Tara Russo

TITLE: Mayor

TITLE: Executive Director

DATE: 9-27-2022

DATE: 10/8/2022

Appendix A

SUBRECIPIENT Program Description and Outcome Measures Program Description

The City of DeKalb shall provide funding as contemplated by the attached Appendix B, Program Budget, in the amount of \$9,000.00 for Program Year 2022 ("PY22"), for the Choices for Care Program of Elder Care Services (ECS) described below, subject to ECS's compliance with the terms of this Agreement and its appendices.

ECS shall be responsible for providing services (as described below) over the period constituting PY22. ECS will administer all tasks in the provision of the aforementioned public services in compliance with all applicable Federal, state, and local rules and regulations, and in a matter satisfactory to the City.

- 1) 100% of persons served through the program funded by the City shall be Low-Moderate Income ("LMI") clientele based upon compliance with one of the two following standards:
 - a. Participants may be LMI based upon financial data utilizing the most recent available LMI standards available from the Department of Housing and Urban Development ("HUD"). ECS shall utilize the financial verification form attached hereto as Exhibit 1 (or a replacement to this form that is approved by the City), to verify LMI status of program participants. ECS shall review financial information for the program participants to establish the IRS definition of income and obtain the necessary documentation for participants to verify compliance with LMI thresholds described above. The verification and the documentation provided for participants to certify LMI status shall be subject to review by the City at any time upon request. Additionally, ECS shall provide a written affidavit certifying compliance with this standard.
- 2) The facility at which services are provided (as funded under this Agreement) shall be a facility for providing services to the elderly. ECS shall provide a written affidavit certifying compliance with this requirement.
- 3) The services provided by ECS, as funded under this Agreement, shall constitute the subrecipient providing public services that constitute \$9,000.00 of the cost of Choices for Care Program screener's salary, with such funding being utilized to cover a portion of the cost of the screener working directly with the elderly residents of the City of DeKalb. ECS shall provide the City with payroll documentation including time and activity records evidencing the total cost of such screener's salary, and work assignment documentation evidencing the percentage of such cost allocated to the provision of direct services to ECS clients. The costs funded by the City shall be not more than the amount of such screener's salary as are attributable to direct services to clients. ECS shall also provide the City with an affidavit evidencing compliance with this requirement. Detailed financial information is provided on Appendix B hereto.
- 4) ECS shall provide the City with an annual budget and financial statements evidencing the total agency budget and the payment of incurred expenses consistent therewith. In the event that the incurred expenses are less than the projected budget, funding shall not be reduced under this Agreement, provided that ECS provides services in compliance with the minimum requirements contained herein. ECS shall also provide the City with an affidavit evidencing compliance with this requirement.

- 5) ECS shall annually provide services to not less than **800** individuals. The ECS screener shall be utilized to provide direct services to the elderly (certified as outlined above). Not less than 37.5% or **300** of such individuals shall be residents of the City of DeKalb. ECS shall provide information on each resident of the City who is served including demographic information and family income level as defined by 30%, 50% or 80% of Area Median Income. ECS shall provide the City with an affidavit evidencing compliance with this requirement.
- 6) ECS may bill the actual direct costs incurred by the Subrecipient for the cost of the salary of the Choices for Care screener during the quarter in question, up to an aggregate limit of **\$2,250.00 per quarter**.
- 7) The parties acknowledge that ECS is a larger organization providing services across a broad geographic area. The references contained herein to "ECS" shall constitute references to the applicant, Elder Care Services of DeKalb County.

Appendix B

Program Budget

The total budget for services provided by ECS for the Choices for Care Program (as relating to the services funded hereunder) is \$128,000. The budget for the salary for the Care Coordinator is \$42,000. The portion of such costs funded by the City under this agreement shall be \$9,000, which constitutes 21.4% of the total cost of this specific service. Direct client services provided by the Choices for Care screener to the residents of the City of DeKalb shall constitute not less than 21.4% of the total salary expense for such individual. The portion of total project costs funded by the City under this agreement shall be \$9,000, which constitutes 7.03% of total project costs.

Appendix C

Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities

Appendix D

SUBRECIPIENT Procurement Guidelines

Procurement Guidelines: Elder Care Services of DeKalb Co.

Audit Area(s): Accounts payable and expenditures

Transaction Class (s): Cash disbursements

General Ledger Account(s): Accounts payable and various expense accounts

For the financial close and reporting process, describe the manual and automated procedures used to close the books and prepare the financial statements and related disclosures. For significant transaction classes, describe how transactions are processed from initiation through inclusion in the general ledger. Focus on key controls in each process that prevent, or detect and correct, misstatements in the financial statements, including how the relevant control objectives are achieved and the controls, if any, the entity has implemented to prevent, or detect and correct, material misstatements related to fraud risks or other significant risks, or risks for which substantive procedures alone do not provide sufficient evidence. Your understanding should include the process used to reconcile material account balances to the underlying detail records.

1.) INITIATING & AUTHORIZING

1A) Office Manager, case workers, or other staff request supplies to Janice to be ordered. No purchase orders or formal request documents are used. Staff communicate needs verbally or using a plain sheet of paper to Janice (OM) who then compiles this information on the summary sheet, which is reviewed by Tara before anything is actually ordered. All supplies are ordered by Janice using the summary sheet after it is approved by Tara.

1B) Mail is opened by Janice (Office Manager). Tara cancels the invoice with a "Paid" stamp and puts general ledger code, check number and amount paid.

1C) Employees fill out time sheets and give them to their direct supervisor and then Tara for approval.

2.) RECORDING & PROCESSING

2A) Supplies are received by Office Manager, Janice who checks the accuracy of the order. Janice gives out supplies to employees.

2B) Tara (Executive Director) writes the check and enters the date, name, amount and general ledger code on the check stub and signs. Tara gives a check register to John Morrissey Accountants, Inc. for recording into the general ledger.

2C) Tara approves all time sheets and summarize on a worksheet. Worksheet is given to Market Dimensions, Inc. for processing. All payroll checks are direct deposit. Market Dimensions, Inc. then prints out payroll check copies and they are sent via Fed Ex next day delivery to Tara to hand out to employees.

3.) RECONCILING & REPORTING

3A) Bank reconciliation is performed by John Morrissey Accountants, Inc.

3B) Bank reconciliation is done by Morrissey Accountants, Inc. On a quarterly basis, an ECS Board member verifies checks that have been written were in the checkbook and check stock is packaged and locked in a drawer. The Board member also randomly samples checks to verify proper documentation for issuance of checks is on file. The Board documents and signs Statement of Review.

3C) Payroll reports are done by Market Dimensions Inc. Bank reconciliation is done by John Morrissey Accountants, Inc.

4.) BIDS & CONTRACTS

Elder Care Services will gather at least 3 separate bids for equipment or services to be purchased and with the discretion of the Board of Directors and cost factor, a decision will be made. Elder Care Services will not favor one particular business over another based on relationship, but will adhere strictly to purchasing and/or contracting based on cost and Board approval.

Appendix E

City of DeKalb 2022 CDBG Program Schedule for Reporting and Disbursement of Funds

Programs that run throughout the 2022 program year will submit program and financial reports on a quarterly schedule. Grant reports and payments are generally on a quarterly schedule and are subject to change based on HUD date of release of grant funds. Reporting and payment schedules may be modified for SUBRECIPIENTS whose programs are completed in less than six months. Payments are contingent upon completion of the environmental review, execution of the SUBRECIPIENT AGREEMENT, and receipt of program and financial reports, as well as source documents that substantiate CDBG-funded expenditures.

Report Due Date	Period Covered	Funds Disbursed
July 10, 2022	April 1 – June 30, 2022	July 2022
October 10, 2022	July 1 – September 30, 2022	October 2022
January 10, 2023	October 1 – December 31, 2022	January 2023
April 10, 2023	January 1 – March 31, 2023	April 2023

Appendix F

City of DeKalb Community Development Block Grant – Public Services Program Costs Ineligible for CDBG Funds

The City of DeKalb uses Community Development Block Grant (CDBG) funds to support programs and services that provide for the needs of low- and moderate-income residents as identified in the City's 2020-2024 Consolidated Plan. Direct program costs are generally eligible for CDBG funds based on the federal Omni Circular. Some costs, though allowable under federal regulations, are ineligible for reimbursement with City of DeKalb CDBG funds. Please note that some costs may be included in the program budget but will not be paid with CDBG. This list is not all inclusive.

Ineligible Costs include:

- Entertainment costs.
- Alcoholic beverages.
- Fines, penalties, damages, and other settlements.
- Compensation to trustees, board members and their immediate family members.
- Staff time and other costs related to applying for CDBG funding.
- Advertising and public relations costs (this does not include informational materials such as program flyers used for program outreach/recruitment of eligible participants).
- Fund raising costs.
- Equipment and capital expenditures.

Eligible costs that will not be paid with CDBG include:

- Costs relating to the federal Single Audit.
- Indirect cost allocations, whether approved by a federal cognizant agency or the 10% de minimus indirect cost allocation.
- Computers and other electronic devices.

Hope Haven
1145 Rushmoore Drive
DeKalb, IL 60115
(815) 758-5765

The project described herein is being funded by a Grant from the City of DeKalb, Illinois as part of the City's **2022 Community Development Block Grant (CDBG)** program which is authorized under Title 1 of the Housing and Community Development Act of 1974, as amended.

**CITY OF DEKALB
COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT**

This Community Development Block Grant Sub-Recipient Agreement (the "AGREEMENT") is made on this 8th day of August 2022, by and between the **City of DeKalb**, an Illinois Municipal Corporation (hereinafter "CITY") and Hope Haven (hereinafter "SUBRECIPIENT").

RECITALS

WHEREAS, Resolution 2022- 005 adopted on January 10, 2022 by the DeKalb City Council to approve the submission to the United States Department of Housing and Urban Development (hereinafter "HUD") of the 2022 One Year Action Plan, and the reallocation of unspent CDBG Funds from prior years, respectively, the City's application for Community Development Block Grant (hereinafter "CDBG") funds under Title 1 of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, said application was approved by HUD on Date TBA; and

WHEREAS, approval of the application by HUD, along with Resolution 2022- 005, authorizes City Staff to enter into this Agreement in furtherance of the CITY's Community Development objectives; and

WHEREAS, SUBRECIPIENT has been awarded certain CDBG grant funds (the "Grant") to utilize in Subrecipient's programming that is outlined in the Agreement and Appendices and this Agreement shall govern Subrecipient's use of the Grant funds;

NOW, THEREFORE, the CITY and the SUBRECIPIENT, having first found the foregoing recitals as fact, and in consideration of the mutual covenants set forth below, hereby agree as follows:

AGREEMENT

- I. **APPENDICES TO AGREEMENT:** All Appendices (A through F) attached to this Agreement are incorporated and made a part of this Agreement as referenced herein. SUBRECIPIENT agrees to abide by and follow all terms and conditions as set forth in said Appendices.
- II. **WORK TO BE PERFORMED BY SUBRECIPIENT:** In exchange for receiving CDBG grant funds from the CITY to support a portion of salary of the full-time Emergency Shelter Coordinator and a portion of the salary of one case manager when providing direct services and advocacy for City of DeKalb residents, the SUBRECIPIENT shall be responsible for administering the Program(s) as described in Appendix A (for each program) in a manner satisfactory to the CITY and substantially consistent with any standards and regulations that are specified in this Agreement and adherence to the same is a condition of providing these funds. SUBRECIPIENT commits to the Programs goals that are outlined in Appendix A, including (1) the number of people to be served, (2) the number of program participants who are expected to be DeKalb residents, and (3) the number of program participants who shall meet HUD's definition of low- or moderate-income persons, and outcome measures as outlined in Appendix A. SUBRECIPIENT agrees to

expend the total amount of CDBG funds covered in this Agreement, solely for the agreed upon activities and in accordance with the conditions outlined in this Agreement and the Program budget(s) in Appendix B.

- III. **GENERAL COMPLIANCE WITH APPLICABLE LAWS:** SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (HUD regulations concerning CDBG). The SUBRECIPIENT also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this agreement.

SUBRECIPIENT additionally agrees to comply with any changes issued to the CITY's CDBG program by HUD. SUBRECIPIENT understands that changes issued to the CITY's CDBG program by HUD may materially alter the terms of this Agreement. The City will distribute any amendments to the CDBG program within thirty (30) days and SUBRECIPIENT must acknowledge the receipt.

SUBRECIPIENT acknowledges and affirms that the SUBRECIPIENT has the organizational capacity to adhere to collection and reporting requirements regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule ("Omni Circular") Subpart D, Sections 200.300 – 200.303. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C. Organizational capacity shall be demonstrated by various methods, including but not be limited to:

- Use of OMB-approved standard information collections when providing financial and performance information.
- Financial data is provided for performance accomplishments of the Grant award.
- Cost information shall be distributed to demonstrate cost effective practices.
- Subrecipient shall provide the City with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
- All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the CITY's CDBG Grant Administrator.

SUBRECIPIENT agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which the SUBRECIPIENT uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that the SUBRECIPIENT uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines shall be attached to this contract as Appendix D and shall be incorporated into this contract by reference. If the procurement guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to either (1) procurement by small purchase procedures, (2) procurement by sealed bids, (3) procurement by competitive proposals, or (4) procurement by noncompetitive proposals, as directed by and outlined in Section 200.320.

The SUBRECIPIENT affirms that, per Federal regulations, SUBRECIPIENT has a Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, Inc., and will provide proof of this DUNS number to the CITY, prior to the approval of project funding.

- IV. LENGTH OF AGREEMENT:** The term of this Agreement shall begin no sooner than April 1, 2022 and end on March 31, 2023. Payment of CDBG grant funds by the CITY to the SUBRECIPIENT shall occur for eligible services and/or activities performed by the SUBRECIPIENT during the term of this Agreement as long as the SUBRECIPIENT is performing in accordance with the terms of the Agreement.

Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including any program income.

- V. AMOUNT OF APPROPRIATION:** The appropriation of CDBG funds for the Program shall be for an amount not to exceed Seventeen Thousand dollars (\$17,000.00) to be distributed as funding for the following programs: Support of the salary of the Emergency Shelter Coordinator and a portion of the salary for one case manager for the portion of time he/she spends providing direct services and advocacy for homeless residents of the City of DeKalb. The SUBRECIPIENT understands that the amount of these appropriations may be adjusted during the program year due to funding alterations made by the United States Congress, HUD, and/or the CITY. Any new local appropriations shall occur upon approval by the DeKalb City Council. SUBRECIPIENT understands that the awarding of the grant(s) under this Agreement in no way implies the continued financial support of the program(s) or services of the SUBRECIPIENT by the CITY beyond the specific period of this Agreement.

- VI. INELIGIBLE PROGRAM COSTS:** The SUBRECIPIENT agrees that certain direct program costs are ineligible for CDBG funds. Recording requirements prescribed by Congress, HUD or the CITY may require these costs be listed within the budget, but these costs will not be paid for using CDBG funds provided by the CITY. Ineligible direct program costs can be found in Appendix F, which is incorporated into this contract by reference.

- VII. PAYMENT OF CDBG FUNDS TO SUBRECIPIENT:** The CITY agrees to fund the Program(s) in the form of a grant in a total aggregate amount not to exceed Seventeen Thousand dollars (\$17,000.00). Such funds shall be paid to the SUBRECIPIENT according to the schedule in Appendix E. The CITY CANNOT disperse any grant funds until the Environmental Review is complete and this Agreement has been executed by both parties (24 CFR Sec. 570.503 (a)). The Environmental Review will be completed by the City and shall be executed in a timely manner.

- The SUBRECIPIENT understands that this Agreement is for Public Services Programs and that payments shall be made per the schedule in Appendix E.
- The SUBRECIPIENT understands that disbursement will be contingent upon the SUBRECIPIENT ensuring compliance with any applicable federal, state, and CITY requirements.
- No disbursement will be made by the CITY unless all required reports (including beneficiary, performance, financial and narrative reports, and source documents for CDBG-funded expenditures) have been submitted and approved by CITY staff. Payment may be withheld pending receipt and approval of all required documentation.

VIII. SUSPENSION OR TERMINATION:

- Suspension or Termination for Cause by CITY: The SUBRECIPIENT understands and agrees that if SUBRECIPIENT materially fails to comply with any or all provisions of this Agreement, the CITY may in its sole discretion suspend or terminate this Agreement.
 1. Material non-compliance includes, but is not limited to, the following:
 - i. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies, or directives as may become applicable at any time.
 - ii. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this Agreement.
 - iii. Ineffective or improper use of funds provided under this Agreement; or
 - iv. Submission of reports by the SUBRECIPIENT to the CITY which are late, or incorrect or incomplete in any material respect.
 2. As a result of material non-compliance, the CITY may take one or more of the following actions:
 - i. Temporarily withhold cash payments pending correction of the deficiency by the SUBRECIPIENT. More severe enforcement action may be undertaken by the CITY if the deficiency is not corrected.
 - ii. Disallow (that is, deny both use of funds and matching credit for all or part of the cost of the activity or action not in compliance.)
 - iii. Wholly or partially suspend or terminate the current award for the SUBRECIPIENT's program.
 - iv. Withhold further awards for the program; or Take other remedies that may be legally available including, but not limited to, seeking compensatory and/or liquidated damages for breach of this Agreement, or injunctive or equitable relief in any court of competent jurisdiction.
- Termination for Convenience by CITY or SUBRECIPIENT: Either the CITY or the SUBRECIPIENT may terminate the award of funds under this Agreement in whole or in part if either determines that the goals indicated in the SUBRECIPIENT's proposal cannot be met. Termination is effected by the initiating party upon receipt of written notification by the other party setting forth: (1) the reasons for termination; (2) the effective date of termination; and (3) the portion to be terminated, in the case of partial termination. In the case of partial award termination, if the CITY in its sole discretion determines that the remaining portion of the award will not accomplish the purposes for which the award was made, it may terminate the entire award.

- IX. REGULAR MEETING REQUIREMENT:** SUBRECIPIENT agrees to meet on a regular or as-needed basis with the designated staff member of the CITY's Community Development Department to discuss general and/or specific issues of this Agreement and to review the required reports. Furthermore, SUBRECIPIENT agrees to cooperate fully in any monitoring program, including on-site monitoring, developed, implemented, or conducted by the CITY or by HUD.

X. RECORD REQUIREMENTS: SUBRECIPIENT shall provide the CITY, HUD, the Inspector General of the United States or any of their duly authorized representatives, access to any books, documents, papers, and records of the SUBRECIPIENT which pertain to the CDBG-funded program for the purpose of monitoring, making audits, examinations, excerpts, transcripts, and photocopying.

