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**The
Grant
Agreement**

The Grant Agreement

The Grant Agreement is the legal and binding contract which sets forth your responsibilities in accomplishing the activities funded with the VCDP grant funds. The Grant Agreement must be executed (signed) by authorized representatives of both parties to be legal. Requisitions will not be processed without a fully executed Grant Agreement.

Your CD Specialist will prepare drafts of the Grant Agreement for review and acceptance by the governing body of your municipality. A Grant Agreement takes a substantial amount of time and effort to finalize, and may require extensive discussions to ensure that everyone affected understands and agrees to it.

In the case of a Consortium Grant Agreement, the municipalities in the consortium must execute a consortium contract designating one municipality to serve as the Lead Grantee and act as agent for all the municipalities. See the Sample Consortium Contract in Chapter 4, under Grant Administration. It is highly recommended that the municipalities consult an attorney(s) before executing this contract since this consortium contract is a legal and binding document which binds the municipalities one and severally to all the terms and conditions of the Grant Agreement. During the preparation of the Consortium Grant Agreement, the individual municipalities must determine how involved each one wants to be. Only the Lead Grantee is required to execute the Grant Agreement with the Agency.

The Grant Agreement is made up of the main body of the contract, called the "Standard Provisions," and five attachments. The "Standard Provisions" and Attachment E outline the federal and state laws and regulations that govern all recipients of VCDP grant funds.

All 25 sections of the "Standard Provisions" (Roman numerals I - XXIX) and Attachment E should be read very carefully. A Sample Grant Agreement appears at the end of this chapter to give you an opportunity to become familiar with it.

Some of the laws and regulations found in the Grant Agreement may not apply in every case, but the municipality is ultimately responsible for complying with all requirements that do apply.

Attachments A, B, C, and D of the Grant Agreement relate to the specific terms, conditions, activities, budgets, and timetable of your grant. These attachments to the Grant Agreement will reflect the activities proposed in the application.

The following is a summary description of the Attachments:

- 1) **Attachment A** (Special Conditions) indicates the Award Date, the Completion Date, the amount of the VCDP grant funds awarded, and the amount of Other Resources to be spent as part of the project. It also sets out the progress reporting schedule, required documentation, and actions that must be taken prior to the first requisition for funds. The Grantee will likely be required to provide the opinion of its legal counsel that the agreements

**Consortium
Contract**

**Standard
Provisions**

**Grant
Agreement
Parts**

required by the Grant Agreement are legal, valid, binding and enforceable, and that they meet the requirements of the Grant Agreement and provide for use of the VCDP funds in compliance with the Grant Agreement. The approval of a requisition for funds may be conditioned on submitting identified documents or information.

- 2) **Attachment B** (Description of Activities) states the type(s) of activity to be carried out under the grant:
 - establishes quantifiable performance goals
 - identifies beneficiaries and type of benefit to be provided
 - identifies the state and national objective to be met
 - outlines the grant management structure
 - sets the amounts, source(s), and uses of Other Resources
- 3) **Attachment C** (Program Budget) specifies dollar amounts and beneficiaries by activity and code, and includes the VCDP grant funds and the Other Resources.
- 4) **Attachment D** (Performance Schedule) sets time frames for completion of activities and specifies quantifiable indicators for performance goals.
- 5) **Attachment E** (Certifications and Assurances) identifies the federal and state statutes, executive orders, and other requirements that you must comply with, if applicable to your Grant Agreement. The list of statutes, executive orders, and requirements contained in Attachment E appears at the end of Chapter 3, under Certifications and Assurances.

You should be aware that the filing of documents does not trigger a review by the Agency for the benefit of the Grantee. The Agency will review documents for its own purposes, and the responsibility to ensure the adequacy and legality of all documents rests with you. No action on the part of the Agency in any way replaces or reduces your responsibilities. See Agency Procedures, Chapter 19, for further information on this issue.

Keeping the Public Informed

Before you submitted your proposal to VCDP, you held a warned public hearing to inform the community of the project and to solicit comments. Before your Grant Agreement can be closed out you must hold a second public hearing and present documentation to VCDP of having held it. In addition, this or any other public communication must include the amount of the grant award and a statement that the project is funded by a VCDP grant, awarded by the Vermont Agency of Commerce and Community Development.

2nd Public Hearing

VCDP STAFF REVIEW OF GRANT AGREEMENTS

Attachment A, Special Conditions, of the Grant Agreement includes special conditions requiring you to submit certain documents to the Agency. These documents may include administrative services contracts, consultant and contractor contracts, consortium contracts, loan policies, loan agreements, security agreements, promissory notes, mortgage deeds, affordable housing covenants, employment agreements, and other documents unique to the grant activities.

Special conditions may require that documents be filed with the Agency prior to requisitioning funds. The special conditions may require that the Grantee provide its attorney's opinion, and in that case will provide specific matters that the opinion must address. The Agency relies upon the Grantee's attorney's opinion that such documents meet the requirements of the VCDP (See "Grant Agreement", paragraph (1) above.)