- SUBRECIPIENT shall be required to maintain all required records for five (5) years after the SUBRECIPIENT's final audit and program close out by the CITY. SUBRECIPIENT shall establish and maintain a project file that contains the following sections:
 1. General project correspondence and related items.
 2. Financial source documentation and associated transactional documentation.
 3. Procurement procedures and associated documents.
 4. Compliance with applicable State and Federal regulations.
 5. Program reports.
 6. Documentation of persons benefiting from grant activities, including race/ethnicity and income to substantiate achievement of the CDBG National Objective of benefiting primarily persons of low and moderate income.
 7. Personnel actions.
 8. Acquisition and disposition of property.

- The records which, at a minimum, must be maintained are as follows:

1. Financial Records: The SUBRECIPIENT shall, at a minimum, maintain the following records for each grant received under separate agreement from the CITY:
 - i. Cash Receipts Register: For recording of funds received in connection with the grant program.
 - ii. Cash Disbursements Register: For recording disbursement of funds from the agency's CDBG account(s). All disbursements must be supported by appropriate documentation (e.g.: payroll records, invoices, contracts, etc.) demonstrating the nature and use of each payment and showing approval of the program director or other authorized official. In addition, the SUBRECIPIENT agrees to provide to the CITY such financial reports and additional source documentation as the CITY may reasonably require and to comply with such reasonable additional financial control procedures as may be required to be retained in files maintained by the SUBRECIPIENT.
 - iii. Payroll Records: A basic time and activity tracking system shall be maintained to substantiate the services and staff time charged to the project. This should include time sheets documenting each person's total time and time charged against the grant; time sheets must be signed by both the employee and authorized supervisor of the employee.
2. Equipment Records: A record shall be maintained for each item of equipment acquired for the Program. Equipment is defined as tangible personal property (including information technology systems) which has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$500. The records shall include: (1) a description (including model and serial number) of the property; (2) the date of acquisition; and (3) the acquisition cost (showing the percentage of the total costs paid for out of this Grant.) Such equipment records are necessary for HUD recording requirements. However, SUBRECIPIENT

acknowledges that this recording requirement does not indicate that the CITY will pay for equipment. The CITY does not provide funds for equipment purchases, including information technology systems.

3. **Indirect Costs Records:** A record shall be kept of all indirect costs, per HUD requirements. Indirect costs are costs incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. However, SUBRECIPIENT acknowledges that indirect costs shall not be covered by funds provided by the CITY.

- XI. REPORTING REQUIREMENTS:** The SUBRECIPIENT agrees to provide the CITY's Community Development Department with regular reports described below per the schedule in Appendix E, and any other reports which may be required by the CITY's CDBG Program for compliance under this Agreement. This includes reporting on performance measures, as outlined in §200.301 of the Omni Circular. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C.

SUBRECIPIENT shall use OMB-approved information collection standards, when providing financial and performance information. The SUBRECIPIENT shall provide financial data and its relation to performance accomplishments of the Federal award.

SUBRECIPIENT agrees to provide the CITY with documents pertaining to: (1) procedures; (2) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this Agreement; and (3) (if applicable) regularly updated schedule of program activities.

- **REPORTING:** Reports shall be submitted to staff via email by the SUBRECIPIENT throughout the term of the Program. **See Appendix E for report due dates.** All reports and required attachments may be viewed by members of the Community Development Department.
 1. The CITY reserves the right to withhold any of the SUBRECIPIENT's scheduled payments until such time as the CITY receives the SUBRECIPIENT's financial progress and performance reports.
 2. Improperly prepared reports will not be accepted. Subsequent Grant payments may be held pending receipt of accurate information together with any required source documentation. Upon receipt of improperly prepared or erroneous reports, field audit procedures may be initiated to evaluate the financial management, control, and record keeping procedures utilized by the SUBRECIPIENT. In addition, the CITY may require a meeting with the Executive Board of the SUBRECIPIENT to correct the situation.
 3. SUBRECIPIENT understands that a pattern of late, improper, or erroneous reporting could be grounds for termination of this Agreement at the CITY's sole discretion.

4. The CITY reserves the right to make appropriate adjustments for any funds previously paid out by the CITY but unexpended by the SUBRECIPIENT.
5. **Reports will be submitted via email and shall consist of the following:**
 - i. Beneficiary Demographic data: Client statistics (i.e., number of DeKalb residents served, beneficiary race/ethnicity and incomes) for the report period.
 - ii. Program Accomplishments and Narrative: Indicating progress against program goals as outlined in Appendix A, and additional information in narrative format that elucidates program accomplishments and outlines any unanticipated results.
 - iii. Financial Report: Indicating the budgeted expenses and revenues consistent with the 2020 appropriation for the grant Program as shown in Appendix B and the actual revenues and expenditures for the period covered by the report.
 - iv. Supporting documentation: **All Program expenditures charged to the CDBG Grant shall be supported with source documentation.** Documentation may include copies of paid invoices, receipts, and time and activity sheets signed by each employee and supervisor paid with CDBG funds. Other documentation may be required by the CITY to document the amount expended in the report period.

XI. ANNUAL AUDIT: The CITY requires that all SUBRECIPIENTS prepare and submit to the CITY an audit of the financial records of the SUBRECIPIENT pertaining to the receipt and use of CDBG funds as required by the Omni Circular. If the SUBRECIPIENT receives federal funds from sources other than the CITY's CDBG program, a combined single audit is permissible, provided said audit clearly identifies the amount of CITY CDBG funds received, the amount expended and encumbered, and the purposes of the expenditures. The CITY shall have the right to review and modify the scope of said audit. Said audit of CDBG funds shall encompass and be limited to the term of this Agreement. SUBRECIPIENT is responsible for clearly identifying and accounting for funds received and expended during separate program years; that is, an individual audit must distinguish expenditures and encumbrances made against funds received under separate Grant Agreements, particularly if the SUBRECIPIENT and the CITY operate under different fiscal years.

XII. ALTERNATIVE FUNDING REPORTING REQUIREMENT: SUBRECIPIENT shall promptly notify the CITY if the SUBRECIPIENT receives funding (full or partial) that is incremental to the Program budget as shown in Appendix B from any and all sources for the performance of activities outlined under this Agreement. The SUBRECIPIENT further understands that the amount granted by the CITY may be reduced by the amount of such alternative funding.

XIV. REVISION OF BUDGET AND PROGRAM PLANS: The SUBRECIPIENT shall obtain written permission from the CITY CDBG Program Administrator prior to any change in the approved budget or program plans following Omni Circular §200.308(C) (increase or decrease) of ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under the SUBRECIPIENT's line item budget which is attached hereto and identified as Appendix B. In order for the CITY to approve such a request, SUBRECIPIENT's written request shall contain, at a minimum: (1) the reason and justification for the change; (2) the amounts to be changed; and (3)

a description of which line items are affected. Changes made without the CITY's prior approval may result in non-reimbursement of expenditures from those affected line items.

- XV. NON-DISCRIMINATION:** SUBRECIPIENT agrees that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, gender identity, marital status, age, source of income or physical or mental disabilities, be excluded from participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity for which the SUBRECIPIENT receives financial assistance from or through the CITY.

SUBRECIPIENT agrees to comply with: Title VI of the Civil Rights Act of 1964 (P.L. 88-352); Title VII of the Civil Rights Act of 1968 (P.L. 90-284); Section 104(b) and Section 109 of the Housing and Community Development Act of 1974, as amended; Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, as amended, the Age Discrimination Act of 1975, as amended; Executive Order 11246, as amended and Executive Order 11063 as amended.

SUBRECIPIENT agrees to include a statement of its non-discrimination policy in any printed or electronic information released to the public regarding Program activities.

- XVI. EQUAL OPPORTUNITY POLICY/AFFIRMATIVE ACTION PLAN/CURRENT POLICY SETTING BODY INFORMATION:** The SUBRECIPIENT shall ensure the following documents have been provided to CITY staff:

- A copy of its policy on equal opportunity employment and a copy of its most current Affirmative Action Plan.
- The names, addresses, and professional affiliations of the current members of the Board of Directors or policy-setting body.

- XVII. WORKERS' COMPENSATION:** The SUBRECIPIENT shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

- XVIII. INDEMNITY:** SUBRECIPIENT hereby assumes liability for and agrees to protect, hold harmless and indemnify the CITY and its assigns, officers, directors, employees, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, claims, actions, suits, proceedings, costs, expenses, and disbursements, including legal fees and expenses, of whatever kind and nature, imposed on, incurred by or asserted against the CITY, its successors, assigns, officers, directors, employees, agents, and servants, in any way relating to or arising out of any of the following or allegations, claims or charges of any of the following:

- The use or application of the Grant proceeds.
- The violation by the SUBRECIPIENT of any of its covenants or agreements under the Agreement.
- Any tort or other action or failure to act done in connection with the performance or operation of the Program.
- Any act or failure to act of any officer, employee, agent, or servant of the SUBRECIPIENT.
- Any injury to any person, loss of life, or loss or destruction of property in any way arising out of or relating to the performance or operation of the Program.

The CITY agrees to notify the SUBRECIPIENT in writing of any claim or liability which the CITY believes to be covered under this paragraph. The CITY shall tender, and SUBRECIPIENT shall promptly accept tender of, defense in connection with any claim or liability in respect of which SUBRECIPIENT has agreed in writing that based on the claim or liability the CITY is entitled to indemnification under this paragraph; provided, however, that the counsel retained by SUBRECIPIENT to defend the CITY shall be satisfactory to the CITY; and that the CITY shall be kept fully informed of the status of the proceeding. In the event that the SUBRECIPIENT, within ten (10) days after receipt of notice from the CITY of a claim or liability which the CITY believes to be covered under this paragraph, fails to advise the CITY in writing that the SUBRECIPIENT agrees that the CITY is entitled to indemnification under this paragraph based on the claim or liability, the CITY, without waiving or prejudicing any claim or right it may have to indemnification, under this paragraph (including the recovery of legal fees and expenses), may retain its own counsel and present its own defense in connection with such claim or liability.

The CITY shall not settle or compromise any claim, suit, action or proceeding in respect of which the SUBRECIPIENT has agreed in writing that the CITY is entitled to indemnification under this paragraph. Notwithstanding anything in the Agreement to the contrary, the indemnities contained in this paragraph shall survive the termination of the Agreement.

XIX. INSURANCE AND BONDING: SUBRECIPIENT shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any CDBG cash advances. SUBRECIPIENT shall comply with the bonding and insurance requirements of the Omni circular 200.310 and 200.325, Insurance and Bonding requirements.

XX. NON-PARTICIPATION BY CERTAIN PERSONS: SUBRECIPIENT agrees to exclude the following persons from participation in any aspect of this Agreement:

- SUBRECIPIENT agrees to not allow any member of, or delegate to, the United States Congress any share or part of this Agreement or to allow any benefit to arise from same.
- SUBRECIPIENT agrees that no officer, employee, designee, agent, or consultant of the CITY or the SUBRECIPIENT or member of the governing body of the CITY who exercises any functions or responsibilities with respect to the CITY's CDBG Program during his tenure or for one (1) year thereafter, will have any direct or indirect interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the Project assisted under this Agreement. The SUBRECIPIENT shall incorporate or cause to be incorporated in all such contracts or subcontracts a provision prohibiting such interest in conformance with the provisions of and pursuant to the purposes of this section. The provisions of 24 CFR § 570.611, "Conflict of Interest" shall apply to the SUBRECIPIENT.
- SUBRECIPIENT further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular § 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will participate in the selection, award or administration of a contract supported by CDBG funds, if that employee, officer, or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a

tangible personal benefit from a firm considered for a contract. Such officers, employees, or agents of the SUBRECIPIENT may not solicit nor accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests. The written standards shall also include standards of conduct covering organizational conflicts of interest, in which the SUBRECIPIENT may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between the SUBRECIPIENT and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by the SUBRECIPIENT will include disciplinary actions to be applied for violations of such standards.

- Copeland "Anti-kickback" Act. – Any SUBRECIPIENT paid in full or part with CDBG funds will comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3) that states whoever, by force, intimidation, or threat of procuring dismissal from employment, or by any other manner whatsoever induces any person employed in the construction, prosecution, completion or repair of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he is entitled under his contract of employment, shall be fined under this title or imprisoned not more than five years, or both. Though CDBG funds shall not be used to pay for the construction, prosecution, completion, or repair of buildings, the SUBRECIPIENT affirms that by accepting CDBG funds, the SUBRECIPIENT will comply with the Copeland "Anti-kickback" Act.

XXI. PROGRAM INCOME: Program income shall herein be defined as gross income received by the SUBRECIPIENT directly derived or generated from the use of CDBG funds. Program income includes, but is not limited to:

- Fees for services performed,
- Use or rental of real or personal property acquired under Federal awards,
- The sale of commodities or items fabricated under a Federal award,
- License fees and royalties on patents and copyrights,
- And principal and interest on loans made with Federal award money.

SUBRECIPIENT agrees that, unless otherwise stated in this section, the SUBRECIPIENT shall follow the program income requirements as outlined in § 200.307 of the Omni Circular.

SUBRECIPIENT understands and agrees that all program income shall be the property of the CITY, which shall have the exclusive right to determine the use and disposition of said income, except for fees for services which are used as part of the operating budget. However, such exempt fees must be small so as not to prevent the participation of Low and Middle-Income participants. SUBRECIPIENT will remit all other said income to the CITY. Said remittance shall be submitted annually and accompany the Final Report.

SUBRECIPIENT acknowledges that interest earned on advances of Federal funds, rebates, credits, and discounts do not count as program income.

Program income is to be: (check one)

_____ 1) returned to the CITY at times determined by the CITY; or

 X 2) retained by SUBRECIPIENT to undertake the following activities:

Support of the salary of the Emergency Shelter Coordinator and a portion of the salary for one case manager for the portion of time he/she spends providing direct services and advocacy for homeless residents of the City of DeKalb

If retained by SUBRECIPIENT, all activities undertaken with the use of said income will be governed by all provisions of this Agreement. All program income, regardless of source, shall be substantially disbursed for any or all eligible CDBG activities undertaken by the SUBRECIPIENT before additional cash payments are made to the SUBRECIPIENT from the CITY (pursuant to CDBG regulations at 24 CFR Sec. 570.504 (c)). Any income on hand when this Agreement expires or received after such expiration shall be paid to the CITY upon request.

XXII. RETURN OF UNEXPENDED FUNDS: SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds upon the completion or termination of the Program:

- If the work of the program cannot be completed, or if SUBRECIPIENT ceases to function as an operating entity, SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds.
- Within thirty (30) days after the closing date of this Agreement, the SUBRECIPIENT shall submit to the CITY expenditure reports and documentation of all expenses or encumbrances during the time period covered by this Agreement. The CITY will then compare these expenditures with the amount of disbursements issued to the SUBRECIPIENT by the CITY. Disbursement of any final payment, if any, under the Agreement shall not be made until such a comparison has been completed to the CITY's satisfaction.
 1. If said expenditures and encumbrances are greater than the disbursements made to the SUBRECIPIENT, the CITY will issue a check to the SUBRECIPIENT for an amount equal to this difference, up to the amount of the authorized grant set forth in this Agreement.
 2. If said expenditures and encumbrances are less than the disbursements, the CITY shall withhold the difference from any final payment to the SUBRECIPIENT. If after withholding any such difference, the expenditures and encumbrances are still less than the disbursements, the SUBRECIPIENT shall promptly pay to the CITY a check for the difference of these sums.
 3. Funds paid to SUBRECIPIENT in excess of the amount to which the SUBRECIPIENT is finally determined to be entitled constitute a debt to the CITY. If not paid as stipulated in the preceding paragraphs, the CITY may take other action permitted by law.
- A final adjustment will be made to reconcile with the completed audit or Final Grant Report of CDBG expenditures within thirty (30) days of the submission of audit to the CITY. Subsequent grant payments or awards will be withheld until audit or grant report

is completed for the current year. Only the City Manager can release funds if audit or grant report is not reconciled.

XXIII. INDEPENDENT CONTRACTOR: SUBRECIPIENT shall be and act as an independent contractor and not as a partner, joint venturer, or agent of the CITY and shall not bind nor attempt to bind CITY to any contract. SUBRECIPIENT is an independent contractor and is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including, but not limited to, Worker's Compensation Insurance. SUBRECIPIENT agrees to defend, indemnify, and hold the CITY harmless from any and all claims, damages, liability, attorney's fees, and expenses on account of: (1) a failure or an alleged failure by SUBRECIPIENT to satisfy any such obligations; or (2) any other action or inaction of SUBRECIPIENT.

ADDITIONAL REGULATIONS: As a non-governmental entity, SUBRECIPIENT shall comply with the regulations, policies, guidelines, requirements and standards of federal OMB 2 CFR Chapter I, Chapter II, Part 200, et al, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; Final Rule" (Omni Circular
Omni Circular, as specified in this paragraph:

- Subpart B – "General";
- Subpart C – "Pre-Federal Award Requirements and contents of Federal Awards," except for §§ 200.203 Notices of funding opportunities, 200.204 Federal awarding agency review of merit of proposals, 200.205 Federal awarding agency review of risk posed by applicants, and 200.207 Specific conditions, which are required only for competitive Federal awards,
- Subpart D – "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 1. Section 200.305 "Payment." The CITY shall follow the standards of paragraph 85.20(b)(7) and 85.21 in making payments to SUBRECIPIENT.
 2. Section 200.306, "Cost Sharing and Matching".
 3. Section 200.307, "Program Income." In lieu of paragraph 200.307, SUBRECIPIENT shall follow CDBG program regulations at 570.504 regarding Program Income.
 4. Section 200.308, "Revision of Budget and Program Plans".
 5. Section 200.311, "Real Property." In lieu of 200.311, CDBG SUBRECIPIENT shall follow CDBG program regulations at 570.505, Use of Real Property.
 6. Section 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
 - ii. Equipment not needed by the SUBRECIPIENT for CDBG activities shall be transferred to the CITY for the CDBG program or shall be retained after compensating the recipient.
 7. Section 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance".
 8. Section 84.52, "Financial Reporting".
 9. Section 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual CDBG activities shall be five years following grant close out; and

- ii. The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award.
- 10. Section 84.61 "Termination". In lieu of the provision of 84.61, SUBRECIPIENT shall comply with 570.503(b)(7) Suspension and Termination; and
 - Subpart D - "After-the Award Requirements", except for paragraph 84.71, "Closeout Procedures."

XXIV. COMPLIANCE WITH FIRST AMENDMENT CHURCH/STATE PRINCIPLES: SUBRECIPIENT agrees to comply with the First Amendment Church/State Principles which state that CDBG funds may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations apply to the use of CDBG funds:

- As a general rule, CDBG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the CITY that, in connection with the provision of such services:
 1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
 2. It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion.
 3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.
- Where the public services provided under paragraph a of this section are carried out on property owned by the primarily religious entity, CDBG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG expenditure for the public services.

XXV. CERTIFICATION: To the best of its knowledge or belief, the SUBRECIPIENT certifies that:

- No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement;
- If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub-grants, agreements) and that all sub awardees shall certify and disclose accordingly, and
- This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering this Agreement pursuant to Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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

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

XXVIII. WAIVER: The CITY's failure to act with respect to a breach by the SUBRECIPIENT does not waive the CITY's right to act with respect to subsequent or similar breaches. The failure of the CITY to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

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

XXX. NOTICES: All notices, requests, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon delivery, if delivered personally, or on the fifth (5th) day after mailing if sent by registered or certified mail, return receipt requested, first-class postage prepaid, as set forth below. Faxed or emailed communications are a convenience to the parties, and not a substitute for personal or mailed delivery.

- if the CITY, to: Bill Nicklas
City Manager
City of DeKalb
164 East Lincoln Highway
DeKalb, Illinois 60115
Email: bill.nicklas@cityofdekalb.com
- if the SUBRECIPIENT, to: Lesly Wicks
Executive Director
Hope Haven
1145 Rushmoore Drive
DeKalb, IL 60115
Email: lwicks@hopehavendekalb.com

XXXI. CHANGES TO AGREEMENT: The CITY and the SUBRECIPIENT agree that any and all alterations, variations, modifications, or waivers of provisions of this Agreement shall be valid only when they have been reduced to writing, duly signed by both parties, and attached to the original of this Agreement.

IN WITNESS, WHEREOF, the parties have executed this Agreement in duplicate and the Effective Date is the date that the City signs the document.

CITY OF DEKALB

SUBRECIPIENT (DUNS Number: 027394746)

BY: Cohen Barnes
Signature

BY: Lesly Wicks
Signature

NAME: Cohen Barnes

NAME: Lesly Wicks

TITLE: Mayor

TITLE: Executive Director

DATE: 9-27-2022

DATE: 10/10/2022

Appendix A

SUBRECIPIENT Program Description and Outcome Measures Program Description

The City of DeKalb shall provide funding as contemplated by the attached Appendix B, Program Budget, in the amount of **\$17,000.00** for Program Year 2022 ("PY22"), for the Hope Haven program described below, subject to Hope Haven's compliance with the terms of this Agreement and its appendices.

Hope Haven shall be responsible for providing services (as described below) over the period constituting PY22. Hope Haven will administer all tasks in the provision of the aforementioned public services in compliance with all applicable Federal, state, and local rules and regulations, and in a matter satisfactory to the City.

- 1) 100% of persons served through the program funded by the City shall be Low-Moderate Income ("LMI") clientele based upon compliance with one of the two following standards:
 - a. Participants may be LMI based upon financial data utilizing the most recent available LMI standards available from the Department of Housing and Urban Development ("HUD"). Hope Haven shall utilize the financial verification form attached hereto as Exhibit 1 (or a replacement to this form that is approved by the City), to verify LMI status of program participants. Hope Haven shall review financial information for the program participants to establish the IRS definition of income and obtain the necessary documentation for participants to verify compliance with LMI thresholds described above. The verification and the documentation provided for participants to certify LMI status shall be subject to review by the City at any time upon request. Additionally, Hope Haven shall provide a written affidavit certifying compliance with this standard.
 - b. Participants may be LMI presumed clientele if they are homeless. For identification as a homeless person, participants must have been referred to Hope Haven by a judicial referral from the Circuit Court, a referral from local police, or a licensed physician, psychologist, or psychiatrist. Hope Haven shall maintain records of all such referrals and, within the constraints of applicable privacy laws, shall permit the City to review redacted copies of such referrals upon request. Additionally, Hope Haven shall provide an affidavit certifying compliance with this standard.
- 2) The facility at which services are provided (as funded under this Agreement) shall be a facility for providing shelter to the homeless. Hope Haven shall provide a written affidavit certifying compliance with this requirement.
- 3) The services provided by Hope Haven, as funded under this Agreement, shall constitute the subrecipient providing public services that constitute **\$17,000.00** of the portion of costs for the full-time Emergency Shelter Coordinator's salary and one case manager's salary when providing direct services to residents of City who are homeless. Hope Haven shall provide the City with payroll documentation including time and activity records evidencing the total cost of such coordinator's and Case manager's salaries, and work assignment documentation evidencing the percentage of such costs allocated to the provision of direct services to Hope Haven clients. The costs funded by the City shall not be more than the amount of such salaries as are attributable to direct services to City residents. Hope Haven shall also provide

the City with an affidavit evidencing compliance with this requirement. Detailed financial information is provided on Appendix B hereto.

- 4) Hope Haven shall provide the City with an annual budget and financial statements evidencing the total agency budget and the payment of incurred expenses consistent therewith. In the event that the incurred expenses are less than the projected budget, funding shall not be reduced under this Agreement, provided that Hope Haven provides services in compliance with the minimum requirements contained herein. Hope Haven shall also provide the City with an affidavit evidencing compliance with this requirement.
- 5) Hope Haven shall annually provide services to not less than 250 homeless individuals. The Emergency Shelter Coordinator and the case manager shall be utilized to provide direct services to individuals who are homeless (certified as outlined above). Not less than 90% of such program participants or 225 individuals shall be residents of the City of DeKalb. Hope Haven shall provide information on each resident of the City who is served including demographic information and family income level as defined by 30%, 50% or 80% of Area Median Income. Hope Haven shall provide the City with an affidavit evidencing compliance with this requirement.
- 6) Hope Haven may bill the actual direct costs incurred by the Subrecipient for a portion of the cost of the salaries of the Emergency Shelter Coordinator and one case manager during the quarter in question, up to an aggregate limit of **\$4,250 per quarter**.
- 7) The parties acknowledge that Hope Haven is a larger organization providing services across a broad geographic area. The references contained herein to "Hope Haven" shall constitute references to the applicant, Hope Haven of DeKalb County, Inc.

Appendix B

Program Budget

The total budget for services provided by Hope Haven (as relating to the services funded hereunder) is \$422,958 for the Emergency Shelter Program. The budget for the salary for the full-time Emergency Shelter Coordinator is \$55,000. The budget for the salary for the case manager is \$39,167. The portion of such costs funded by the City under this agreement shall be \$17,000, which constitutes 18.1% of the cost of these specific positions. Direct client services provided by the Emergency Shelter Coordinator and the case manager to residents of the City of DeKalb shall constitute not less than 18.1% of the total salary expense for such individuals. The portion of total project costs funded by the City under this agreement shall be \$17,000, which constitutes 4.02% of total project costs.

Appendix C

Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities

Appendix D

SUBRECIPIENT Procurement Guidelines



**HOPE HAVEN
of DEKALB COUNTY INC.**

CODE OF CONDUCT

**FINANCIAL MANAGEMENT AND
PROCUREMENT POLICY
AND PROCEDURES**

**Executive Director: Lesly D. Wicks, LCSW
1145 Rushmoore Drive
DeKalb, Illinois
60115
815-758-3166
lwicks@hopehavendekalb.com**

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1. GENERAL PURPOSE:

The purpose of Hope Haven's **Financial Management and Internal Controls Policy** is to establish guidelines for control of the administration and implementation of Hope Haven's funds in accordance with Hope Haven's goals and objectives; to properly safeguard the assets of Hope Haven, to make sound financial decisions, and have the ability to provide accurate financial reports.

Hope Haven is a non-federal entity which administers federal programs, and is therefore required to account for and present their basic financial statements according to Generally Accepted Accounting Principles (GAAP) standards set by the Governmental Accounting Standards Board (GASB).

This Policy governs the financial management system of the Hope Haven and complies with the provisions of Title 2, Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Grant Guidance").

2. FINANCIAL RESPONSIBILITIES:

This policy and any later changes shall be submitted to Hope Haven's Board of Directors, ("Board"), for approval. The Board is responsible for ensuring that any policy to be adopted is appropriate for Hope Haven.

The Board appoints and delegates financial and budget authority to the Board Treasurer, Grants Administrator, and the Executive Director. The Grants Administrator oversees the day-to-day financial management activities of Hope Haven's funds, ensuring the accuracy of the accounting records, internal controls are in place and adhered to, financial reports are prepared and communicated to the Board Treasurer.

The Grants Administrator, is responsible for the preparation and maintenance of the accounting software's chart of accounts, maintenance of the general ledger, reconciliation of subsidiary system accounts such as cash management, accounts payable, accounts receivable, job costing, payroll, journal entries, and responsibility of preparing required reports for compliance with the Internal Revenue Service (IRS), State and Federal grant reporting requirements.

3. ACCOUNTING METHODS & STANDARDS:

Accounting methods employed by Hope Haven shall, at a minimum, satisfy such requirements as may be prescribed by federal or state laws, regulations or guidelines. Additional accounting methods shall be employed to satisfy applicable government accounting standards promulgated by such competent authoritative sources as the Governmental Accounting Standards Board (GASB) and Financial Accounting Standards Board (FASB), where applicable.

4. REVENUE RECOGNITION:

Revenue shall be recognized in the accounting period in which they are earned and measurable. Hope Haven's major revenue categories are:

- **Governmental Grants:** Federal, State, and Local: These revenue types are recognized in accordance with the legal and contractual requirements of the specific programs. Grant revenues are recognized based on expenditures recorded.
- **Unrestricted Private Donations and Contributions:** Revenues are recognized when receive
- **Private Foundations:** Revenues are recognized in accordance with the approved grant request for the specific program or project. Grant revenues are recognized based on expenditures recorded.
- **Rental Income:** Revenues are recognized when earned, based on monthly billings to residents.
- **Other Income:** Revenues are recognized as earned.

5. EXPENSE RECOGNITION:

Expenses are generally recognized in the accounting period in which they are incurred, when measurable. Exceptions to this general rule include:

- **Prepaid Expenses:** Expenses are recognized as they are used or consumed.
- **Capital Assets:** Assets are recorded at historical costs and expensed through depreciation over the useful life of the assets.

6. ACCOUNT RECORDS, IDENTIFICATION, AND SOURCE DOCUMENTS:

In the administration of federal, state and local government awards, Hope Haven's financial management system must be set up so that it can provide for the following:

- Hope Haven must maintain adequate accounting records that are supported by source documents which are the basis for the accounting transactions that are entered into Hope Haven's accounting system. Examples include checks, invoices, copies of checks and receipts, timesheets, etc.
- Hope Haven must maintain records which adequately identify the source and application of funds provided. For example:
 - a. **Federal Awards:** All Federal awards received and expended by Hope Haven must be properly identified and accounted for and must include, as applicable, the Catalog of Federal Domestic Assistance (CDFA) title and number, grant identification number and year, name of the federal agency, and the name of the pass-through entity, if any.
 - b. **State and Local Awards:** All State and Local awards received and expended by Hope Haven must be properly identified and accounted for and must include, as applicable, the title and name of the grant award, the award number and the year, and the name of the pass-through entity, if any.
- Hope Haven must maintain source documents that adequately support the grant award, authorizations, obligations, unobligated balances, assets, expenditures, income and interest.

7. RECORDS AND INFORMATION MANAGEMENT:

Hope Haven shall apply uniform rules for Hope Haven's records, (including financial), and information which meet legal standards and best practices for effective records and information management for existing records and yet to be created records, and shall apply to all employees and contractors who generate information for Hope Haven. Hope Haven shall ensure:

- Control of all Hope Haven's information, regardless of media form;
- Records are retained in accordance with legal, business and federal, state, and local government program requirements;
- Records are maintained and stored in a manner that is secure and accessible through the retention period;
- Appropriate safeguards are in place against illegal access, removal, loss, or destruction of Hope Haven's records and information;
- Disposal of records and information is performed in accordance with an approved records retention schedule.

In addition to Hope Haven's general records and information retention policy, Hope Haven shall also comply with HUD program requirements on records management in accordance with 1000.552, wherein:

- Records must be retained for 3 years from the end of the program year during which the expenditures occurred.
- If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

8. FINANCIAL REPORTS:

Hope Haven must be able to produce accurate, current, and complete disclosure of the financial results of each of the financially assisted activities made in accordance with the financial reporting requirements of the grant. Hope Haven shall use the financial reports as tools to manage, control, ensure compliance, monitor, and inform Hope Haven on its financial activities.

a. **Reports to Grant Agencies:** Hope Haven shall complete and submit all reports to Federal, State, and local grant agencies in accordance with, and in the format and timelines required by the agency. The Grants Administrator and Executive Director shall oversee all administrative and financial reports, including the HUD Standard Form 425, (Quarterly Transaction Report), and the APR, before the due dates designated by HUD, as such forms and deadlines may change from time to time. b. **Management and Board reports:** Hope Haven shall prepare and make available to management and Board on a monthly basis, financial reports to include:

- Statement of Net Position. Statement of Revenues, Expenses, and Changes in Net Position.

- Budget to actual reports detailing significant variances of sources and uses of funds as a management tool.

9. CASH MANAGEMENT POLICY:

Hope Haven recognizes the importance of cash management to insure there are sufficient funds to pay for the expenses of operating Hope Haven's programs. The Grants Administrator shall be responsible for monitoring the daily cash flow and balances of all cash funds.

On a monthly basis, the Grants Administrator shall provide a report that shows the cash position from all sources that are accounted for in the cash accounts along with bank statements. Hope Haven's cash funds may be from a variety of sources such as non-restricted funds, unused donations, and program income.

If at any time, the Grants Administrator finds Hope Haven in a potential cash deficiency situation, the Board and the Executive Director must be notified immediately.

Any cost allocable to a particular Federal award may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. For example, Hope Haven shall not divert funds between programs and/or activities, even when such programs/activities are each assisted by HUD (for example, the HUD-funded Rapid Re-housing program and federally funded Emergency Solutions Grant programs).

10. BUDGET ADMINISTRATION:

a. Budget Responsibility and Adoption:

Hope Haven's annual budget represents a financial plan for management to carry out the objectives of Hope Haven's programs. Hope Haven's Executive Director, Grants Administrator and Board Treasurer are responsible for preparing the annual budget, and are responsible for presenting the annual budget to the full Board for final approval.

Total projected revenues or sources and uses of funds are identified and included in the annual budget, allowing for inclusion of all funding sources and all funding outlays during the budget period. In addition to grant revenue, other sources of funds, such as debts are included in the annual budget to accurately portray total resources used to fund operating and capital plans in the fiscal year, and expenditure budgets for grant awards are in compliance with the grant agreement. The Board approves the budget and those approved activities are included in Hope Haven's annual program budget.

b. Budget Preparation Timing:

The budget process should begin early in the fiscal year to allow the Executive Director, the Grants Administrator, and the Board Treasurer to engage in the process and present the budget to the Board for approval. Once the budget has been approved, the Grants Administrator shall input the approved budget in the accounting system for the new fiscal year.

c. Budget Management and Report:

The Executive Director shall be responsible for managing transactions that are charged against department budgets, and are accountable for ensuring department revenues and expenses posted against department budgets are accurate, and are responsible for providing justifications on budget variables.

The budget for specific grant awards provides a spending plan against which fiscal and program performance can be measured. Therefore, Hope Haven's accounting system must be set up in a manner that allows Hope Haven to produce financial reports that compare expenditures with budget amounts in compliance with the Federal award agreement.

11. PURCHASE OF GOODS AND SERVICES:

Hope Haven's purchases shall be governed by its Board approved procurement policy, which establishes guidelines to ensure reasonable buying practices and competition, quality and integrity.

12. ALLOWABLE COSTS

As the recipient of federal awards, Hope Haven bases its allowable cost principles on activities that are expressly approved in the budget. No moneys shall be expended for activities that are unallowable or that are included as a cost of any other federally-funded program in either the current or a prior year.

The total cost of a federal award is the sum of the allowable direct and allocable indirect costs, less any applicable credits.

In determining the allowable costs for federal awards, the Board must apply the following criteria to costs:

- Be necessary, reasonable, and allocable;
- Conform to any limitations or exclusions;
- Be consistent with policies and procedures;
- Apply treatment of cost consistently;
- Generally be treated in accordance with generally accepted accounting principles (GAAP);

Hope Haven must adequately document costs to include, compliance with statutory and national policy requirements and be able to prepare reports that measures performance (for example, SF-425 and the Annual Performance Report (APR)).

13. CAPITAL ASSETS:

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings, (facilities), equipment, and intellectual property, (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and

- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life, (not ordinary repairs and maintenance).

Hope Haven shall comply with its capital asset policy and procedures that provides guidance for employees to manage and safeguard the Hope Haven's capital assets, including active management of assets with processes in place for tracking additions through purchases and donations, disposition, and depreciation.

Donated assets shall be recorded at their fair market value, (FMV), at the time of donation. Hope Haven may depreciate the donated asset, but is prohibited from charging the value of the donated item, or costs associated with the donated asset to the federal award.

Depreciation of assets is allowable using the straight-line method. Any other depreciable method used by Hope Haven must be pre-approved by HUD. Adjustments for depreciation should be made as necessary, and tracked with a capital asset depreciation schedule. At a minimum, the schedule should include: Capital asset classification, (for example, Land, Equipment, Building), description of the assets, initial costs or FMV of the donated asset, depreciable life, date purchased, accumulated depreciation, current year depreciation, and net asset value at the end of the year.

a) CAPITALIZATION PROCEDURES:

I. Physical assets, such as property and equipment, are an integral part of the operation of Hope Haven and shall be safeguarded in much the same manner as cash assets.

II. All Department property and equipment shall be stored in a secure place.

III. The Grants Administrator of Hope Haven shall maintain a property ledger in the book of accounts of the agency, which shall include a list of all capitalized items for inventory control purposes.

IV. Detailed records of individual capital assets shall be kept and periodically, (at least annually), balanced with the general ledger accounts.

V. All property and equipment owned by Hope Haven, (other than real estate), shall be divided into two categories: Expendable items or Non-expendable items, defined as follows:

i. Expendable items are purchased or donated items having a useful life of less than twelve (12) months and costing less than \$5,000.00, and can be expended.

ii. Non-expendable items are purchased or donated items having a useful life of more than twelve (12) months and costing more than \$5,000.00.

VI. The Grants Administrator of Hope Haven or his/her designee for budgeting and financial control purposes shall capitalize non-expendable items.

Detailed records of individual capital assets shall be kept and periodically, (at least annually), balanced with the general ledger accounts. Adjustments for depreciation should be made as necessary.

VII. Hope Haven shall make a physical inventory of all equipment and property, (other than real estate), at least annually, which shall be reconciled to the general ledger accounts.

14. AUDIT:

Hope Haven shall have a financial audit completed annually by a certified, external, independent accounting firm, unless Hope Haven is required by constitution or statute, to undergo audits biennially. The Grants Administrator shall have direct responsibility in overseeing the implementation of the audit. The selection of an auditor shall be competitively procured using the Request for Proposal, (RFP), method with the objective of obtaining a high quality audit, and the selected audit firm must provide a peer review report as part of the selection process.

The Executive Director and the Grants Administrator shall make available the completed audit report to the Board. The auditors shall present the audit to the Board for the Board to approve and accept.