VCDP staff review of documents filed with the Agency may occur at the time that the document is received, or at the time of a monitoring review. These documents would be reviewed for substance and content in addition to the required provisions. This level of review is likely for the following document types:

- loan policies
- affordable housing covenants
- unique grant documents (e.g., policy/procedural guidelines)consortium contracts
- consortium contracts
- administrative services contracts
- consultant/contractor contracts

In addition, employment agreements will be filed with the Agency but will not be reviewed.

It is important to remember that you are fully responsible for complying with all the terms, conditions, and requirements of the Grant Agreement. You also have full responsibility to see that all documents required to carry out the terms of the grant agreement are in full compliance with VCDP requirements and any other legal requirements. You cannot assume that Agency receipt, or even review, of a document translates into a determination that any and all legal aspects of the document pass muster.

PLEASE NOTE:

The Vermont Community Development Program (VCDP) will not necessarily undertake to review and comment upon all documents generated in connection with a Grant. It is your responsibility to take appropriate steps through the execution of legally binding documents and enforcement of their provisions to ensure that your obligations pursuant to the Grant Agreement are performed. This responsibility is in no way reduced or assumed by the Agency as to documents submitted to it for review, comment or filing pursuant to the Grant Agreement.

The VCDP staff shall not review grant documents comprehensively for the existence of any deficiency. The Agency's review is limited to requirements strictly related to the VCDP.

VERMONT COMMUNITY DEVELOPMENT PROGRAM
GRANT AGREEMENT
between the
STATE OF VERMONT
AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT
and the
{Municipality}

I Grant Agreement

This Grant Agreement (the "Agreement") is between the State of Vermont, Agency of Commerce and Community Development (the "Agency"), and the {C/T/V}, Vermont (the "Grantee"). This Agreement consists of the provisions stated herein and the attachments itemized below, all of which are incorporated herein, and together constitute the entire agreement between the Agency and the Grantee with respect to the Vermont Community Development Program (the VCDP) and no representations, inducements, promises or agreements not embodied herein shall be of any force or affect, unless the same are in writing in accordance with **Paragraph XXV** below.

- Attachment A - SPECIAL CONDITIONS
- Attachment B - DESCRIPTION OF ACTIVITIES
- Attachment C - PROGRAM BUDGET
- Attachment D - PERFORMANCE SCHEDULE
- Attachment E - CERTIFICATIONS AND ASSURANCES

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The signatures of the undersigned indicate that each has read this Agreement in its entirety and agrees to be bound by its provisions.

Dated this _____ day of _____, 200X.

AGENCY

GRANTEE

By: _____
{Name}, Commissioner
Department of Housing and Community Affairs
for:
{Name}, Secretary
Agency of Commerce and Community Development

By: _____
{CEO & Title}
{Municipality}

II Authority

- (A) This Agreement is funded, in whole or in part, through a grant provided to the Agency by the United States Department of Housing and Urban Development (HUD) under Title I of the federal Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5301 *et seq.* (the "Federal Act"). Pursuant to the Federal Act, the State of Vermont has elected to administer the federal program of Community Development Block Grants through the Agency.
- (B) The Agency, in accordance with the provisions of the Vermont Community Development Act, 10 V.S.A. chapter 29 (the "State Act"), has awarded VCDP funds for the purpose of supporting the Grantee's community development program.

III Description of Activities

The Grantee agrees to perform, or cause to be performed, the work specified in the DESCRIPTION OF ACTIVITIES (Attachment B).

IV Period of Performance

The Period of Performance for all activities assisted by this **Agreement**, with the exception of those activities required under **Paragraph XIX** below, shall commence as of the Award Date set out in the Grant Award Letter and shall be complete by the date set forth in SPECIAL CONDITIONS (Attachment A), and identified therein as the "Completion Date."

V Distribution of Grant Funds.

In consideration of the Grantee's satisfactory performance of the work required under this **Agreement** and the Grantee's compliance with the terms and conditions of this **Agreement**, the Agency shall disburse to the Grantee an amount not to exceed the total sum in VCDP funds set forth in SPECIAL CONDITIONS (Attachment A), and identified therein as "Total Award." Such Funds shall be used by the Grantee in accordance with this **Agreement**. Further:

- (A) The Grantee shall provide for and document the expenditure of any amount set forth in SPECIAL CONDITIONS (Attachment A), and identified therein as "Other Resources." Such funds shall be used in accordance with the activities as listed in the PROGRAM BUDGET (Attachment C).
- (B) It is expressly understood and agreed that in no event will the total funds provided by the Agency exceed the Total Award. Any additional funds required to complete the activities set forth in this **Agreement** will be the responsibility of the Grantee.
- (C) In the event VCDP funds are needed prior to their availability due to VCDP requirements or conditions, the Grantee and/or one of the project parties must seek bridge financing to meet any expenses that cannot be delayed. The expenditure of bridge financing must be in compliance with VCDP requirements, most notably the environmental review process.
- (D) If the project's non-general administration budget comes in under budget, VCDP funds in an amount proportionate to the unused portion of the total budget (VCDP dollars and Other Resources dollars) shall be returned to the Agency. Such amounts may not be reallocated to other Activities, notwithstanding the provisions of Section XXV(A)(1) of this **Agreement**. Project overruns will be the obligations of the Grantee, as set forth at Section V(B).
- (E) If the project's general administration budget comes in under budget, the unused portion shall be returned to the Agency. The expenditure of VCDP funds for General Administration must be maintained at the ratio currently set out in Attachment B of this **Agreement**, Project Budget.
- (F) The Grantee understands that this **Agreement** is funded in whole or in part by federal funds. In the unlikely event the federal funds supporting this **Agreement** become unavailable or are reduced, the Agency may terminate or amend this **Agreement** and will not be obligated to pay the Grantee from State revenues. In no event shall this **Agreement** be construed as a commitment by the Agency to fund future applications and/or programs.