The audit shall meet the Generally Accepted Government Auditing Standards (GAGAS) and comply with the audit requirements under Title 2 Part 200 of the Uniform Grant Guidance. Hope Haven's audit shall include audit of Hope Haven's federal, state, and local government funded programs expended during the audit period.

a. **Single Audit:** If Hope Haven expends \$750,000 or more of federal funds during the fiscal year, it is subject to a single audit and must comply with the scope of audit within the Uniform Grant Guidance where auditor shall test for Hope Haven's: I. Compliance with the requirements of the federal program, and II. Internal Control over the compliance of the program.

b. **Audit Findings and follow-up:** Hope Haven shall submit the audit to HUD with the Annual Performance Report, ("APR"). Hope Haven shall develop a plan to correct all deficiencies, (if any), noted in the audit and shall implement sufficient and appropriate corrective actions in order to preclude repeat findings in subsequent audits. Hope Haven shall be required to describe in the audit document, reasons for the reoccurrence of the finding, planned corrective action, and any partial corrective action taken.

c. **Report Submission:** The audit shall be submitted to the Federal Audit Clearinghouse, (FAC), within thirty (30) days after receipt of the auditor's report, or nine (9) months after the end of the audit period, whichever is earlier.

d. Hope Haven may opt not to authorize the FAC to make the reporting package publicly available on a website. If Hope Haven chooses this option, it shall be responsible for submitting the reporting package directly to any pass-through entities through which it has received a Federal award and to pass-through entities for which the summary schedule of prior audit findings reported the status of any findings related to Federal awards that the pass-through entity provided.

15. PETTY CASH:

Hope Haven is authorized to maintain a petty cash fund of \$100. The purpose of the fund is to have a small amount of cash available for paying small amounts owed, rather than writing a check. The petty cash shall be in the safekeeping of the designated custodian who shall keep track of payouts from the fund with receipts. At all times, the amount of cash on hand and the receipts must total the amount of authorized petty

cash. When the cash in the petty cash fund is low, the custodian shall request a check to replenish the cash that has been paid out. The fund shall be subject to surprise audits.

16. BANKING SERVICES:

The administration of Hope Haven's HUD grants requires the establishment of bank accounts which can only be accessed through the Electronic Line of Credit Control System, (eLOCCS). HUD prescribes specific procedures for a grant recipient to set up a bank account with a bank.

These are:

Banking and services shall be arranged through competitive solicitation, when practical under the circumstances. The depository must be a financial institution that is sufficiently insured by the Federal Deposit Insurance Corporation, ("FDIC"), or National Credit Union Share Insurance Fund, ("NCUSIF").

The following HUD form shall be executed when receiving HUD funds for the following purposes:

I. Form HUD-51999: General Depository Agreement. This form is used to open an account that shall serve as a single bank account for the deposit of all payments that are received from HUD through the Electronic Line of Control System ("eLOCCS"). A copy of the agreement form should be kept on file.

17. FEDERAL PROCUREMENT REGULATIONS

When utilizing grants or other funds from HUD for the procurement of goods or services from third parties, the Agency must take care to ensure the following:

- No employee, officer or agent of the Agency shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (A) the employee, officer or agent of Hope Haven, (B) any member of his or her immediate family, (C) his or her partner, or (D) an organization
- which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
- Hope Haven's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements.
- Hope Haven may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.
- To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the Hope Haven's employees, or agents, or by contractors or their agents.

- HUD or other federal government awarding agencies may, by regulations, provide additional prohibitions relative to real, apparent, or potential conflicts of interest.
- No employee or director of the Hope Haven shall directly or indirectly solicit any gift or accept or receive any gift having a value of \$50.00 or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her, or could reasonably be expected to influence him or her, in the performance of his or her official duties, or was intended as a reward for any official action on his or her part.

18. Fraud, Waste, or Abuse:

An employee who has engaged in any form of fraud, waste, or abuse; suspects or discovers fraudulent activity and fails to report his or her suspicions as required by this policy; intentionally reports false or misleading information; any member of management who does not pass on to the Executive Director each and every report of suspected fraud made by an employee or other person, is subject to disciplinary action, including immediate termination. Any losses from fraud will be recovered, if necessary, through civil action.

19. Disciplinary Action:

Failure to comply with any part of this policy will be grounds for disciplinary actions, including immediate termination.

APPENDIX 1: EFFECTIVE INTERNAL CONTROLS AND ACCOUNTABILITY

Notwithstanding the policies described earlier in this document, Hope Haven has established a number of internal control procedures to ensure:

- The grant awards are managed to comply with statutes, regulations, and the terms and conditions of the award;
- Hope Haven evaluate and monitor the grant awards to ensure compliance with statutes, regulations, and the terms and conditions of the award;
- Hope Haven shall take prompt action to correct identified instances of noncompliance including noncompliance identified in audit findings;
- Hope Haven must take reasonable measures to safeguard sensitive information and assets purchased with grant awards, consistent with privacy obligations of confidentiality of applicable federal, State, local, and tribal laws.

In addition, Hope Haven has established written procedures to implement internal controls over cash handling and requirements for payment methods that:

- Ensure there are sufficient funds to cover payments made for program and operations activities;
- Ensure adequate internal controls are in place in the handling of cash receipts from the time of receipt to deposit in the appropriate depository or broker account;
- Establish written procedures to ensure the amount and the timing of grant award advances drawn for the purpose of paying program expenses have not been drawn unreasonably in advance of when the funds are needed for program expenses;
- Establish adequate internal controls and written procedures to ensure payments are made only for approved purposes;
- Maintain adequate accounting records for cash receipts and payments.

A. Separation of Duties:

This Policy is based on the principle of separation of duties. Accordingly, no single person shall have the authority to authorize a transaction, execute a transaction, record a transaction, and have custody of any resulting assets.

B. Special Procedures Regarding Tenant Accounting:

1. An employee designated by the Executive Director shall maintain all tenant ledgers.
2. In the event of tenant ledger adjustments, the Permanent Housing Director will complete an adjustment request for submission to the Grants Administrator.
3. The adjustment request shall be in writing with the proper justification noted on and/or attached with each request.

4. The Permanent Housing Director shall make the proper adjustment in the tenant accounting ledger.
5. The Permanent Housing Coordinator shall provide a copy of the completed adjustment report to the Grants Administrator to show completed tenant ledger adjustment.

C. Cash Collection Control Procedures:

1. Payments by cash, checks and money orders, (including tenant payments), may be received only by the Permanent Housing Coordinator or an assigned designee. Only employees designated by the Grants Administrator of Hope Haven are authorized to receive payments from residents and issue receipts.
2. Cash, checks, and/or money orders shall be deposited in the bank where Hope Haven has an approved depository agreement. Deposits shall be made no less frequently than once per week regardless of the amount accumulated.
3. When cash is retained in the office overnight, it must be stored in a locked, fireproof cabinet or safe.
4. Checks received shall immediately be stamped "For Deposit Only".
5. A receipt shall be issued for all payments collected so there is an official record of the transactions and possible disputes are prevented.
 - a. Receipts shall be given through an authorized duplicate receipt binder. One part shall be given to the resident and one part, having the same number, shall be provided to the employee designated by the Grants Administrator as having responsibility for tenant ledger maintenance.
 - b. Receipts shall contain, at a minimum, the following information: (1) name of the resident being credited with the payment, (2) date, (3) amount of payment and (4) method of payment, (cash, check, etc.).
 - c. The supply of unassigned receipts shall be adequately safeguarded and kept in the custody of the Permanent Housing Coordinator.
6. A bank deposit slip shall be prepared and shall include each of the cash receipt numbers making up the deposit and complete details as to the amount of coin, currency and checks. The Grants Administrator shall reconcile the receipts.
7. All payments shall be deposited intact with the appropriate deposit slip to provide an additional record. Under no circumstances shall any disbursements be made from payments received.

8. Payments received shall be recorded in the individual resident accounts receivable records on the day of receipt or as soon thereafter as practical, even when the money is not deposited on the same day. Cash receipt numbers shall be recorded on both the deposit slip and the resident account receivable records.

9. The Permanent Housing Coordinator shall be responsible for posting the resident accounts receivable records. The Grants Administrator of Hope Haven or his/her designee shall make the bank deposits.

D. Cash Disbursement Control Procedures:

1. The Board shall approve by resolution a spending and signing authority for the Board, Executor Director, and Grants Administrators to identify and enable authorized personnel to:

- a. Procure products and services through requisitions, check requests, or credit card services.
- b. Sign contracts and change orders for an authorized amount.
- c. Receive grants.
- d. Sign checks.

2. All checks over \$10,000 require two authorized signatures, except for the monthly billing for health care benefits. The Grants Administrator shall oversee the proper notification of Hope Haven banks whenever authorized signature changes are made.

3. All debts representing allowable and authorized costs shall be paid promptly upon receipt of proper invoices/billing statements.

4. All disbursements shall be made by check. The Executive Director may approve other forms of disbursements, such as wire or electronic funds transfers.

- a. All checks shall be pre-printed and shall bear the name and address of Hope Haven.
- b. All checks must be pre-numbered and used in sequence. Voided checks must be retained and recorded.
- c. The supply of unused checks shall be adequately safeguarded in a fireproof cabinet or safe.

5. The employees shall initiate each transaction by completing a “check request” form, which shall be presented to the Grants Administrator for approval. All check request forms shall contain enough narrative description to specifically identify the purposes of the payment and the account to which the cost is to be charged.

6. The Grants Administrator shall review the check requests and attached supporting documentation for completeness and accuracy. The Grants Administrator shall ensure that the vendor’s invoice/billing

statement accords with the terms of the purchase, that the goods have been received and conform to specifications or that the services billed have been rendered satisfactorily, that discounts or other adjustments of the amounts billed are in order, that the computations and accounts to be charged are correct and that sufficient funds are available for payment. The Grants Administrator shall then submit the checks and supporting invoices for processing.

7. The Grants Administrator of Hope Haven or his/her designee shall prepare checks.

8. Checks shall never be written for “cash.”

9. Checks shall not be signed or countersigned in advance of being completely filled out. Each check shall be accompanied by adequate supporting documentation, including invoices, travel vouchers, etc.

10. All checks over \$10,000 shall require the signature of at least two (2) individuals properly authorized by Hope Haven.

11. Whenever possible, no individual shall sign a check on which he/she is the payee.

12. Check signers shall review each check carefully and shall not sign any check that lacks appropriate supporting documentation or exhibits signs of alteration. If it is necessary to change a check, the check must be voided and a new check issued.

13. The signed check shall be mailed or delivered to the payee by the Grant Administrator of Hope Haven or his/her designee.

14. The Grants Administrator of Hope Haven or his/her designee shall reconcile bank statements of the Agency. Discrepancies between any books of account, financial statements, and/or bank statements shall be reported to the Executive Director and/or Board, promptly investigated and resolved.

E. Special Procedures Regarding Payroll Disbursement:

1. Hope Haven shall have written authorizations on file for all employees that cover their rates of pay, withholdings and deductions.

2. The Grants Administrator or his/her designee shall establish adequate timekeeping controls, (including the use of time sheets), and there shall be supervisory review and approval of all employee time/leave records prior to issuance of a check.

3. The Grants Administrator of Hope Haven or his/her designee shall prepare payroll checks.

F. Credit Card Control Procedures:

1. With the advice and consent of the Board of Hope Haven, credit cards may be made available to designated employees of Hope Haven consistent with their job duties and demonstrated professional responsibility.
2. Credit cards are for authorized business expenditures of the Hope Haven and are not intended to be used by employees as a substitute for personal credit cards.
3. The Executive Director must authorize business expenses on company credit card(s) in accordance with applicable Hope Haven policies, procedures and practices, including but not limited to the Travel and Training Policy and the Procurement Policy.
4. Employees shall submit receipts for all expenses charged to company credit card(s) to the Grants Administrator of Hope Haven or his/her designee within one week of the transaction.
5. The Grants Administrator of Hope Haven or his/her designee shall examine billings for all company credit cards to ensure that all charges are valid. If there are incorrect charges, the Grants Administrator or his/her designee shall notify the Executive Director immediately and shall complete and return any forms necessary to dispute such charges to the credit card company. If an employee with knowledge of an incorrect or disputable charge fails to report such charge within a reasonable time, he or she may be liable to Hope Haven for any resultant charges and may be subject to disciplinary action up to and including termination of employment.
6. Employees who incur ineligible or disallowed costs on company credit cards shall reimburse the Hope Haven for such charges within thirty (30) calendar days of the date such charges were incurred and may be subject to disciplinary action up to and including termination of employment.
7. Finance charges, late fees and/or penalties associated with credit card use shall be avoided and shall not be paid with HUD funds under any circumstances.
8. Charges shall not be incurred in excess of the credit card's established credit limits. If a higher limit is required, a request for a new credit limit and supporting documentation shall be submitted to the Executive Director for approval.
9. Lost or stolen credit cards shall be reported to Hope Haven and to the credit card company immediately and not later than the first business day after discovery of the loss. Employees who fail to report lost or stolen credit cards may be held liable for any charges and may be subject to disciplinary action up to and including termination of employment.

10. Employees shall surrender company credit card(s): (1) upon demand by Hope Haven, (2) when there is no longer a business need for the card and/or (3) upon termination of employment. Cancelled credit cards shall be returned immediately to Hope Haven and properly destroyed. Surrender or cancelation of a credit card does not discharge any responsibilities incurred up to and including the date of such action.

II. REIMBURSEMENT PAYMENTS

Hope Haven may seek reimbursement for incurred, eligible expenses in two ways:

a. **eLOCCS REQUEST FOR EXPENSE REIMBURSEMENT:** Hope Haven may make reimbursement requests through the eLOCCS as often as it needs the funds to reimburse itself for eligible expenses incurred and paid for with available working capital.

b. **REIMBURSEMENT PROCEDURES:** Hope Haven's general ledger should be set up to account for specific program expenses. On a periodic basis, (for example, weekly or monthly), the Grants Administrator runs a schedule of Revenue and Expense report to determine the amount of HUD grant funds that have been recorded to offset eligible HUD expenses. Because Hope Haven seeks reimbursement after incurring and recording the program expenses, the difference between the recorded HUD grant revenues and the recorded total eligible HUD expenses is the amount of program expenses that Hope Haven needs to be reimbursed through eLOCCS.

V. PROGRAM INCOME USE: Hope Haven is not required to expend retained program income before drawing down or expending HUD funds

APPENDIX 2: ALLOWABLE COSTS POLICY AND PROCEDURES TO IMPLEMENT THE REQUIREMENTS OF 200.302(B)(7)

I. PURPOSE:

In accordance with HUD regulation at 1000.26, Hope Haven must comply with the requirements of Title 2 CFR 200 Uniform Guidance in regards to the administrative requirements and principles for determining allowable costs applicable to the administration of the HUD award.

Hope Haven's financial management system, in accordance with 200.302(b)(7), must include written procedures for determining the allowability of costs in accordance with Subpart E – Cost Principles. This policy and procedures define the allowable costs on the use of the HUD grant for Hope Haven. Costs include allowable direct and allocable indirect costs.

II. DETERMINING ALLOWABLE COSTS:

Allowable costs are those that:

- are necessary and reasonable;
- are allocable;
- conform to any limitations or exclusions in the HUD award;
- consistent with policies and procedures;
- follow accounting practices and standards;
- treated consistently throughout the HUD program;

The Grants Administrator and Executive Director are responsible for monitoring the HUD award and that all costs charged to program budgets are accurate.

III. DIRECT COSTS:

Direct costs are those costs that can be identified specifically with a particular Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Whether a cost is considered Direct or Indirect is determined by the Federal program and what it typically considers to be a direct cost versus indirect costs. Hope Haven should determine what costs it considers to be a direct cost or indirect cost and apply treatment of those costs consistently.

IV. INDIRECT (F&A) COSTS:

Indirect Facilities and Administration (F&A) costs are incurred for common or joint objectives and not readily assignable or cannot be identified specifically with a particular project without effort disproportionate to the results achieved.

Typical examples of indirect (F&A) costs for many nonprofit organizations may include depreciation on buildings and equipment, the costs of operating and maintaining the office building, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

V. PRIOR WRITTEN APPROVAL (PRIOR APPROVAL):

With respect to the items of costs listed in 2 CFR 200.407 that require prior approval, these costs are allowable without the prior approval of HUD to the extent that they comply with the general policies and principles of 2 CFR 200.

If Hope Haven is awarded other federal grants that do not specifically allow written prior approval, the reasonableness and allocability of certain items of costs may be difficult to determine, therefore, in order to avoid subsequent disallowance or dispute based on unreasonableness and unallocability, 200.407 of the Uniform Guidance lists items of costs that Hope Haven may seek prior approval in advance of the incurrence of the special or unusual costs.

VI. ALLOWABILITY OF SPECIFIC ITEMS OF COST:

Specific items of costs commonly incurred in the administration of the HUD award, what are considered allowable, unallowable, or costs that are generally unallowable, but with exceptions, are listed in Subpart E – Cost Principles: General Provisions for Selected Items of Costs from 200-420-200.475. In addition, Hope Haven should review HUD’s guidance on items of costs it explicitly disallows under the COC program, even when the items of costs may be allowed with prior approval.

Appendix E

City of DeKalb 2022 CDBG Program Schedule for Reporting and Disbursement of Funds

Programs that run throughout the 2022 program year will submit program and financial reports on a quarterly schedule. Grant reports and payments are generally on a quarterly schedule and are subject to change based on HUD date of release of grant funds. Reporting and payment schedules may be modified for SUBRECIPIENTS whose programs are completed in less than six months. Payments are contingent upon completion of the environmental review, execution of the SUBRECIPIENT AGREEMENT, and receipt of program and financial reports, as well as source documents that substantiate CDBG-funded expenditures.

Report Due Date	Period Covered	Funds Disbursed
July 10, 2022	April 1 – June 30, 2022	July 2022
October 10, 2022	July 1 – September 30, 2022	October 2022
January 10, 2023	October 1 – December 31, 2022	January 2023
April 10, 2023	January 1 – March 31, 2023	April 2023

Appendix F

City of DeKalb Community Development Block Grant – Public Services Program Costs Ineligible for CDBG Funds

The City of DeKalb uses Community Development Block Grant (CDBG) funds to support programs and services that provide for the needs of low- and moderate-income residents as identified in the City's 2020-2024 Consolidated Plan. Direct program costs are generally eligible for CDBG funds based on the federal Omni Circular. Some costs, though allowable under federal regulations, are ineligible for reimbursement with City of DeKalb CDBG funds. Please note that some costs may be included in the program budget but will not be paid with CDBG. This list is not all inclusive.

Ineligible Costs include:

- Entertainment costs.
- Alcoholic beverages.
- Fines, penalties, damages, and other settlements.
- Compensation to trustees, board members, and their immediate family members.
- Staff time and other costs related to applying for CDBG funding.
- Advertising and public relations costs (this does not include informational materials such as program flyers used for program outreach/recruitment of eligible participants).
- Fund raising costs.
- Equipment and capital expenditures.