VI Indemnification

The Grantee shall indemnify, defend and save harmless the State and its officers and employees from any and all actions, suits, damages, liability and expense in connection with loss of life, bodily or personal injury or property damage arising as a result of the performance of the obligations of this **Agreement** by, or use of the Grant funds by, or occasioned wholly or in part by any act or omission of, the Grantee or any Subrecipient, its or their agents, contractors, subcontractors, employees, servants, invitees, licensees, or concessionaires. The liability of the Grantee under this **Agreement** shall continue after the termination or completion of this **Agreement**.

VII Obligations of Grantee

- (A) **Agreements to be in Writing:** The activities required by this **Agreement** shall be performed by the Grantee or one or more third parties, such as a subgrantee, borrower, contractor, or subcontractor, pursuant to one or more written contracts consistent with this **Agreement**.
- (B) **Liability of Grantee:** The Grantee shall remain fully liable and obligated for compliance with this **Agreement** with respect to each and every use of the VCDP funds subject to this **Agreement**, notwithstanding the subgranting, lending or contracting with any third party(s). The Grantee shall require any third party to comply with all lawful requirements necessary to insure that the VCDP is carried out in accordance with this **Agreement**, shall provide a copy of this **Agreement** to any such third party, and shall, when appropriate, attach and incorporate by reference this **Agreement** to any governing contract with such third party.
- (C) **Public Communication:** If the Grantee or Subrecipient issues a press release or public communication pertaining to the project assisted by this **Agreement**, this shall include a statement that the assisted project is funded by a VCDP grant, awarded by the Agency of Commerce and Community Development, and shall reference the amount shown on the PROGRAM BUDGET (Attachment C).
- (D) **Documentation:** All documents required to be filed with the Agency by the provisions of SPECIAL CONDITIONS (Attachment A) shall become a part of this **Agreement**. The Grantee understands that the filing of documents with the Agency does not require that the Agency review and comment upon any such documents, nor does the Agency in any way assume such obligation by requiring the filing of such documents. It shall be the Grantee's sole responsibility to take appropriate steps through the negotiation, execution, and, when appropriate, the enforcement, of legally binding agreements to ensure that the obligations of this **Agreement** are met. Filing of such documents with the Agency or use of model documents provided by the Agency shall in no way diminish Grantee's obligations hereunder.
- (1) Grantee shall have duly adopted municipal policies as set forth below, and shall file copies of such policies with the Agency at the times specified in SPECIAL CONDITIONS (Attachment A):
- (a) **Equal Employment Opportunity**
 - (b) **Fair Housing**
 - (c) **Use of Excessive Force**
 - (d) **Use of VCDP Funds for Federal Lobbying**
 - (e) **Drug-Free Workplace**
 - (f) **Code of Ethics**
- The Grantee may have previously adopted the above policies and filed copies of the same with the Agency. No duplicate filing shall be required if Grantee certifies such facts.
- (2) The following forms shall be filed:
- (a) Form PM-1 **Resolution to Accept the Grant Agreement**
 - (b) Form FM-1 **Designation of Depository**
 - (c) Form FM-2 **Authorized Signatures for Requisition of VCDP Funds**
- (E) **Public Hearing:** The Grantee shall hold a public hearing prior to the Completion Date to afford its residents the opportunity to review and comment on the program results and overall performance. The hearing shall be publicly warned at least fifteen (15) days in advance, stating the purpose of the hearing, with the notice appearing in a newspaper of general

circulation in the municipality. Written minutes and a summary of public comments shall be filed with the Agency with the Final Program report required under **Paragraph XVII**.

VIII Program Costs

- (A) **Allowable Costs:** The Grantee may incur only such costs as are reasonable and necessary to the Grantee's Program and as are allocable and allowable under the Agency Procedures, Chapters 5 through 7. Expenditures not specifically authorized may not be incurred without prior written approval by the Agency.
- (B) **Cash-in Kind:** Cash and cash-in-kind contributions made by the Grantee shall follow the criteria established by the Agency Procedures, Chapter 8.
- (C) **Impermissible Expenditures Pending Environmental Review:** The Grantee shall not incur costs on VCDP activities, except as provided in Subparagraph (D) below, until the Environmental Review required by §104(f) of the Federal Act has been completed and the Agency has issued the "Notice of Release of Funds."
- (D) **Allowable Expenditures Pending Grant Agreement:** As of the Award Date, reasonable costs may be incurred for Environmental Studies, Planning, General Administration, Program Engineering and Design, Acquisition, and Public Information to the extent they are applicable to this VCDP. Any VCDP activities performed by the Grantee in the period between the Award Date and the execution of this **Agreement** shall be performed at the sole risk of the Grantee.
- (E) **General Administration Costs After Completion Date:** VCDP funds may not be obligated after the Completion Date except for those General Administration activities required to prepare the Final Program Report, the Final Audit Report, and the Closeout Agreement.
- (F) **Program Costs at Completion:** Program Cost obligations incurred prior to, and outstanding as of, the Completion Date shall be paid within thirty (30) days.
- (G) **Agency Review of Expenses:** At any time during the Period of Performance under this **Agreement**, or upon receipt of the Final Program Report and the Final Audit Report, the Agency may review any or all costs incurred by the Grantee and any or all payments made. Upon such review the Agency shall disallow any items of expense which are determined to be in excess of approved expenditures and shall inform the Grantee of any such disallowance by written notice.
- (H) **Disallowance of Expenses:** If the Agency disallows costs for which payment has not yet been made, it shall refuse to pay such costs. If payment has been made with respect to costs which are subsequently disallowed, the Agency may deduct and/or withhold the amount of disallowed costs from any future payments under this **Agreement** or require that such costs be refunded to the Agency.

IX Bank Accounts for VCDP Funds

- (A) **Depository Accounts:** Funds disbursed pursuant to **Paragraph XI** of this **Agreement** shall be deposited in a separate, non interest-bearing account, dedicated to VCDP funds, and held in the name of and under the ownership of the Grantee. Any interest earned on funds in the depository account shall be remitted to the State for subsequent return to the United States Treasury. Funds held in the depository account shall be under the control of the Grantee's treasurer, and shall be paid out only on orders drawn by officials authorized by law to draw such orders.
- (B) **Other Accounts:**
 - (1) Accounts established in the name of the Grantee and into which Program Income or housing rehabilitation escrow funds are deposited shall conform to the requirements of subparagraph (A) of this Paragraph, except that such accounts may be interest bearing.

- (2) The Grantee shall require that accounts involved with the activities covered by this **Agreement** which are established by Subrecipients or entities retained for the purposes of administration of this grant be secured as required in **Paragraph IX(C)** of this **Agreement**.
- (3) The Grantee shall ensure that persons who are authorized to make deposits into or pay out funds from any of the accounts established under Subparagraph (B)(2) above, have fidelity coverage as required in **Paragraph IX(D)** of this **Agreement**.
- (C) **Depository Institutions:** All accounts into which are deposited funds involved with the activities covered by this **Agreement** shall be held by a financial institution authorized to take deposits in the State of Vermont. All such funds shall be fully insured by the Federal Deposit Insurance Corporation (FDIC) or its equivalent. Any balance exceeding such coverage must be collaterally secured by U.S. Government obligations.
- (D) **Fidelity Bond Requirements:** All individuals who are authorized to deposit receipts and/or pay out funds from any of the accounts covered by this Paragraph shall have fidelity bond coverage in an amount commensurate with the total losses which might be incurred.

X Financial Management

The Grantee shall establish and maintain a system which assures effective control over, and accountability for, all funds, property and other assets used and/or attained under the VCDP. Such system shall:

- (A) Maintain separate accounting records and source documentation for the activities funded under this **Agreement** and provide accurate financial information in the Progress Reports and any other status reports in the form specified by the Agency;
- (B) Provide for accurate, current and complete disclosure of the financial status of the Program and for the expenditure of any Other Resources listed in the PROGRAM BUDGET (Attachment C);
- (C) Establish records of budgets, receipts, and expenditures for each activity and demonstrate the sequence and status of receipts, obligations, disbursements, and fund balance;
- (D) Is consistent with generally accepted accounting principles; and, supports the program and/or single audit(s) requirements set forth in Agency Procedures, Chapter 21.

XI Requisition of VCDP Funds.

- (A) VCDP funds, in the form of advances and/or reimbursements, may be requisitioned from the Agency. The Grantee shall establish procedures to insure that any amounts of VCDP funds in excess of \$5,000 shall be expended within ten (10) calendar days of receipt in the depository account established in accordance with Paragraph IX(A), and shall ensure that any subrecipient shall conform to such procedures.
- (B) The Grantee shall not requisition VCDP funds for amounts that are withheld from contractors or subcontractors to assure satisfactory completion of the work. These amounts may be requisitioned when the Grantee makes final payment, including the amounts withheld.
- (C) The Secretary may suspend the requisition of advances and require the Grantee to advance funds, should it be determined that the Grantee is unwilling or unable to establish and comply with procedures to minimize the time period between cash advances and disbursement. Payments to the Grantee would then be made only as reimbursement for actual cash disbursements.

XII Procurement Procedures

The Grantee may use established procurement procedures which reflect applicable State and local laws and regulations, provided that these procedures meet the requirements of the standards set forth in the Agency Procedures, Chapter 10. This **Agreement** and the Agency Procedures shall in no way be construed to relieve the Grantee of contractual obligations outside of this **Agreement**. The Grantee shall be responsible, in accordance with good administrative practices

and sound business judgment, for the settlement of any contractual or other issues arising out of procurement obligations set forth herein.