Eligible costs that will not be paid with CDBG include:

- Costs relating to the federal Single Audit.
- Indirect cost allocations, whether approved by a federal cognizant agency or the 10% de minimus indirect cost allocation.
- Computers and other electronic devices.

**Safe Passage
P.O. Box 621
DeKalb, IL 60115
(815) 756-7930**

The project described herein is being funded by a Grant from the City of DeKalb, Illinois as part of the City's **2022 Community Development Block Grant (CDBG)** program which is authorized under Title 1 of the Housing and Community Development Act of 1974, as amended.

**CITY OF DEKALB
COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT**

This Community Development Block Grant Sub-Recipient Agreement (the "AGREEMENT") is made on this 8th day of August, 2022, by and between the **City of DeKalb**, an Illinois Municipal Corporation (hereinafter "CITY") and Safe Passage (hereinafter "SUBRECIPIENT").

RECITALS

WHEREAS, Resolution 2022- 005 adopted on January 10, 2022 by the DeKalb City Council to approve the submission to the United States Department of Housing and Urban Development (hereinafter "HUD") of the 2020 One Year Action Plan, and the reallocation of unspent CDBG Funds from prior years, respectively, the City's application for Community Development Block Grant (hereinafter "CDBG") funds under Title 1 of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, said application was approved by HUD on Date TBA; and

WHEREAS, approval of the application by HUD, along with Resolution 2022- 005, authorizes City Staff to enter into this Agreement in furtherance of the CITY's Community Development objectives; and

WHEREAS, SUBRECIPIENT has been awarded certain CDBG grant funds (the "Grant") to utilize in Subrecipient's programming that is outlined in the Agreement and Appendices and this Agreement shall govern Subrecipient's use of the Grant funds;

NOW, THEREFORE, the CITY and the SUBRECIPIENT, having first found the foregoing recitals as fact, and in consideration of the mutual covenants set forth below, hereby agree as follows:

AGREEMENT

- I. **APPENDICES TO AGREEMENT:** All Appendices (A through F) attached to this Agreement are incorporated and made a part of this Agreement as referenced herein. SUBRECIPIENT agrees to abide by and follow all terms and conditions as set forth in said Appendices.
- II. **WORK TO BE PERFORMED BY SUBRECIPIENT:** In exchange for receiving CDBG grant funds from the CITY to support a portion of salary of the Residential Coordinator when providing direct services for City of DeKalb residents, the SUBRECIPIENT shall be responsible for administering the Program(s) as described in Appendix A (for each program) in a manner satisfactory to the CITY and substantially consistent with any standards and regulations that are specified in this Agreement and adherence to the same is a condition of providing these funds. SUBRECIPIENT commits to the Programs goals that are outlined in Appendix A, including (1) the number of people to be served, (2) the number of program participants who are expected to be DeKalb residents, and (3) the number of program participants who shall meet HUD's definition of low- or moderate-income persons, and outcome measures as outlined in Appendix A. SUBRECIPIENT agrees to expend the total amount of CDBG funds covered in this Agreement, solely for the

agreed upon activities and in accordance with the conditions outlined in this Agreement and the Program budget(s) in Appendix B.

- III. GENERAL COMPLIANCE WITH APPLICABLE LAWS:** SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (HUD regulations concerning CDBG). The SUBRECIPIENT also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this agreement.

SUBRECIPIENT additionally agrees to comply with any changes issued to the CITY's CDBG program by HUD. SUBRECIPIENT understands that changes issued to the CITY's CDBG program by HUD may materially alter the terms of this Agreement. The City will distribute any amendments to the CDBG program within thirty (30) days and SUBRECIPIENT must acknowledge the receipt.

SUBRECIPIENT acknowledges and affirms that the SUBRECIPIENT has the organizational capacity to adhere to collection and reporting requirements regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule ("Omni Circular") Subpart D, Sections 200.300 – 200.303. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C. Organizational capacity shall be demonstrated by various methods, including but not be limited to:

- Use of OMB-approved standard information collections when providing financial and performance information.
- Financial data is provided for performance accomplishments of the Grant award.
- Cost information shall be distributed to demonstrate cost effective practices.
- Subrecipient shall provide the City with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
- All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the CITY's CDBG Grant Administrator.

SUBRECIPIENT agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which the SUBRECIPIENT uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that the SUBRECIPIENT uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines shall be attached to this contract as Appendix D and shall be incorporated into this contract by reference. If the procurement guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to either (1) procurement by small purchase procedures, (2) procurement by sealed bids, (3) procurement by competitive proposals, or (4) procurement by noncompetitive proposals, as directed by and outlined in Section 200.320.

The SUBRECIPIENT affirms that, per Federal regulations, SUBRECIPIENT has a Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, Inc., and will provide proof of this DUNS number to the CITY, prior to the approval of project funding.

- IV. **LENGTH OF AGREEMENT:** The term of this Agreement shall begin no sooner than April 1, 2022 and end on March 31, 2023. Payment of CDBG grant funds by the CITY to the SUBRECIPIENT shall occur for eligible services and/or activities performed by the SUBRECIPIENT during the term of this Agreement as long as the SUBRECIPIENT is performing in accordance with the terms of the Agreement.

Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including any program income.

- V. **AMOUNT OF APPROPRIATION:** The appropriation of CDBG funds for the Program shall be for an amount not to exceed **Fifteen Thousand dollars (\$15,000.00)** to be distributed as funding for the following programs: Support of the salary of the Residential Coordinator for the portion of time she spends providing direct services to City of DeKalb residents. The SUBRECIPIENT understands that the amount of these appropriations may be adjusted during the program year due to funding alterations made by the United States Congress, HUD, and/or the CITY. Any new local appropriations shall occur upon approval by the DeKalb City Council. SUBRECIPIENT understands that the awarding of the grant(s) under this Agreement in no way implies the continued financial support of the program(s) or services of the SUBRECIPIENT by the CITY beyond the specific period of this Agreement.

- VI. **INELIGIBLE PROGRAM COSTS:** The SUBRECIPIENT agrees that certain direct program costs are ineligible for CDBG funds. Recording requirements prescribed by Congress, HUD or the CITY may require these costs be listed within the budget, but these costs will not be paid for using CDBG funds provided by the CITY. Ineligible direct program costs can be found in Appendix F, which is incorporated into this contract by reference.

- VII. **PAYMENT OF CDBG FUNDS TO SUBRECIPIENT:** The CITY agrees to fund the Program(s) in the form of a grant in a total aggregate amount not to exceed **Fifteen Thousand dollars (\$15,000.00)**. Such funds shall be paid to the SUBRECIPIENT according to the schedule in Appendix E. The CITY CANNOT disperse any grant funds until the Environmental Review is complete and this Agreement has been executed by both parties (24 CFR Sec. 570.503 (a)). The Environmental Review will be completed by the City and shall be executed in a timely manner.

- The SUBRECIPIENT understands that this Agreement is for Public Services Programs and that payments shall be made per the schedule in Appendix E.
- The SUBRECIPIENT understands that disbursement will be contingent upon the SUBRECIPIENT ensuring compliance with any applicable federal, state, and CITY requirements.
- No disbursement will be made by the CITY unless all required reports (including beneficiary, performance, financial and narrative reports, and source documents for CDBG-funded expenditures) have been submitted and approved by CITY staff. Payment may be withheld pending receipt and approval of all required documentation.

VIII. SUSPENSION OR TERMINATION:

- Suspension or Termination for Cause by CITY: The SUBRECIPIENT understands and agrees that if SUBRECIPIENT materially fails to comply with any or all provisions of this Agreement, the CITY may in its sole discretion suspend or terminate this Agreement.
 1. Material non-compliance includes, but is not limited to, the following:
 - i. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time.
 - ii. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this Agreement.
 - iii. Ineffective or improper use of funds provided under this Agreement; or
 - iv. Submission of reports by the SUBRECIPIENT to the CITY which are late, or incorrect or incomplete in any material respect.
 2. As a result of material non-compliance, the CITY may take one or more of the following actions:
 - i. Temporarily withhold cash payments pending correction of the deficiency by the SUBRECIPIENT. More severe enforcement action may be undertaken by the CITY if the deficiency is not corrected.
 - ii. Disallow (that is, deny both use of funds and matching credit for all or part of the cost of the activity or action not in compliance.)
 - iii. Wholly or partially suspend or terminate the current award for the SUBRECIPIENT's program.
 - iv. Withhold further awards for the program; or Take other remedies that may be legally available including, but not limited to, seeking compensatory and/or liquidated damages for breach of this Agreement, or injunctive or equitable relief in any court of competent jurisdiction.
- Termination for Convenience by CITY or SUBRECIPIENT: Either the CITY or the SUBRECIPIENT may terminate the award of funds under this Agreement in whole or in part if either determines that the goals indicated in the SUBRECIPIENT's proposal cannot be met. Termination is effected by the initiating party upon receipt of written notification by the other party setting forth: (1) the reasons for termination; (2) the effective date of termination; and (3) the portion to be terminated, in the case of partial termination. In the case of partial award termination, if the CITY in its sole discretion determines that the remaining portion of the award will not accomplish the purposes for which the award was made, it may terminate the entire award.

- IX. REGULAR MEETING REQUIREMENT:** SUBRECIPIENT agrees to meet on a regular or as-needed basis with the designated staff member of the CITY's Community Development Department to discuss general and/or specific issues of this Agreement and to review the required reports. Furthermore, SUBRECIPIENT agrees to cooperate fully in any monitoring program, including on-site monitoring, developed, implemented, or conducted by the CITY or by HUD.

X. RECORD REQUIREMENTS: SUBRECIPIENT shall provide the CITY, HUD, the Inspector General of the United States or any of their duly authorized representatives, access to any books, documents, papers, and records of the SUBRECIPIENT which pertain to the CDBG-funded program for the purpose of monitoring, making audits, examinations, excerpts, transcripts, and photocopying.

- SUBRECIPIENT shall be required to maintain all required records for five (5) years after the SUBRECIPIENT's final audit and program close out by the CITY. SUBRECIPIENT shall establish and maintain a project file that contains the following sections:
 1. General project correspondence and related items.
 2. Financial source documentation and associated transactional documentation.
 3. Procurement procedures and associated documents.
 4. Compliance with applicable State and Federal regulations.
 5. Program reports.
 6. Documentation of persons benefiting from grant activities, including race/ethnicity and income to substantiate achievement of the CDBG National Objective of benefiting primarily persons of low and moderate income.
 7. Personnel actions.
 8. Acquisition and disposition of property.
- The records which, at a minimum, must be maintained are as follows:
 1. Financial Records: The SUBRECIPIENT shall, at a minimum, maintain the following records for each grant received under separate agreement from the CITY:
 - i. Cash Receipts Register: For recording of funds received in connection with the grant program.
 - ii. Cash Disbursements Register: For recording disbursement of funds from the agency's CDBG account(s). All disbursements must be supported by appropriate documentation (e.g.: payroll records, invoices, contracts, etc.) demonstrating the nature and use of each payment and showing approval of the program director or other authorized official. In addition, the SUBRECIPIENT agrees to provide to the CITY such financial reports and additional source documentation as the CITY may reasonably require and to comply with such reasonable additional financial control procedures as may be required to be retained in files maintained by the SUBRECIPIENT.
 - iii. Payroll Records: A basic time and activity tracking system shall be maintained to substantiate the services and staff time charged to the project. This should include time sheets documenting each person's total time and time charged against the grant; time sheets must be signed by both the employee and authorized supervisor of the employee.
 2. Equipment Records: A record shall be maintained for each item of equipment acquired for the Program. Equipment is defined as tangible personal property (including information technology systems) which has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$500. The records shall include: (1) a description (including model and serial number) of the property; (2) the date of acquisition; and (3) the acquisition cost (showing the percentage of the total costs paid for out of this Grant.) Such equipment records are necessary for HUD recording requirements. However, SUBRECIPIENT

acknowledges that this recording requirement does not indicate that the CITY will pay for equipment. The CITY does not provide funds for equipment purchases, including information technology systems.

3. **Indirect Costs Records:** A record shall be kept of all indirect costs, per HUD requirements. Indirect costs are costs incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. However, SUBRECIPIENT acknowledges that indirect costs shall not be covered by funds provided by the CITY.

- XI. **REPORTING REQUIREMENTS:** The SUBRECIPIENT agrees to provide the CITY's Community Development Department with regular reports described below per the schedule in Appendix E, and any other reports which may be required by the CITY's CDBG Program for compliance under this Agreement. This includes reporting on performance measures, as outlined in §200.301 of the Omni Circular. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C.

SUBRECIPIENT shall use OMB-approved information collection standards, when providing financial and performance information. The SUBRECIPIENT shall provide financial data and its relation to performance accomplishments of the Federal award.

SUBRECIPIENT agrees to provide the CITY with documents pertaining to: (1) procedures; (2) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this Agreement; and (3) (if applicable) regularly updated schedule of program activities.

- **REPORTING:** Reports shall be submitted to staff via email by the SUBRECIPIENT throughout the term of the Program. **See Appendix E for report due dates.** All reports and required attachments may be viewed by members of the Community Development Department.
 1. The CITY reserves the right to withhold any of the SUBRECIPIENT's scheduled payments until such time as the CITY receives the SUBRECIPIENT's financial progress and performance reports.
 2. Improperly prepared reports will not be accepted. Subsequent Grant payments may be held pending receipt of accurate information together with any required source documentation. Upon receipt of improperly prepared or erroneous reports, field audit procedures may be initiated to evaluate the financial management, control and record keeping procedures utilized by the SUBRECIPIENT. In addition, the CITY may require a meeting with the Executive Board of the SUBRECIPIENT to correct the situation.
 3. SUBRECIPIENT understands that a pattern of late, improper, or erroneous reporting could be grounds for termination of this Agreement at the CITY's sole discretion.

4. The CITY reserves the right to make appropriate adjustments for any funds previously paid out by the CITY but unexpended by the SUBRECIPIENT.
5. **Reports will be submitted via email and shall consist of the following:**
 - i. Beneficiary Demographic data: Client statistics (i.e., number of DeKalb residents served, beneficiary race/ethnicity and incomes) for the report period.
 - ii. Program Accomplishments and Narrative: Indicating progress against program goals as outlined in Appendix A, and additional information in narrative format that elucidates program accomplishments and outlines any unanticipated results.
 - iii. Financial Report: Indicating the budgeted expenses and revenues consistent with the 2020 appropriation for the grant Program as shown in Appendix B and the actual revenues and expenditures for the period covered by the report.
 - iv. Supporting documentation: **All Program expenditures charged to the CDBG Grant shall be supported with source documentation.** Documentation may include copies of paid invoices, receipts, and time sheets signed by each employee and supervisor paid with CDBG funds. Other documentation may be required by the CITY to document the amount expended in the report period.

XII. ANNUAL AUDIT: The CITY requires that all SUBRECIPIENTS prepare and submit to the CITY an audit of the financial records of the SUBRECIPIENT pertaining to the receipt and use of CDBG funds as required by the Omni Circular. If the SUBRECIPIENT receives federal funds from sources other than the CITY's CDBG program, a combined single audit is permissible, provided said audit clearly identifies the amount of CITY CDBG funds received, the amount expended and encumbered, and the purposes of the expenditures. The CITY shall have the right to review and modify the scope of said audit. Said audit of CDBG funds shall encompass and be limited to the term of this Agreement. SUBRECIPIENT is responsible for clearly identifying and accounting for funds received and expended during separate program years; that is, an individual audit must distinguish expenditures and encumbrances made against funds received under separate Grant Agreements, particularly if the SUBRECIPIENT and the CITY operate under different fiscal years.

XIII. ALTERNATIVE FUNDING REPORTING REQUIREMENT: SUBRECIPIENT shall promptly notify the CITY if the SUBRECIPIENT receives funding (full or partial) that is incremental to the Program budget as shown in Appendix B from any and all sources for the performance of activities outlined under this Agreement. The SUBRECIPIENT further understands that the amount granted by the CITY may be reduced by the amount of such alternative funding.

XIV. REVISION OF BUDGET AND PROGRAM PLANS: The SUBRECIPIENT shall obtain written permission from the CITY CDBG Program Administrator prior to any change in the approved budget or program plans following Omni Circular §200.308(C) (increase or decrease) of ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under the SUBRECIPIENT's line item budget which is attached hereto and identified as Appendix B. In order for the CITY to approve such a request, SUBRECIPIENT's written request shall contain, at a minimum: (1) the reason and justification for the change; (2) the amounts to be changed; and (3) a description of which line items are affected. Changes made without the CITY's prior approval may result in non-reimbursement of expenditures from those affected line items.

- XV. NON-DISCRIMINATION:** SUBRECIPIENT agrees that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, gender identity, marital status, age, source of income or physical or mental disabilities, be excluded from participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity for which the SUBRECIPIENT receives financial assistance from or through the CITY.

SUBRECIPIENT agrees to comply with: Title VI of the Civil Rights Act of 1964 (P.L. 88-352); Title VII of the Civil Rights Act of 1968 (P.L. 90-284); Section 104(b) and Section 109 of the Housing and Community Development Act of 1974, as amended; Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, as amended, the Age Discrimination Act of 1975, as amended; Executive Order 11246, as amended and Executive Order 11063 as amended.

SUBRECIPIENT agrees to include a statement of its non-discrimination policy in any printed or electronic information released to the public regarding Program activities.

- XVI. EQUAL OPPORTUNITY POLICY/AFFIRMATIVE ACTION PLAN/CURRENT POLICY SETTING BODY INFORMATION:** The SUBRECIPIENT shall ensure the following documents have been provided to CITY staff:

- A copy of its policy on equal opportunity employment and a copy of its most current Affirmative Action Plan.
- The names, addresses, and professional affiliations of the current members of the Board of Directors or policy-setting body.

- XVII. WORKERS' COMPENSATION:** The SUBRECIPIENT shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

- XVIII. INDEMNITY:** SUBRECIPIENT hereby assumes liability for and agrees to protect, hold harmless and indemnify the CITY and its assigns, officers, directors, employees, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, claims, actions, suits, proceedings, costs, expenses and disbursements, including legal fees and expenses, of whatever kind and nature, imposed on, incurred by or asserted against the CITY, its successors, assigns, officers, directors, employees, agents and servants, in any way relating to or arising out of any of the following or allegations, claims or charges of any of the following:

- The use or application of the Grant proceeds.
- The violation by the SUBRECIPIENT of any of its covenants or agreements under the Agreement.
- Any tort or other action or failure to act done in connection with the performance or operation of the Program.
- Any act or failure to act of any officer, employee, agent, or servant of the SUBRECIPIENT.
- Any injury to any person, loss of life, or loss or destruction of property in any way arising out of or relating to the performance or operation of the Program.