XIII Bonding Requirements

- (A) For construction or facility improvement where the contract is for less than \$100,000, the Grantee may follow established bonding procedures, but at a minimum shall require bid guarantees, performance and payment bonds.
- (B) For contracts or subcontracts exceeding \$100,000, the Grantee shall follow the provisions of the Agency Procedures, Chapter 11 on bonding requirements.
- (C) Bonds shall be procured from a surety company registered and licensed to do business in the State of Vermont.

XIV Program Income

Program Income is all gross income received by the Grantee or a subrecipient and generated by the use of VCDP grant funds. Except as may be provided in SPECIAL CONDITIONS (Attachment A), Program Income and Unrestricted Revenue generated by the use of funds granted pursuant to this **Agreement** will be administered in accordance with the policies set forth in Agency Procedures, Chapter 22.

XV Conflict of Interest

- (A) In the procurement of supplies, equipment, construction, and services by the Grantee, all members of the Legislative Bodies, officers or employees of the Grantee, or their designees, Subrecipients, or agents, or other persons who exercise any functions or responsibilities with respect to the program shall be bound by the provisions of Agency Procedures, Chapters 9 and 10.
- (B) The Grantee shall include or cause to be included, provisions covering conflict of interest consistent with the requirements of this **Paragraph XV** in all contracts with third parties.
- (C) The Grantee shall not employ, nor permit any third party to employ any employee of the Agency.

XVI Equal Opportunity

- (A) The Grantee shall not discriminate against any employee, or applicant for employment, because of age, color, handicap, familial status, national origin, race, religion, or sex.
- (B) The Grantee agrees to comply with all of the requirements of 21 V.S.A. chapter 5, subchapter 6, relating to fair employment practices, to the extent applicable, and shall cause the provisions thereof to be included in all contracts with third parties for any work covered by this **Agreement** so that such provisions will be binding upon such third parties.
- (C) No person shall on the ground of age, color, handicap, familial status, national origin, race, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any of the activities covered by this **Agreement**.

XVII Monitoring and Reporting

- (A) The Grantee shall monitor the activities covered by this **Agreement**, including those of contractors and subcontractors, to assure that all program requirements are met.
- (B) From time to time, as requested in writing by the Agency, the Grantee shall submit such data and other information as the Agency may require. The Grantee shall submit or cause the submission of progress and financial reports to the Agency in a format prescribed by the Agency and according to the schedule set out in this Paragraph XVII. Failure to report as required or respond to requests for data or information in a timely manner may be grounds for holding the processing of requisitions or for suspension or termination of this **Agreement**.

- (C) For the first reporting period, submission of the Progress Report to the Agency is due in accordance with the schedule set out in SPECIAL CONDITIONS (Attachment A). For each reporting period thereafter, submission to the Agency is due no later than 15 days following the last day of said period. Any extension of the Completion Date shall extend Grantee's obligation to submit Progress Reports.
- (D) The Final Program Report shall be submitted as the report for the period which ends with the Completion Date. The Grantee shall submit a Final Program Report no later than thirty (30) days following the Completion Date. Evidence of a public hearing held in conformance with **Paragraph VII** of this **Agreement** shall be filed with the Agency as part of the Final Program Report, which shall consist of, at a minimum, the hearing notice and the minutes taken.

XVIII Audit(s)

- (A) The Department of Finance and Management will provide the following forms that the Grantee shall submit: the "Certification of Audit Requirement", and if no Single Audit required the "Subrecipient Schedule of Federal Expenditures", to the Department of Finance and Management, 109 State Street, Montpelier, Vermont 05609 at the end of each fiscal year for the duration of the Grant Agreement.
- (B) The Grantee shall arrange for an independent financial and compliance audit (or audits) of the VCDP costs and activities undertaken during the Period of Performance. The audit(s) must include all expenditures related to this **Agreement**. The audit(s) is to be conducted in accordance with the Single Audit Act of 1984, as amended, OMB Circular No. A-133, and Agency Procedures, Chapter 21, under the Compliance Supplement for the Code of Federal Domestic Assistance (CFDA) 14.228.
- (C) In compliance with the Single Audit Act of 1984, as amended, the Grantee shall determine whether a single audit or a program audit is required. Audits that cover a portion of the Period of Performance, or a portion of all expenditures, are defined as an Interim Audit. A Final Audit is the audit that covers all VCDP grant funds; or if there is an Interim Audit, the audit that covers the balance of any remaining unaudited VCDP funds through the Completion Date, or beyond if necessary.
- (D) Any contract or Agreement entered into by the Grantee and a Subrecipient shall contain language requiring the Subrecipient to comply with the provisions of the Single Audit Act of 1984, as amended.
- (E) If any expenditures are disallowed as a result of any Interim Audit Report(s) and/or Final Audit Report, the obligation for reimbursement to the Agency shall rest with the Grantee.

XIX Final Reports and Completion Certificates

- (A) The Grantee shall submit to the Agency a Final Program Report and an Interim Audit Report(s) and/or Final Audit Report covering the Period of Performance under this **Agreement**. Additionally, one copy of all reports shall be maintained with other program documents available for public review, and at least one copy must remain in the Grantee's files.
- (B) Certificate of Program Completion shall be issued to the Grantee when the Agency determines that all required work under this **Agreement** has been satisfactorily completed, including the submission of the Final Program Report, the Interim Audit Report(s), and/or the Final Audit Report. The Agency must determine that all program and financial compliance issues have been addressed and that the findings and/or concerns, if any, of monitoring reports, program reports, and audit reports have been resolved and cleared in writing.
- (C) If all pertinent conditions of (B) above have been met, except for the Final Audit Report of the VCDP costs, a Conditional Certificate of Program Completion may be issued by the Agency.

XX Retention of and Access to Records

- (A) Financial records, supporting documents, statistical records, and all other records pertinent to this VCDP shall be retained in accordance with the Agency Procedures, Chapter 3.

- (B) Authorized representatives of the Secretary of the Agency, the Secretary of HUD, the Inspector General of the United States, or the U.S. General Accounting Office shall have access to all books, accounts, records, reports, files, papers, things, or property belonging to, or in use by, the Grantee pertaining to the receipt and administration of Vermont Community Development Program funds, as may be necessary to make audits, examinations, excerpts, and transcripts.
- (C) Any contract or Agreement entered into by the Grantee shall contain language comparable to Subparagraph (B) above so as to assure access by an authorized party(s) to the pertinent records of any subrecipient, contractor, or subcontractor.

XXI Administrative Sanctions

- (A) Requisitions subject to compliance with SPECIAL CONDITIONS (Attachment A), will not be processed until the designated documents have been submitted to the Agency and reviewed or approved as required by this **Agreement**.
- (B) The Grantee shall receive notice from the Agency in the event of a failure to submit a timely progress report. No disbursement of grant funds shall be made if such failure continues after thirty (30) days from the date of notice. The Agency shall, in its discretion, determine whether to disburse funds during the notice period.
- (C) The Grantee shall receive a Notice of Delinquency from the Agency in the event of a failure to submit timely Interim or Final Audits, Final Program Reports, or Closeout Agreement Proposals. The Grantee shall not be eligible for further VCDP funds if such failure continues after thirty (30) days from the date of notice, and, in addition to the remedies provided under this **Agreement**, may be subject to any action available to the Agency at law or equity.
- (D) Resolution of Monitoring Findings - The Agency shall notify the Grantee of any negative findings identified through monitoring by providing a monitoring letter containing the Agency's "Findings." No further disbursement of grant funds shall be made under this **Agreement** until the Agency's Findings have been resolved in a manner satisfactory to the Agency. Grantee shall not be eligible for further VCDP funds if such resolution is not achieved within thirty (30) days of the date of the monitoring letter, and, in addition to the remedies provided under this **Agreement**, may be subject to any action available to the Agency at law or equity.

XXII Termination for Convenience

The Agency and the Grantee may terminate the grant in whole, or in part, when agreed that the continuation of the program would not produce the benefits anticipated hereunder, and shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Agency may allow full credit for non-cancellable obligations, properly incurred prior to termination.

XXIII Suspension or Termination for Cause

- (A) The Secretary may suspend this **Agreement**, in whole or in part, at any time during the Period of Performance and upon reasonable notice to the Grantee, or withhold further payments or prohibit the Grantee from incurring additional obligations of VCDP funds when it is determined that the Grantee has failed to substantially comply with the conditions of this **Agreement** or that the continued costs to be incurred will not produce benefits of comparable value. The Secretary shall allow all necessary and proper costs which the Grantee could not reasonably avoid during the period of suspension.
- (B) The Secretary may terminate this **Agreement** at any time during the Period of Performance, after reasonable notice and opportunity for hearing, when it is determined that the Grantee has failed to substantially comply with the conditions of this **Agreement** or that the continued costs to be incurred will not produce benefits of comparable value. The Secretary shall

promptly notify the Grantee, in writing, of the determination and reasons for the termination, together with the effective date.

- (C) Payments made to the Grantee or recoveries by the Secretary under this **Agreement** if suspended or terminated for cause shall be in accord with the legal rights and liabilities of the parties.

XXIV Appeals and Waiver of Enforcement

- (A) Appeals from the decisions or actions of the Agency may be made to the Secretary through the provisions of the Agency Procedures, Chapter 18.
- (B) No waiver by the Secretary of the right to enforce any provision of this **Agreement** shall be deemed a waiver of the right to enforce such provision upon subsequent breach or default, nor waiver of the right to enforce any other provision hereof.

XXV. Budget Revisions and Amendments.

(A) Budget Revisions

- (1) The Grantee may, after first providing written notice and justification to the Agency, make a one-time revision of the amounts listed in the "VCDP Funds" column of the PRO-GRAM BUDGET (Attachment C), provided that
 - (i) the aggregate impact is no more than ten (10%) percent of the Total Award, listed as the "Total" item in the "VCDP Funds" column, and
 - (ii) the Total Award is not increased.