The CITY agrees to notify the SUBRECIPIENT in writing of any claim or liability which the CITY believes to be covered under this paragraph. The CITY shall tender, and SUBRECIPIENT shall promptly accept tender of, defense in connection with any claim or liability in respect of which

SUBRECIPIENT has agreed in writing that based on the claim or liability the CITY is entitled to indemnification under this paragraph; provided, however, that the counsel retained by SUBRECIPIENT to defend the CITY shall be satisfactory to the CITY; and that the CITY shall be kept fully informed of the status of the proceeding. In the event that the SUBRECIPIENT, within ten (10) days after receipt of notice from the CITY of a claim or liability which the CITY believes to be covered under this paragraph, fails to advise the CITY in writing that the SUBRECIPIENT agrees that the CITY is entitled to indemnification under this paragraph based on the claim or liability, the CITY, without waiving or prejudicing any claim or right it may have to indemnification, under this paragraph (including the recovery of legal fees and expenses), may retain its own counsel and present its own defense in connection with such claim or liability.

The CITY shall not settle or compromise any claim, suit, action or proceeding in respect of which the SUBRECIPIENT has agreed in writing that the CITY is entitled to indemnification under this paragraph. Notwithstanding anything in the Agreement to the contrary, the indemnities contained in this paragraph shall survive the termination of the Agreement.

XX. INSURANCE AND BONDING: SUBRECIPIENT shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any CDBG cash advances. SUBRECIPIENT shall comply with the bonding and insurance requirements of the Omni circular 200.310 and 200.325, Insurance and Bonding requirements.

XX. NON-PARTICIPATION BY CERTAIN PERSONS: SUBRECIPIENT agrees to exclude the following persons from participation in any aspect of this Agreement:

- SUBRECIPIENT agrees to not allow any member of, or delegate to, the United States Congress any share or part of this Agreement or to allow any benefit to arise from same.
- SUBRECIPIENT agrees that no officer, employee, designee, agent, or consultant of the CITY or the SUBRECIPIENT or member of the governing body of the CITY who exercises any functions or responsibilities with respect to the CITY's CDBG Program during his tenure or for one (1) year thereafter, will have any direct or indirect interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the Project assisted under this Agreement. The SUBRECIPIENT shall incorporate or cause to be incorporated in all such contracts or subcontracts a provision prohibiting such interest in conformance with the provisions of and pursuant to the purposes of this section. The provisions of 24 CFR § 570.611, "Conflict of Interest" shall apply to the SUBRECIPIENT.
- SUBRECIPIENT further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular § 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will participate in the selection, award or administration of a contract supported by CDBG funds, if that employee, officer, or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a tangible personal benefit from a firm considered for a contract. Such officers, employees, or agents of the SUBRECIPIENT may not solicit nor accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of

nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests. The written standards shall also include standards of conduct covering organizational conflicts of interest, in which the SUBRECIPIENT may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between the SUBRECIPIENT and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by the SUBRECIPIENT will include disciplinary actions to be applied for violations of such standards.

- Copeland "Anti-kickback" Act. – Any SUBRECIPIENT paid in full or part with CDBG funds will comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3) that states whoever, by force, intimidation, or threat of procuring dismissal from employment, or by any other manner whatsoever induces any person employed in the construction, prosecution, completion or repair of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he is entitled under his contract of employment, shall be fined under this title or imprisoned not more than five years, or both. Though CDBG funds shall not be used to pay for the construction, prosecution, completion, or repair of buildings, the SUBRECIPIENT affirms that by accepting CDBG funds, the SUBRECIPIENT will comply with the Copeland "Anti-kickback" Act.

XXI. PROGRAM INCOME: Program income shall herein be defined as gross income received by the SUBRECIPIENT directly derived or generated from the use of CDBG funds. Program income includes, but is not limited to:

- Fees for services performed,
- Use or rental of real or personal property acquired under Federal awards,
- The sale of commodities or items fabricated under a Federal award,
- License fees and royalties on patents and copyrights,
- And principal and interest on loans made with Federal award money.

SUBRECIPIENT agrees that, unless otherwise stated in this section, the SUBRECIPIENT shall follow the program income requirements as outlined in § 200.307 of the Omni Circular.

SUBRECIPIENT understands and agrees that all program income shall be the property of the CITY, which shall have the exclusive right to determine the use and disposition of said income, except for fees for services which are used as part of the operating budget. However, such exempt fees must be small so as not to prevent the participation of Low and Middle-Income participants. SUBRECIPIENT will remit all other said income to the CITY. Said remittance shall be submitted annually and accompany the Final Report.

SUBRECIPIENT acknowledges that interest earned on advances of Federal funds, rebates, credits, and discounts do not count as program income.

Program income is to be: (check one)

_____ 1) returned to the CITY at times determined by the CITY; or

X 2) retained by SUBRECIPIENT to undertake the following activities:

Support of the salary of the Residential Coordinator for that portion of her time where she is providing direct services and advocacy for City of DeKalb residents.

If retained by SUBRECIPIENT, all activities undertaken with the use of said income will be governed by all provisions of this Agreement. All program income, regardless of source, shall be substantially disbursed for any or all eligible CDBG activities undertaken by the SUBRECIPIENT before additional cash payments are made to the SUBRECIPIENT from the CITY (pursuant to CDBG regulations at 24 CFR Sec. 570.504 (c)). Any income on hand when this Agreement expires or received after such expiration shall be paid to the CITY upon request.

XXI. RETURN OF UNEXPENDED FUNDS: SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds upon the completion or termination of the Program:

- If the work of the program cannot be completed, or if SUBRECIPIENT ceases to function as an operating entity, SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds.
- Within thirty (30) days after the closing date of this Agreement, the SUBRECIPIENT shall submit to the CITY expenditure reports and documentation of all expenses or encumbrances during the time period covered by this Agreement. The CITY will then compare these expenditures with the amount of disbursements issued to the SUBRECIPIENT by the CITY. Disbursement of any final payment, if any, under the Agreement shall not be made until such a comparison has been completed to the CITY's satisfaction.
 1. If said expenditures and encumbrances are greater than the disbursements made to the SUBRECIPIENT, the CITY will issue a check to the SUBRECIPIENT for an amount equal to this difference, up to the amount of the authorized grant set forth in this Agreement.
 2. If said expenditures and encumbrances are less than the disbursements, the CITY shall withhold the difference from any final payment to the SUBRECIPIENT. If after withholding any such difference, the expenditures and encumbrances are still less than the disbursements, the SUBRECIPIENT shall promptly pay to the CITY a check for the difference of these sums.
 3. Funds paid to SUBRECIPIENT in excess of the amount to which the SUBRECIPIENT is finally determined to be entitled constitute a debt to the CITY. If not paid as stipulated in the preceding paragraphs, the CITY may take other action permitted by law.
- A final adjustment will be made to reconcile with the completed audit or Final Grant Report of CDBG expenditures within thirty (30) days of the submission of audit to the CITY. Subsequent grant payments or awards will be withheld until audit or grant report is completed for the current year. Only the Community Development Director can release funds if audit or grant report is not reconciled.

XXIII. INDEPENDENT CONTRACTOR: SUBRECIPIENT shall be and act as an independent contractor and not as a partner, joint venturer, or agent of the CITY and shall not bind nor attempt to bind CITY to any contract. SUBRECIPIENT is an independent contractor and is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including, but not limited to, Worker's Compensation Insurance. SUBRECIPIENT agrees to defend, indemnify, and hold the CITY harmless from any and all claims, damages, liability, attorney's fees, and expenses on account of: (1) a failure or an alleged failure by SUBRECIPIENT to satisfy any such obligations; or (2) any other action or inaction of SUBRECIPIENT.

ADDITIONAL REGULATIONS: As a non-governmental entity, SUBRECIPIENT shall comply with the regulations, policies, guidelines, requirements and standards of federal OMB 2 CFR Chapter I, Chapter II, Part 200, et al, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; Final Rule" (Omni Circular Omni Circular, as specified in this paragraph:

- Subpart B – "General";
- Subpart C – "Pre-Federal Award Requirements and contents of Federal Awards," except for §§ 200.203 Notices of funding opportunities, 200.204 Federal awarding agency review of merit of proposals, 200.205 Federal awarding agency review of risk posed by applicants, and 200.207 Specific conditions, which are required only for competitive Federal awards,
- Subpart D – "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 1. Section 200.305 "Payment." The CITY shall follow the standards of paragraph 85.20(b)(7) and 85.21 in making payments to SUBRECIPIENT.
 2. Section 200.306, "Cost Sharing and Matching".
 3. Section 200.307, "Program Income." In lieu of paragraph 200.307, SUBRECIPIENT shall follow CDBG program regulations at 570.504 regarding Program Income.
 4. Section 200.308, "Revision of Budget and Program Plans".
 5. Section 200.311, "Real Property." In lieu of 200.311, CDBG SUBRECIPIENT shall follow CDBG program regulations at 570.505, Use of Real Property.
 6. Section 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
 - ii. Equipment not needed by the SUBRECIPIENT for CDBG activities shall be transferred to the CITY for the CDBG program or shall be retained after compensating the recipient.
 7. Section 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance".
 8. Section 84.52, "Financial Reporting".
 9. Section 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual CDBG activities shall be five years following grant close out; and
 - ii. The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which

the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award.

10. Section 84.61 "Termination". In lieu of the provision of 84.61, SUBRECIPIENT shall comply with 570.503(b)(7) Suspension and Termination; and
- Subpart D - "After-the Award Requirements", except for paragraph 84.71, "Closeout Procedures."

XXIV. COMPLIANCE WITH FIRST AMENDMENT CHURCH/STATE PRINCIPLES: SUBRECIPIENT agrees to comply with the First Amendment Church/State Principles which state that CDBG funds may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations apply to the use of CDBG funds:

- As a general rule, CDBG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the CITY that, in connection with the provision of such services:
 1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
 2. It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion.
 3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.
- Where the public services provided under paragraph a of this section are carried out on property owned by the primarily religious entity, CDBG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG expenditure for the public services.

XXV. CERTIFICATION: To the best of its knowledge or belief, the SUBRECIPIENT certifies that:

- No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;
- If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub-grants, agreements) and that all sub awardees shall certify and disclose accordingly, and
- This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering this Agreement pursuant to Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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

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

XXVIII. WAIVER: The CITY's failure to act with respect to a breach by the SUBRECIPIENT does not waive the CITY's right to act with respect to subsequent or similar breaches. The failure of the CITY to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

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

XXX. NOTICES: All notices, requests, demands, and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon delivery, if delivered personally, or on the fifth (5th) day after mailing if sent by registered or certified mail, return receipt requested, first-class postage prepaid, as set forth below. Faxed or emailed communications are a convenience to the parties, and not a substitute for personal or mailed delivery.

- if the CITY, to: Bill Nicklas
City Manager
City of DeKalb
164 East Lincoln Highway
DeKalb, Illinois 60115
Email: bill.nicklas@cityofdekalb.com
- if the SUBRECIPIENT, to: Mary Ellen Schaid
Executive Director
Safe Passage
P.O. Box 621
DeKalb, IL 60115
Email: mschaid@safepassagedv.org

XXXI. CHANGES TO AGREEMENT: The CITY and the SUBRECIPIENT agree that any and all alterations, variations, modifications, or waivers of provisions of this Agreement shall be valid only when they have been reduced to writing, duly signed by both parties, and attached to the original of this Agreement.

IN WITNESS, WHEREOF, the parties have executed this Agreement in duplicate and the Effective Date is the date that the City signs the document.

CITY OF DEKALB

SUBRECIPIENT (DUNS Number: 16140532)

BY: Cohen Barnes
Signature

BY: Mary Ellen Schaid
Signature

NAME: Cohen Barnes

NAME: Mary Ellen Schaid

TITLE: Mayor

TITLE: Executive Director

DATE: 9-27-2022

DATE: 10/10/2022

Appendix A

SUBRECIPIENT Program Description and Outcome Measures Program Description

The City of DeKalb shall provide funding as contemplated by the attached Appendix B, Program Budget, in the amount of **\$15,000.00** for Program Year 2022 ("PY22"), for the Safe Passage program described below, subject to Safe Passage's compliance with the terms of this Agreement and its appendices.

Safe Passage shall be responsible for providing services (as described below) over the period constituting PY22. Safe Passage will administer all tasks in the provision of the aforementioned public services in compliance with all applicable Federal, state, and local rules and regulations, and in a matter satisfactory to the City.

- 1) 100% of persons served through the program funded by the City shall be Low-Moderate Income ("LMI") clientele based upon compliance with one of the two following standards:
 - a. Participants may be LMI based upon financial data utilizing the most recent available LMI standards available from the Department of Housing and Urban Development ("HUD"). Safe Passage shall utilize the financial verification form attached hereto as Exhibit 1 (or a replacement to this form that is approved by the City), to verify LMI status of program participants. Safe Passage shall review financial information for the program participants to establish the IRS definition of income and obtain the necessary documentation for participants to verify compliance with LMI thresholds described above. The verification and the documentation provided for participants to certify LMI status shall be subject to review by the City at any time upon request. Additionally, Safe Passage shall provide a written affidavit certifying compliance with this standard.
 - b. Participants may be LMI presumed clientele if they are battered spouses. For identification as a battered spouse, participants must have been referred to Safe Passage by a judicial referral from the Circuit Court, a referral from local police, or a licensed physician, psychologist, or psychiatrist. Safe Passage shall maintain records of all such referrals and, within the constraints of applicable privacy laws, shall permit the City to review redacted copies of such referrals upon request. Additionally, Safe Passage shall provide an affidavit certifying compliance with this standard.
- 2) The facility at which services are provided (as funded under this Agreement) shall be a facility for the treatment of survivors of domestic violence. Safe Passage shall provide a written affidavit certifying compliance with this requirement.
- 3) The services provided by Safe Passage, as funded under this Agreement, shall constitute the subrecipient providing public services that constitute **\$15,000.00** of the cost of a Residential Coordinator's salary, with such funding being utilized to cover a portion of the cost of the Residential Coordinator when working directly with survivors of domestic violence who are residents of the City of DeKalb. Safe Passage shall provide the City with payroll documentation including time and activity records evidencing the total cost of such coordinator's salary, and work assignment documentation evidencing the percentage of such cost allocated to the provision of direct services to Safe Passage clients. The costs funded by the City shall be not more than the amount of such Coordinator's salary as are attributable to direct services to residents of the City. Safe Passage shall also provide the City with an

affidavit evidencing compliance with this requirement. Detailed financial information is provided on Appendix B hereto.

- 4) Safe Passage shall provide the City with an annual budget and financial statements evidencing the total agency budget and the payment of incurred expenses consistent therewith. In the event that the incurred expenses are less than the projected budget, funding shall not be reduced under this Agreement, provided that Safe Passage provides services in compliance with the minimum requirements contained herein. Safe Passage shall also provide the City with an affidavit evidencing compliance with this requirement.
- 5) Safe Passage shall annually provide services to not less than **700** victims of domestic violence, **326** of whom will be residents of the City of DeKalb. The Residential Coordinator shall be utilized to provide direct services to victims of domestic violence (certified as outlined above). Not less than 46.57% of such program participants shall be residents of the City of DeKalb. Safe Passage shall provide information on each resident of the City who is served including demographic information and family income level as defined by 30%, 50% or 80% of Area Median Income. Safe Passage shall provide the City with an affidavit evidencing compliance with this requirement.
- 6) Safe Passage may bill the actual direct costs incurred by the Subrecipient for the cost of the salary of the Residential Coordinator during the quarter in question, up to an aggregate limit of **\$3,750.00 per quarter**.
- 7) The parties acknowledge that Safe Passage is a larger organization providing services across a broad geographic area. The references contained herein to "Safe Passage" shall constitute references to the applicant, Safe Passage, Inc. in DeKalb County, IL.

Appendix B

Program Budget

The total budget for services provided by Safe Passage (as relating to the services funded hereunder) is \$1,727,591. The budget for the salary for the Residential Coordinator is \$67,866. The portion of such costs funded by the City under this agreement shall be \$15,000, which constitutes 22.1% of the cost of this specific position. Direct client services provided by the Residential Coordinator to residents of the City of DeKalb shall constitute not less than 22.1% of the total salary expense for such individual. The portion of total project costs funded by the City under this agreement shall be \$15,000, which constitutes 0.87% of total project costs.

Appendix C

Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities

Appendix D

SUBRECIPIENT Procurement Guidelines

PROCUREMENT STANDARDS

Safe Passage will perform a search in the System for Award Management (SAM) system to ensure contracts are not awarded to contractors or individuals on the List of Parties Excluded from the Federal Procurement and Non-Procurement Programs in order to review potential contractors or individuals (when applicable).

No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

Appendix E

City of DeKalb 2022 CDBG Program Schedule for Reporting and Disbursement of Funds

Programs that run throughout the 2022 program year will submit program and financial reports on a quarterly schedule. Grant reports and payments are generally on a quarterly schedule and are subject to change based on HUD date of release of grant funds. Reporting and payment schedules may be modified for SUBRECIPIENTS whose programs are completed in less than six months. Payments are contingent upon completion of the environmental review, execution of the SUBRECIPIENT AGREEMENT, and receipt of program and financial reports, as well as source documents that substantiate CDBG-funded expenditures.

Report Due Date	Period Covered	Funds Disbursed
July 10, 2022	April 1 – June 30, 2022	July 2022
October 10, 2022	July 1 – September 30, 2022	October 2022
January 10, 2023	October 1 – December 31, 2022	January 2023
April 10, 2023	January 1 – March 31, 2023	April 2023

Appendix F

City of DeKalb Community Development Block Grant – Public Services Program Costs Ineligible for CDBG Funds

The City of DeKalb uses Community Development Block Grant (CDBG) funds to support programs and services that provide for the needs of low- and moderate-income residents as identified in the City's 2020-2024 Consolidated Plan. Direct program costs are generally eligible for CDBG funds based on the federal Omni Circular. Some costs, though allowable under federal regulations, are ineligible for reimbursement with City of DeKalb CDBG funds. Please note that some costs may be included in the program budget but will not be paid with CDBG. This list is not all inclusive.

Ineligible Costs include:

- Entertainment costs.
- Alcoholic beverages.
- Fines, penalties, damages, and other settlements.
- Compensation to trustees, board members, and their immediate family members.
- Staff time and other costs related to applying for CDBG funding.
- Advertising and public relations costs (this does not include informational materials such as program flyers used for program outreach/recruitment of eligible participants).
- Fund raising costs.
- Equipment and capital expenditures.

Eligible costs that will not be paid with CDBG include:

- Costs relating to the federal Single Audit.
- Indirect cost allocations, whether approved by a federal cognizant agency or the 10% de minimus indirect cost allocation.
- Computers and other electronic devices.

**VOLUNTARY ACTION CENTER
(VAC)
1606 Bethany Road
Sycamore, IL 60178
(815)758-3932**

The project described herein is being funded by a Grant from the City of DeKalb, Illinois as part of the City's **2022 Community Development Block Grant (CDBG)** program which is authorized under Title 1 of the Housing and Community Development Act of 1974, as amended.