However, there shall be no change to budgeted amounts for General Administration or Program Management Activities without prior written approval of the Agency. Program Management and General Administration activities are indicated by a VCDP Code suffix of "13."

(B) Amendments.

- (1) Any change or deviation from this Agreement not specifically identified in subparagraph (A) hereof, including extensions of time for completion and budget revisions in excess of ten (10%) percent, shall constitute an amendment of this Agreement and shall only be effective when reduced to writing and signed by or on behalf of the Agency and the Grantee. No more than one amendment for changes which in the view of the Agency are not substantial, shall be permissible, and the Agency will not allow any amendment which would substitute the funded activity.
- (2) The Grantee shall notify the Agency if, through the use of Other Resources, there is an intention to expand, enhance, or add to the scope of the program covered by this Agreement, or if there is a proposal to undertake activities that will have an impact upon the buildings, areas, or activities of this VCDP. The Agency reserves the right to require an amendment to this Agreement if such is deemed necessary.

XXV No Employee Benefits For Grantee

Grantee understands that the Agency will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation and sick leave, workers' compensation or other benefits or services available to State employees, nor will the Agency withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Grant Agreement. Grantee understands that any tax returns required by the Internal Revenue Code and the State of Vermont, including, but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Grantee, and information as to grant income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes, if required.

XXVI Insurance

Before commencing work on this Grant the Grantee must secure the following minimum insurance coverages. It is the responsibility of the Grantee to maintain current certificates of insurance on file through the term of the Grant.

Workers' Compensation: With respect to all operations performed, the Grantee shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the grant, the Grantee shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products / completed products aggregate
\$ 50,000 Fire Legal Liability

Automotive Liability: The Grantee shall carry automotive liability insurance covering all owned, non-owned and hired vehicles, used in connection with the Grant. Limits of coverage shall not be less than:

\$1,000,000 Combined single limit

No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Grantee for the Grantee's operations. These are solely minimums that have been set to protect the interests of the State.

XXVII No Gifts or Gratuities

Grantee shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the Agency during the term of this Grant Agreement.

XXVIII Copies

All written reports prepared under this Grant Agreement will be printed using both sides of the paper.

{End of Document}

ATTACHMENT E - CERTIFICATIONS AND ASSURANCES

The Grantee hereby certifies and assures that Vermont Community Development Program Funds will be utilized in accordance with all the following; to the extent applicable, and that:

Debarment, Suspension, Ineligibility and Voluntary Exclusion from Federal Procurement and Non-procurement Programs

The Chief Executive Officer certifies that the Municipality is excluded from the List of Parties Excluded from Federal Procurement or Non-procurement Programs in accordance with Executive Orders 12549 and 12689. In addition, certifies that no awards will be made to any subgrantees, or permit any award at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs.

Legal Authority

(1) It possesses legal authority as defined in the Vermont Community Development Act [10 VSA 29] to apply for and accept the grant and administer the program.

(2) The legislative body has duly adopted and passed an official act or resolution authorizing the acceptance of and agreement to the conditions and provisions of this *Agreement*, including all understandings, certifications, and assurances contained herein; and designating and authorizing the Chief Executive Officer or designee to execute this *Agreement* and other such documents as may be necessary.

Benefit to Persons of Low and Moderate Income

(3) It will comply with the provisions of Section 104(b)(3) of the Federal Act which requires the use of funds to be developed to give maximum feasible priority to those activities which will benefit low and moderate income families, or aid in the prevention or elimination of slums or blight or meet other community development needs having a particular urgency.

Citizens Information

(4) It held at least one public hearing warned at least 15 days prior to obtain the views of citizens on community development and furnished citizens with information required by the Federal and State Acts.

(5) It prepared statements of community development and housing needs, including the needs of lower income persons and activities to be undertaken to meet such needs, the objectives and the projected use of community development funds, including information on the past use of such funds, if any, and have given affected citizens an opportunity to examine these statements and furnished a copy to the Agency.

(6) It allowed citizens an opportunity to examine the application and all supporting documentation and to submit comments thereon and will, in like manner, provide citizen participation when considering substantial program amendments.

Further, the Grantee assures that it:

Labor

- (7) Will administer and enforce:
- (a) the Davis-Bacon Act [40 USC 276a et seq.];
 - (b) the Federal Fair Labor Standards Act [29 USC 201 et seq.]; and
 - (c) the Contract Work Hours and Safety Standards Act [40 USC 327-333].

(8) Will comply with:

- (a) the Copeland Anti-kickback Act of 1934, [18 USC 874 and 40 USC 276c];
- (b) Executive Order 11246 (Equal Employment Opportunities) as amended by Executive Orders 11375 and 12086 and the regulations issued pursuant thereto [24 CFR 130 and 41 CFR 60]; and
- (c) Section 3 of the Housing and Urban Development Act of 1968 [12 USC 1701u] as amended, (equal employment and business opportunities) and the regulations at 24 CFR 135.

Environmental and Historic

(9) The Chief Executive Officer, or other official so designated by the Legislative Body and approved by the Secretary will consent to assume the status of a responsible Federal official under the National Environmental Policy Act (NEPA) of 1969 as amended [42 USC 4321 et seq.] and the regulations found at 24 CFR 58; and the Chief Executive Officer is authorized and consents on behalf of the Applicant and him/herself to accept the jurisdiction of the Federal Courts for the purposes of enforcement of the responsibilities of such official.

(10) Will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Secretary of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

(11) Will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with:

- (a) Section 106 of the Historic Preservation Act of 1966 [16 USC 470];
- (b) Executive Order 11593 (Protection and Enhancement of the Cultural Environment);
- (c) the Preservation of Archaeological and Historic Data Act of 1974 [16 USC 469 et seq.]; and
- (d) the procedures prescribed by the Advisory Council on Historic Preservation found at 36 CFR 800.

(12) Will comply with:

(a) the National Environmental Policy Act of 1969 [42 USC 4321 et seq. and 24 CFR 58];

(b) the Endangered Species Act of 1973, as amended [16 USC 153 et seq. and 10 VSA 4046 and Chapter 123];

(c) Executive Order 11990, Protection of Wetlands;

(d) the Fish and Wildlife Coordination Act of 1958, as amended [16 USC 661 et seq.];

(e) the Fragile Areas Registry Act of 1977 [10 VSA 6551];

(f) the Safe Drinking Water Act of 1974, as amended by the Safe Drinking Water Act of 1977 [21 USC 349 and 42 USC 210 and 300f et seq.] pertaining to sole-source aquifers;

(g) the Clean Air Act of 1970, as amended [42 USC 7401 et seq.] and Vermont law [10 VSA 551 et seq.] as amended;

(h) Executive Order 12088 relating to the prevention, control, and abatement of water pollution and the Federal Water Pollution Control Act of 1972, as amended, [33 USC 1251 et seq.] and Vermont law [10 VSA 1251 et seq. and 18 VSA 102, 1203 and 1218];

(i) the provisions of Executive Order 11988 as amended, relating to evaluation of flood hazards and with the flood insurance purchase requirements of Section 102(e) of the Flood Disaster Protection Act of 1973 [42 USC 4001 et seq.] and Vermont law [10 VSA 751 et seq. and Executive Order No. 17 of 1978];

(j) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 [42 USC 6901 et seq.] and Vermont law [24 VSA 2202a]; and

(k) noise abatement and control regulations [24 CFR 51]

Relocation and Acquisition

(13) Will comply with:

(a) the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970, as amended [42 USC 4601 et seq.], referred to as the "Uniform Act;"

(b) the implementing regulations of the Uniform Act issued by the Department of Housing and Urban Development (CFR Title 49, Part 24) contained in HUD Acquisition and Relocation Handbook 1378; and

(c) the requirements of the Vermont Community Development Acquisition and Relocation Policy.

Architecture and Construction

(14) Will comply with:

(a) Section 302 of the Lead-Based Paint Poisoning Prevention Act, as amended [42 USC 4803(b)];

(b) the Architectural Barriers Act of 1968 [42 USC 4151] and the rules applicable thereto;

(c) Section 504 of the Rehabilitation Act of 1973 [29 USC 794]; and

(d) the provisions of Section 104(b)(5) of the Federal Act which restricts recovery of capital costs by assessing any amount against properties owned and/or occupied by persons with lower incomes.

Equal Opportunity and Fair Housing

(15) Will affirmatively further fair housing and will comply with Pub. Law 90-284 [Title VIII of the Civil Rights Act of 1968; 42 USC 3601 known as the "Fair Housing Act"], as amended and the regulations issued pursuant thereto [24 CFR 100 to 115].

(16) Will comply with and will immediately take any measures necessary to effectuate compliance with Pub. L. 88-352 [Title VI of the Civil Rights Act of 1964; 42 USC 2000d] and the regulations at 24 CFR 1.

(17) Will comply with:

(a) Executive Order 11063 as amended by Executive Order 12259 (Leadership and Coordination of Fair Housing in Federal Programs) and the regulations at 24 CFR 100 and 107;

(b) Section 109 of the Federal Act [42 USC 5309] and the regulations issued pursuant thereto [24 CFR 570.496(b)];

(c) the Age Discrimination Act of 1975 [42 USC 6101 et seq.]; and

(d) the Americans with Disabilities Act of 1990 [42 USC 12010-12213; 42 USC 225-611] and the regulations issued pursuant thereto.

Other Requirements

(18) Will comply with the provisions of the Hatch Act [5 USC 1501 et seq.] which limits the political activities of employees.

(19) Will provide a drug-free workplace according to the requirements set forth in the Drug Free Workplace Act [Public Law 100-690 Title V, Subtitle D, 41 USC 701 et seq.].

(20) Will comply with the Single Audit Act of 1984, as amended, OMB Circular No. A-133, and the State of Vermont Administration Bulletin No. 5, Certification of Audit Requirement and Schedule of Federal Expenditures.

(21) Will comply with the provisions of 24 CFR Part 570.489(h) which govern Conflict of Interest.

(22) Will comply with the other provisions of The Federal Act [Title I of the Housing and Community Development Act of 1974, as amended; 42 USC 5301 et seq.]; the State Act [10 VSA 29], the Agency Procedures and all other applicable requirements.