**CITY OF DEKALB
COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT**

This Community Development Block Grant Sub-Recipient Agreement (the "AGREEMENT") is made on this 8th day of August, 2022, by and between the **City of DeKalb**, an Illinois Municipal Corporation (hereinafter "CITY") and the **Voluntary Action Center (VAC)** (hereinafter "SUBRECIPIENT").

RECITALS

WHEREAS, Resolution 2022- 005 adopted on January 10, 2022 by the DeKalb City Council to approve the submission to the United States Department of Housing and Urban Development (hereinafter "HUD") of the 2022 One Year Action Plan, and the reallocation of unspent CDBG Funds from prior years, respectively, the City's application for Community Development Block Grant (hereinafter "CDBG") funds under Title 1 of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, said application was approved by HUD on Date TBA; and

WHEREAS, approval of the application by HUD, along with Resolution 2022- 005, authorizes City Staff to enter into this Agreement in furtherance of the CITY's Community Development objectives; and

WHEREAS, SUBRECIPIENT has been awarded certain CDBG grant funds (the "Grant") to utilize in Subrecipient's programming that is outlined in the Agreement and Appendices and this Agreement shall govern Subrecipient's use of the Grant funds;

NOW, THEREFORE, the CITY and the SUBRECIPIENT, having first found the foregoing recitals as fact, and in consideration of the mutual covenants set forth below, hereby agree as follows:

AGREEMENT

- I. **APPENDICES TO AGREEMENT:** All Appendices (A through F) attached to this Agreement are incorporated and made a part of this Agreement as referenced herein. SUBRECIPIENT agrees to abide by and follow all terms and conditions as set forth in said Appendices.
- II. **WORK TO BE PERFORMED BY SUBRECIPIENT:** In exchange for receiving CDBG grant funds from the CITY for the delivery of cold, frozen, and/or shelf-stable meals and supplements for seniors who reside in low-income housing in the City of DeKalb, the SUBRECIPIENT shall be responsible for administering the Program(s) as described in Appendix A (for each program) in a manner satisfactory to the CITY and substantially consistent with any standards and regulations that are specified in this Agreement and adherence to the same is a condition of providing these funds. SUBRECIPIENT commits to the Program goals that are outlined in Appendix A, including (1) the number of people to be served, (2) the number of program participants who are expected to be DeKalb residents, and (3) the number of program participants who shall meet HUD's definition of low- or moderate-income persons, and outcome measures as outlined in Appendix A. SUBRECIPIENT agrees to expend the total amount of CDBG funds covered in this Agreement,

solely for the agreed upon activities and in accordance with the conditions outlined in this Agreement and the Program budget(s) in Appendix B.

- III. **GENERAL COMPLIANCE WITH APPLICABLE LAWS:** SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (HUD regulations concerning CDBG). The SUBRECIPIENT also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this agreement.

SUBRECIPIENT additionally agrees to comply with any changes issued to the CITY's CDBG program by HUD. SUBRECIPIENT understands that changes issued to the CITY's CDBG program by HUD may materially alter the terms of this Agreement. The City will distribute any amendments to the CDBG program within thirty (30) days and SUBRECIPIENT must acknowledge the receipt.

SUBRECIPIENT acknowledges and affirms that the SUBRECIPIENT has the organizational capacity to adhere to collection and reporting requirements, regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule ("Omni Circular") Subpart D, Sections 200.300 – 200.303. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C. Organizational capacity shall be demonstrated by various methods, including but not be limited to:

- Use of OMB-approved standard information collections when providing financial and performance information.
- Financial data is provided for performance accomplishments of the Grant award.
- Cost information shall be distributed to demonstrate cost effective practices.
- Subrecipient shall provide the City with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
- All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the CITY's CDBG Grant Administrator.

SUBRECIPIENT agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which the SUBRECIPIENT uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that the SUBRECIPIENT uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines shall be attached to this contract as Appendix D and shall be incorporated into this contract by reference. If the procurement guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to either (1) procurement by small purchase procedures, (2) procurement by sealed bids, (3) procurement by competitive proposals, or (4) procurement by noncompetitive proposals, as directed by and outlined in Section 200.320.

The SUBRECIPIENT affirms that, per Federal regulations, SUBRECIPIENT has a Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, Inc., and will provide proof of this DUNS number to the CITY, prior to the approval of project funding.

- IV. LENGTH OF AGREEMENT:** The term of this Agreement shall begin no sooner than April 1, 2022 and end on March 31, 2023. Payment of CDBG grant funds by the CITY to the SUBRECIPIENT shall occur for eligible services and/or activities performed by the SUBRECIPIENT during the term of this Agreement as long as the SUBRECIPIENT is performing in accordance with the terms of the Agreement.

Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including any program income.

- V. AMOUNT OF APPROPRIATION:** The appropriation of CDBG funds for the Program shall be for an amount not to exceed **Ten Thousand Five Hundred dollars (\$10,500.00)** to be distributed as funding for the following program: Food Delivery Services to Low-income Seniors. The SUBRECIPIENT understands that the amount of these appropriations may be adjusted during the program year due to funding alterations made by the United States Congress, HUD, and/or the CITY. Any new local appropriations shall occur upon approval by the DeKalb City Council. SUBRECIPIENT understands that the awarding of the grant(s) under this Agreement in no way implies the continued financial support of the program(s) or services of the SUBRECIPIENT by the CITY beyond the specific period of this Agreement.

- VI. INELIGIBLE PROGRAM COSTS:** The SUBRECIPIENT agrees that certain direct program costs are ineligible for CDBG funds. Recording requirements prescribed by Congress, HUD or the CITY may require these costs be listed within the budget, but these costs will not be paid for using CDBG funds provided by the CITY. Ineligible direct program costs can be found in Appendix F, which is incorporated into this contract by reference.

- VII. PAYMENT OF CDBG FUNDS TO SUBRECIPIENT:** The CITY agrees to fund the Program(s) in the form of a grant in a total aggregate amount not to exceed **Ten Thousand Five Hundred dollars (\$10,500.00)**. Such funds shall be paid to the SUBRECIPIENT according to the schedule in Appendix E. The CITY CANNOT disperse any grant funds until the Environmental Review is complete and this Agreement has been executed by both parties (24 CFR Sec. 570.503 (a)). The Environmental Review will be completed by the City and shall be executed in a timely manner.

- The SUBRECIPIENT understands that this Agreement is for Public Services Programs and that payments shall be made per the schedule in Appendix E.
- The SUBRECIPIENT understands that disbursement will be contingent upon the SUBRECIPIENT ensuring compliance with any applicable federal, state, and CITY requirements.
- No disbursement will be made by the CITY unless all required reports (including beneficiary, performance, financial and narrative reports, and source documents for CDBG-funded expenditures) have been submitted and approved by CITY staff. Payment may be withheld pending receipt and approval of all required documentation.

VIII. SUSPENSION OR TERMINATION:

- Suspension or Termination for Cause by CITY: The SUBRECIPIENT understands and agrees that if SUBRECIPIENT materially fails to comply with any or all provisions of this Agreement, the CITY may in its sole discretion suspend or terminate this Agreement.
 1. Material non-compliance includes, but is not limited to, the following:
 - i. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time.
 - ii. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this Agreement.
 - iii. Ineffective or improper use of funds provided under this Agreement; or
 - iv. Submission of reports by the SUBRECIPIENT to the CITY which are late, or incorrect or incomplete in any material respect.
 2. As a result of material non-compliance, the CITY may take one or more of the following actions:
 - i. Temporarily withhold cash payments pending correction of the deficiency by the SUBRECIPIENT. More severe enforcement action may be undertaken by the CITY if the deficiency is not corrected.
 - ii. Disallow (that is, deny both use of funds and matching credit for all or part of the cost of the activity or action not in compliance.)
 - iii. Wholly or partially suspend or terminate the current award for the SUBRECIPIENT's program.
 - iv. Withhold further awards for the program; or
Take other remedies that may be legally available including, but not limited to, seeking compensatory and/or liquidated damages for breach of this Agreement, or injunctive or equitable relief in any court of competent jurisdiction.
- Termination for Convenience by CITY or SUBRECIPIENT: Either the CITY or the SUBRECIPIENT may terminate the award of funds under this Agreement in whole or in part if either determines that the goals indicated in the SUBRECIPIENT's proposal cannot be met. Termination is effected by the initiating party upon receipt of written notification by the other party setting forth: (1) the reasons for termination; (2) the effective date of termination; and (3) the portion to be terminated, in the case of partial termination. In the case of partial award termination, if the CITY in its sole discretion determines that the remaining portion of the award will not accomplish the purposes for which the award was made, it may terminate the entire award.

IX. REGULAR MEETING REQUIREMENT: SUBRECIPIENT agrees to meet on a regular or as-needed basis with the designated staff member of the CITY's Community Development Department to discuss general and/or specific issues of this Agreement and to review the required reports. Furthermore, SUBRECIPIENT agrees to cooperate fully in any monitoring program, including on-site monitoring, developed, implemented, or conducted by the CITY or by HUD.

X. RECORD REQUIREMENTS: SUBRECIPIENT shall provide the CITY, HUD, the Inspector General of the United States or any of their duly authorized representatives, access to any books,

documents, papers, and records of the SUBRECIPIENT which pertain to the CDBG-funded program for the purpose of monitoring, making audits, examinations, excerpts, transcripts, and photocopying.

- SUBRECIPIENT shall be required to maintain all required records for five (5) years after the SUBRECIPIENT's final audit and program close out by the CITY. SUBRECIPIENT shall establish and maintain a project file that contains the following sections:
 1. General project correspondence and related items.
 2. Financial source documentation and associated transactional documentation.
 3. Procurement procedures and associated documents.
 4. Compliance with applicable State and Federal regulations.
 5. Program reports.
 6. Documentation of persons benefiting from grant activities, including race/ethnicity and income to substantiate achievement of the CDBG National Objective of benefiting primarily persons of low and moderate income.
 7. Personnel actions.
 8. Acquisition and disposition of property.
- The records which, at a minimum, must be maintained are as follows:
 1. Financial Records: The SUBRECIPIENT shall, at a minimum, maintain the following records for each grant received under separate agreement from the CITY:
 - i. Cash Receipts Register: For recording of funds received in connection with the grant program.
 - ii. Cash Disbursements Register: For recording disbursement of funds from the agency's CDBG account(s). All disbursements must be supported by appropriate documentation (e.g.: payroll records, invoices, contracts, etc.) demonstrating the nature and use of each payment and showing approval of the program director or other authorized official. In addition, the SUBRECIPIENT agrees to provide to the CITY such financial reports and additional source documentation as the CITY may reasonably require and to comply with such reasonable additional financial control procedures as may be required to be retained in files maintained by the SUBRECIPIENT.
 - iii. Payroll Records: A basic time and activity tracking system shall be maintained to substantiate the services and staff time charged to the project. This should include time sheets documenting each person's total time and time charged against the grant; time sheets must be signed by both the employee and authorized supervisor of the employee.
 2. Equipment Records: A record shall be maintained for each item of equipment acquired for the Program. Equipment is defined as tangible personal property (including information technology systems) which has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$500. The records shall include: (1) a description (including model and serial number) of the property; (2) the date of acquisition; and (3) the acquisition cost (showing the percentage of the total costs paid for out of this Grant.) Such equipment records are necessary for HUD recording requirements. However, SUBRECIPIENT acknowledges that this recording requirement does not indicate that the CITY will

pay for equipment. The CITY does not provide funds for equipment purchases, including information technology systems.

3. Indirect Costs Records: A record shall be kept of all indirect costs, per HUD requirements. Indirect costs are costs incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. However, SUBRECIPIENT acknowledges that indirect costs shall not be covered by funds provided by the CITY.

XI. REPORTING REQUIREMENTS: The SUBRECIPIENT agrees to provide the CITY's Community Development Department with regular reports described below per the schedule in Appendix E, and any other reports which may be required by the CITY's CDBG Program for compliance under this Agreement. This includes reporting on performance measures, as outlined in §200.301 of the Omni Circular. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S CDBG Grant Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C.

SUBRECIPIENT shall use OMB-approved information collection standards, when providing financial and performance information. The SUBRECIPIENT shall provide financial data, and its relation to performance accomplishments, of the Federal award.

SUBRECIPIENT agrees to provide the CITY with documents pertaining to: (1) procedures; (2) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this Agreement; and (3) (if applicable) regularly updated schedule of program activities.

- **REPORTING:** Reports shall be submitted to staff via email by the SUBRECIPIENT throughout the term of the Program. **See Appendix E for report due dates.** All reports and required attachments may be viewed by members of the Community Development Department.
 1. The CITY reserves the right to withhold any of the SUBRECIPIENT's scheduled payments until such time as the CITY receives the SUBRECIPIENT's financial progress and performance reports.
 2. Improperly prepared reports will not be accepted. Subsequent Grant payments may be held pending receipt of accurate information together with any required source documentation. Upon receipt of improperly prepared or erroneous reports, field audit procedures may be initiated to evaluate the financial management, control, and record keeping procedures utilized by the SUBRECIPIENT. In addition, the CITY may require a meeting with the Executive Board of the SUBRECIPIENT to correct the situation.
 3. SUBRECIPIENT understands that a pattern of late, improper, or erroneous reporting could be grounds for termination of this Agreement at the CITY's sole discretion.

4. The CITY reserves the right to make appropriate adjustments for any funds previously paid out by the CITY but unexpended by the SUBRECIPIENT.
5. **Reports will be submitted via email and shall consist of the following:**
 - i. Beneficiary Demographic data: Client statistics (i.e., number of DeKalb residents served, beneficiary race/ethnicity and incomes) for the report period.
 - ii. Program Accomplishments and Narrative: Indicating progress against program goals as outlined in Appendix A, and additional information in narrative format that elucidates program accomplishments and outlines any unanticipated results.
 - iii. Financial Report: Indicating the budgeted expenses and revenues consistent with the 2020 appropriation for the grant Program as shown in Appendix B and the actual revenues and expenditures for the period covered by the report.
 - iv. Supporting documentation: **All Program expenditures charged to the CDBG Grant shall be supported with source documentation.** Documentation may include copies of paid invoices, receipts, and time sheets signed by each employee and supervisor paid with CDBG funds. The CITY may require other documentation to document the amount expended in the report period.

XII. ANNUAL AUDIT: The CITY requires that all SUBRECIPIENTS prepare and submit to the CITY an audit of the financial records of the SUBRECIPIENT pertaining to the receipt and use of CDBG funds as required by the Omni Circular. If the SUBRECIPIENT receives federal funds from sources other than the CITY's CDBG program, a combined single audit is permissible, provided said audit clearly identifies the amount of CITY CDBG funds received, the amount expended and encumbered, and the purposes of the expenditures. The CITY shall have the right to review and modify the scope of said audit. Said audit of CDBG funds shall encompass and be limited to the term of this Agreement. SUBRECIPIENT is responsible for clearly identifying and accounting for funds received and expended during separate program years; that is, an individual audit must distinguish expenditures and encumbrances made against funds received under separate Grant Agreements, particularly if the SUBRECIPIENT and the CITY operate under different fiscal years.

XIII. ALTERNATIVE FUNDING REPORTING REQUIREMENT: SUBRECIPIENT shall promptly notify the CITY if the SUBRECIPIENT receives funding (full or partial) that is incremental to the Program budget as shown in Appendix B from any and all sources for the performance of activities outlined under this Agreement. The SUBRECIPIENT further understands that the amount granted by the CITY may be reduced by the amount of such alternative funding.

XIV. REVISION OF BUDGET AND PROGRAM PLANS: The SUBRECIPIENT shall obtain written permission from the CITY staff member prior to any change in the approved budget or program plans following Omni Circular §200.308(C) (increase or decrease) of ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under the SUBRECIPIENT's line item budget which is attached hereto and identified as Appendix B. In order for the CITY to approve such a request, SUBRECIPIENT's written request shall contain, at a minimum: (1) the reason and justification for the change; (2) the amounts to be changed; and (3) a description of which line items are affected. Changes made without the CITY's prior approval may result in non-reimbursement of expenditures from those affected line items.

- XV. NON-DISCRIMINATION:** SUBRECIPIENT agrees that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, gender identity, marital status, age, source of income, or physical or mental disabilities, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the SUBRECIPIENT receives financial assistance from or through the CITY.

SUBRECIPIENT agrees to comply with: Title VI of the Civil Rights Act of 1964 (P.L. 88-352); Title VII of the Civil Rights Act of 1968 (P.L. 90-284); Section 104(b) and Section 109 of the Housing and Community Development Act of 1974, as amended; Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, as amended, the Age Discrimination Act of 1975, as amended; Executive Order 11246, as amended and Executive Order 11063 as amended.

SUBRECIPIENT agrees to include a statement of its non-discrimination policy in any printed or electronic information released to the public regarding Program activities.

- XVI. EQUAL OPPORTUNITY POLICY/AFFIRMATIVE ACTION PLAN/CURRENT POLICY SETTING BODY INFORMATION:** The SUBRECIPIENT shall ensure the following documents have been provided to CITY staff:

- A copy of its policy on equal opportunity employment and a copy of its most current Affirmative Action Plan.
- The names, addresses and professional affiliations of the current members of the Board of Directors or policy-setting body.

- XVII. WORKERS' COMPENSATION:** The SUBRECIPIENT shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

- XVIII. INDEMNITY:** SUBRECIPIENT hereby assumes liability for and agrees to protect, hold harmless, and indemnify the CITY and its assigns, officers, directors, employees, agents, and servants from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, claims, actions, suits, proceedings, costs, expenses, and disbursements, including legal fees and expenses, of whatever kind and nature, imposed on, incurred by or asserted against the CITY, its successors, assigns, officers, directors, employees, agents, and servants, in any way relating to or arising out of any of the following or allegations, claims, or charges of any of the following:

- The use or application of the Grant proceeds.
- The violation by the SUBRECIPIENT of any of its covenants or agreements under the Agreement.
- Any tort or other action or failure to act done in connection with the performance or operation of the Program.
- Any act or failure to act of any officer, employee, agent, or servant of the SUBRECIPIENT.
- Any injury to any person, loss of life, or loss or destruction of property in any way arising out of or relating to the performance or operation of the Program.

The CITY agrees to notify the SUBRECIPIENT in writing of any claim or liability which the CITY believes to be covered under this paragraph. The CITY shall tender, and SUBRECIPIENT shall promptly accept tender of, defense in connection with any claim or liability in respect of which

SUBRECIPIENT has agreed in writing that based on the claim or liability the CITY is entitled to indemnification under this paragraph; provided, however, that the counsel retained by SUBRECIPIENT to defend the CITY shall be satisfactory to the CITY; and that the CITY shall be kept fully informed of the status of the proceeding. In the event that the SUBRECIPIENT, within ten (10) days after receipt of notice from the CITY of a claim or liability which the CITY believes to be covered under this paragraph, fails to advise the CITY in writing that the SUBRECIPIENT agrees that the CITY is entitled to indemnification under this paragraph based on the claim or liability, the CITY, without waiving or prejudicing any claim or right it may have to indemnification, under this paragraph (including the recovery of legal fees and expenses), may retain its own counsel and present its own defense in connection with such claim or liability.

The CITY shall not settle or compromise any claim, suit, action, or proceeding in respect of which the SUBRECIPIENT has agreed in writing that the CITY is entitled to indemnification under this paragraph. Notwithstanding anything in the Agreement to the contrary, the indemnities contained in this paragraph shall survive the termination of the Agreement.

XX. INSURANCE AND BONDING: SUBRECIPIENT shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any CDBG cash advances. SUBRECIPIENT shall comply with the bonding and insurance requirements of the Omni circular 200.310 and 200.325, Insurance and Bonding requirements.

XX. NON-PARTICIPATION BY CERTAIN PERSONS: SUBRECIPIENT agrees to exclude the following persons from participation in any aspect of this Agreement:

- SUBRECIPIENT agrees to not allow any member of, or delegate to, the United States Congress any share or part of this Agreement or to allow any benefit to arise from same.
- SUBRECIPIENT agrees that no officer, employee, designee, agent, or consultant of the CITY or the SUBRECIPIENT or member of the governing body of the CITY who exercises any functions or responsibilities with respect to the CITY's CDBG program during his tenure or for one (1) year thereafter, will have any direct or indirect interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the Project assisted under this Agreement. The SUBRECIPIENT shall incorporate or cause to be incorporated in all such contracts or subcontracts a provision prohibiting such interest in conformance with the provisions of and pursuant to the purposes of this section. The provisions of 24 CFR § 570.611, "Conflict of Interest" shall apply to the SUBRECIPIENT.
- SUBRECIPIENT further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular § 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will participate in the selection, award or administration of a contract supported by CDBG funds, if that employee, officer, or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a tangible personal benefit from a firm considered for a contract. Such officers, employees, or agents of the SUBRECIPIENT may not solicit nor accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of

nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests. The written standards shall also include standards of conduct covering organizational conflicts of interest, in which the SUBRECIPIENT may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between the SUBRECIPIENT and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by the SUBRECIPIENT will include disciplinary actions to be applied for violations of such standards.

- Copeland “Anti-kickback” Act. – Any SUBRECIPIENT paid in full or part with CDBG funds will comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3) that states whoever, by force, intimidation, or threat of procuring dismissal from employment, or by any other manner whatsoever induces any person employed in the construction, prosecution, completion or repair of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he is entitled under his contract of employment, shall be fined under this title or imprisoned not more than five years, or both. Though CDBG funds shall not be used to pay for the construction, prosecution, completion, or repair of buildings, the SUBRECIPIENT affirms that by accepting CDBG funds, the SUBRECIPIENT will comply with the Copeland “Anti-kickback” Act.

XXI. PROGRAM INCOME: Program income shall herein be defined as gross income received by the SUBRECIPIENT directly derived or generated from the use of CDBG funds. Program income includes, but is not limited to:

- Fees for services performed,
- Use or rental of real or personal property acquired under Federal awards,
- The sale of commodities or items fabricated under a Federal award,
- License fees and royalties on patents and copyrights,
- And principal and interest on loans made with Federal award money.

SUBRECIPIENT agrees that, unless otherwise stated in this section, the SUBRECIPIENT shall follow the program income requirements as outlined in § 200.307 of the Omni Circular.

SUBRECIPIENT understands and agrees that all program income shall be the property of the CITY, which shall have the exclusive right to determine the use and disposition of said income, except for fees for services which are used as part of the operating budget. However, such exempt fees must be small so as not to prevent the participation of Low and Middle-Income participants. SUBRECIPIENT will remit all other said income to the CITY. Said remittance shall be submitted annually and accompany the Final Report.

SUBRECIPIENT acknowledges that interest earned on advances of Federal funds, rebates, credits, and discounts do not count as program income.

Program income is to be: (check one)

_____ 1) returned to the CITY at times determined by the CITY; or

X 2) retained by SUBRECIPIENT to undertake the following activities:

Food Delivery Services to Low-Income Seniors

If retained by SUBRECIPIENT, all activities undertaken with the use of said income will be governed by all provisions of this Agreement. All program income, regardless of source, shall be substantially disbursed for any or all eligible CDBG activities undertaken by the SUBRECIPIENT before additional cash payments are made to the SUBRECIPIENT from the CITY (pursuant to CDBG regulations at 24 CFR Sec. 570.504 (c)). Any income on hand when this Agreement expires or received after such expiration shall be paid to the CITY upon request.

XXII. RETURN OF UNEXPENDED FUNDS: SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds upon the completion or termination of the Program:

- If the work of the program cannot be completed, or if SUBRECIPIENT ceases to function as an operating entity, SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds.
- Within thirty (30) days after the closing date of this Agreement, the SUBRECIPIENT shall submit to the CITY expenditure reports and documentation of all expenses or encumbrances during the time period covered by this Agreement. The CITY will then compare these expenditures with the amount of disbursements issued to the SUBRECIPIENT by the CITY. Disbursement of any final payment, if any, under the Agreement shall not be made until such a comparison has been completed to the CITY's satisfaction.
 1. If said expenditures and encumbrances are greater than the disbursements made to the SUBRECIPIENT, the CITY will issue a check to the SUBRECIPIENT for an amount equal to this difference, up to the amount of the authorized grant set forth in this Agreement.
 2. If said expenditures and encumbrances are less than the disbursements, the CITY shall withhold the difference from any final payment to the SUBRECIPIENT. If after withholding any such difference, the expenditures and encumbrances are still less than the disbursements, the SUBRECIPIENT shall promptly pay to the CITY a check for the difference of these sums.
 3. Funds paid to SUBRECIPIENT in excess of the amount to which the SUBRECIPIENT is finally determined to be entitled constitute a debt to the CITY. If not paid as stipulated in the preceding paragraphs, the CITY may take other action permitted by law.
- A final adjustment will be made to reconcile with the completed audit or Final Grant Report of CDBG expenditures within thirty (30) days of the submission of audit to the CITY. Subsequent grant payments or awards will be withheld until audit or grant report is completed for the current year. Only the City Manager can release funds if audit or grant report is not reconciled.

XXIII. INDEPENDENT CONTRACTOR: SUBRECIPIENT shall be and act as an independent contractor and not as a partner, joint venturer, or agent of the CITY and shall not bind nor attempt to bind CITY to any contract. SUBRECIPIENT is an independent contractor and is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including, but not

limited to, Worker's Compensation Insurance. SUBRECIPIENT agrees to defend, indemnify, and hold the CITY harmless from any and all claims, damages, liability, attorney's fees, and expenses on account of: (1) a failure or an alleged failure by SUBRECIPIENT to satisfy any such obligations; or (2) any other action or inaction of SUBRECIPIENT.

ADDITIONAL REGULATIONS: As a non-governmental entity, SUBRECIPIENT shall comply with the regulations, policies, guidelines, requirements and standards of federal OMB 2 CFR Chapter I, Chapter II, Part 200, et al, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; Final Rule" (Omni Circular Omni Circular, as specified in this paragraph:

- Subpart B – "General";
- Subpart C – "Pre-Federal Award Requirements and contents of Federal Awards," except for §§ 200.203 Notices of funding opportunities, 200.204 Federal awarding agency review of merit of proposals, 200.205 Federal awarding agency review of risk posed by applicants, and 200.207 Specific conditions, which are required only for competitive Federal awards,
- Subpart D – "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 1. Section 200.305 "Payment." The CITY shall follow the standards of paragraph 85.20(b)(7) and 85.21 in making payments to SUBRECIPIENT.
 2. Section 200.306, "Cost Sharing and Matching".
 3. Section 200.307, "Program Income." In lieu of paragraph 200.307, SUBRECIPIENT shall follow CDBG program regulations at 570.504 regarding Program Income.
 4. Section 200.308, "Revision of Budget and Program Plans";
 5. Section 200.311, "Real Property." In lieu of 200.311, CDBG SUBRECIPIENT shall follow CDBG program regulations at 570.505, Use of Real Property.
 6. Section 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
 - ii. Equipment not needed by the SUBRECIPIENT for CDBG activities shall be transferred to the CITY for the CDBG program or shall be retained after compensating the recipient.
 7. Section 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance";
 8. Section 84.52, "Financial Reporting";
 9. Section 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual CDBG activities shall be five years following grant close out; and
 - ii. The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award.
 10. Section 84.61 "Termination". In lieu of the provision of 84.61, SUBRECIPIENT shall comply with 570.503(b)(7) Suspension and Termination; and

- Subpart D - "After-the Award Requirements", except for paragraph 84.71, "Closeout Procedures."

XXIV. COMPLIANCE WITH FIRST AMENDMENT CHURCH/STATE PRINCIPLES: SUBRECIPIENT agrees to comply with the First Amendment Church/State Principles which state that CDBG funds may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations apply to the use of CDBG funds:

- As a general rule, CDBG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the CITY that, in connection with the provision of such services:
 1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
 2. It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion.
 3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.
- Where the public services provided under paragraph a of this section are carried out on property owned by the primarily religious entity, CDBG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG expenditure for the public services.

XXV. CERTIFICATION: To the best of its knowledge or belief, the SUBRECIPIENT certifies that:

- No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement;
- If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub-grants, agreements) and that all sub awardees shall certify and disclose accordingly, and
- This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering this Agreement pursuant to Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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

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

XXVIII. WAIVER: The CITY's failure to act with respect to a breach by the SUBRECIPIENT does not waive the CITY's right to act with respect to subsequent or similar breaches. The failure of the CITY to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

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

XXX. NOTICES: All notices, requests, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon delivery, if delivered personally, or on the fifth (5th) day after mailing if sent by registered or certified mail, return receipt requested, first-class postage prepaid, as set forth below. Faxed or emailed communications are a convenience to the parties, and not a substitute for personal or mailed delivery.

- if the CITY, to: Bill Nicklas
City Manager
City of DeKalb
164 East Lincoln Highway
DeKalb, Illinois 60115
Email: bill.nicklas@cityofdekalb.com
- if the SUBRECIPIENT, to: Nate Kloster
Chief Executive Officer
Voluntary Action Center
1606 Bethany Road
Sycamore, IL 60178
Email: Nkloster@vacdk.com

XXXI. CHANGES TO AGREEMENT: The CITY and the SUBRECIPIENT agree that any and all alterations, variations, modifications, or waivers of provisions of this Agreement shall be valid only when they have been reduced to writing, duly signed by both parties, and attached to the original of this Agreement.

IN WITNESS, WHEREOF, the parties have executed this Agreement in duplicate and the Effective Date is the date that the City signs the document.

CITY OF DEKALB

SUBRECIPIENT (DUNS Number: 168874634)

BY: 
Signature

BY: 
Signature

NAME: Cohen Barnes

NAME: Nate Kloster

TITLE: Mayor

TITLE: Chief Executive Officer

DATE: 9-27-2022

DATE: 10-13-2022

Appendix A

SUBRECIPIENT Program Description and Outcome Measures

Food Delivery Program

The City of DeKalb shall provide funding as contemplated by the attached Appendix B, Program Budget, in the amount of \$10,500.00 for Program Year 2022 ("PY22"), to the Voluntary Action Center for the Food Delivery Services described below, subject to VAC's compliance with the terms of this Agreement and its appendices.

VAC shall be responsible for providing services (as described below) over the period constituting PY22. The services provided herein will be the delivery of cold, frozen, and/or shelf stable meals and supplements to low-income seniors who reside in subsidized housing in the City of DeKalb. VAC will administer all tasks in the provision of the aforementioned public services in compliance with all applicable Federal, state, and local rules and regulations, and in a matter satisfactory to the City.

- 1) 100% of persons served through the program funded by the City shall be Low-Moderate Income ("LMI") clientele based upon compliance with one of the two following standards:
 - a. Participants may be LMI based upon financial data utilizing the most recent available LMI standards available from the Department of Housing and Urban Development ("HUD"). VAC shall utilize the application form attached hereto as Exhibit 1 (or a replacement to this form that is approved by the City), to verify LMI status of program participants. VAC shall review financial information for the program participants to establish the IRS or Section 8 definition of income and obtain the necessary documentation for participants to verify compliance with LMI thresholds described above. The verification and the documentation provided for participants to certify LMI status shall be subject to review by the City at any time upon request. Additionally, VAC shall provide a written affidavit certifying compliance with this standard.
- 2) The location at which services are provided (as funded under this Agreement) shall be HUD subsidized low-income housing. Residents of these properties are certified low/moderate income per HUD standards. Food delivery services participants shall be provided with meals and supplements in accordance with the details provided in this agreement. VAC shall provide a written affidavit certifying compliance with this requirement.
- 3) The services provided by VAC, as funded under this Agreement, shall constitute the subrecipient providing public services that provide cold, frozen, and/or shelf stable meals and supplements to program participants to increase access to healthy food and adequate nutrition for low-income seniors.
- 4) Funds shall be utilized to provide for \$10,500.00 of the cost of providing delivered meals and supplements to seniors, with the portion of the cost funded hereunder not exceeding such portion of the total cost of meal services that are attributable to LMI qualified program participants who are residents of the City. VAC shall provide the City with a detailed expense accounting providing a description of the total cost of services provided. VAC shall also provide the City with an affidavit evidencing compliance with this requirement. Detailed financial information is provided on Appendix B hereto.

- 5) VAC shall provide the City with an annual budget and financial statements evidencing the total agency budget and the payment of incurred expenses consistent therewith. In the event that the incurred expenses are less than the projected budget, funding shall not be reduced under this Agreement, provided that VAC provides services in compliance with the minimum requirements contained herein. VAC shall also provide the City with an affidavit evidencing compliance with this requirement.
- 6) VAC shall annually provide not less than 30 LMI senior residents of subsidized housing with meals and supplements. All participants shall be residents of the City of DeKalb. VAC shall provide the City with an affidavit evidencing compliance with this requirement.
- 7) VAC may bill the actual direct costs of the services provided by the Subrecipient to be used for the provision of meals and supplements for authorized seniors from low-income households residing in subsidized housing during the quarter in question, up to an aggregate limit of **\$2,625.00 per quarter.**

Appendix B

Program Budget

The total budget for services provided by VAC (as relating to the services funded hereunder) is \$20,611 for the Food Delivery Program. The portion of such costs funded by the City under this agreement shall be \$10,500.00, which constitutes 50.94% of the cost of the services provided by this project. This funding will be used as a portion of the local match for Title III funding for this service. Title III funds comprise 41.78% of project costs. Community support must cover the remaining 7.28% of costs. Due to the financial limitations of Title III funding and the total cost to provide this program, CDBG funds are needed to allow the agency to increase this service to assist a total of 30 low-income senior residents of the City.

Appendix C

Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities

Appendix D

SUBRECIPIENT Procurement Guidelines

XXIV. Procurement

VAC will exercise every means to ensure maintenance of the highest ethical level, absolute legality and reasonable logic in the purchase of services and supplies.

A. No member of the Board of Directors, paid employee, volunteer or affiliate of VAC shall realize personal gain as a result of the awarding or administration of contracts or purchase of equipment or supplies by VAC. Any verified violation of this code of ethics shall result in the imposition of disciplinary action, the nature and extent of which shall be determined by the Executive Director and/or the Board of Directors.

B. Contracts will be awarded to and purchases made from qualified entities, identified through open and free competition, who can best serve the needs of VAC.

C. The Executive Committee shall determine which items will be let for bids and the procedures to be followed in each instance. These decisions will be in compliance with local, state and federal regulations if the money to be expended is grant generated.

D. A special effort will be made to include DBE's when requests for proposals are issued.

E. Each contract will include specific remedies and/or punitive actions available to VAC to ensure contractor compliance with terms, conditions and specifications of the contract.

F. Valuation of tangible items shall be made by qualified individuals. Valuation of personal services shall be made by the Executive Director and shall in all cases be defensible.

G. Procurement procedures under all IDOT/FTA grants will include the following additional procedures.

H. For each contract estimated at \$300 to under \$10,000, the contract will be informally bid. Bids will be obtained from at least three suppliers and awarded to the lowest bidder.

I. For each contract estimated to be over \$10,000 and under \$100,000, the contract will be competitively bid through a public solicitation. IDOT-DPIT written concurrence is required prior to advertising and solicitation of bids. The contract will be awarded to the lowest bidder.

J. A copy of all contracts will be sent to IDOT-DPIT for approval before awarding.

K. VAC will retain copies of all contracts and related materials for future auditing.

L. VAC will comply with current U.S. DOT regulations at 49 CFR Part 26, including any amendments thereto.

Appendix E

City of DeKalb 2022 CDBG Program Schedule for Reporting and Disbursement of Funds

Programs that run throughout the 2022 program year will submit program and financial reports on a quarterly schedule. Grant reports and payments are generally on a quarterly schedule and are subject to change based on HUD date of release of grant funds. Reporting and payment schedules may be modified for SUBRECIPIENTS whose programs are completed in less than six months. Payments are contingent upon completion of the environmental review, execution of the SUBRECIPIENT AGREEMENT, and receipt of program and financial reports, as well as source documents that substantiate CDBG-funded expenditures.

Report Due Date	Period Covered	Funds Disbursed
July 10, 2022	April 1 – June 30, 2022	July 2022
October 10, 2022	July 1 – September 30, 2022	October 2022
January 10, 2023	October 1 – December 31, 2022	January 2023
April 10, 2023	January 1 – March 31, 2023	April 2023

Appendix F

City of DeKalb Community Development Block Grant – Public Services Program Costs Ineligible for CDBG Funds

The City of DeKalb uses Community Development Block Grant (CDBG) funds to support programs and services that provide for the needs of low- and moderate-income residents as identified in the City's 2020-2024 Consolidated Plan. Direct program costs are generally eligible for CDBG funds based on the federal Omni Circular. Some costs, though allowable under federal regulations, are ineligible for reimbursement with City of DeKalb CDBG funds. Please note that some costs may be included in the program budget but will not be paid with CDBG. This list is not all inclusive.

Ineligible Costs include:

- Entertainment costs.
- Alcoholic beverages.
- Fines, penalties, damages, and other settlements.
- Compensation to trustees, board members, and their immediate family members.
- Staff time and other costs related to applying for CDBG funding.
- Advertising and public relations costs (this does not include informational materials such as program flyers used for program outreach/recruitment of eligible participants);
- Fund raising costs.
- Equipment and capital expenditures.

Eligible costs that will not be paid with CDBG include:

- Costs relating to the federal Single Audit.
- Indirect cost allocations, whether approved by a federal cognizant agency or the 10% de minimus indirect cost allocation.
- Computers and other electronic devices.