

# CATHOLIC CHARITIES OF LOUISVILLE INC

## KENTUCKY OFFICE FOR REFUGEES

### SUBAWARD AGREEMENT

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A SUBRECIPIENT is defined as an entity that receives a subaward from a pass-through entity (RECIPIENT) to carry out part of a Federal award. The effort being performed by the SUBRECIPIENT under this Agreement is part of the Federal Award received by Catholic Charities of Louisville – Kentucky Office for Refugees (RECIPIENT). Consequently, the terms and conditions specified by the Federal Award are hereby incorporated as a part of this Agreement and take precedence in the case of any inconsistencies with this Agreement. The SUBRECIPIENT shall comply with all applicable State and Federal Statutes, laws, rules and regulations in the performance of this grant agreement, whether included in this grant agreement or not.

## **I. BACKGROUND AND QUALIFICATION**

[45 CFR 400.301\(c\)](#) provides the Office of Refugee Resettlement (ORR) director with the authority to designate a replacement when the state government withdraws from the refugee program. ORR has determined Catholic Charities – Kentucky Office for Refugees to be the replacement designee for Kentucky.

RECIPIENT is required, by the terms of the Grants and by regulations governing its role as the replacement designee, to conform to certain information, monitoring, and reporting requirements in connection with the delivery of the services required under the Grants. RECIPIENT is also required as the replacement designee and recipient of Federal Funds, to provide certain services under the Grants, and is authorized under the terms of the Grants to subaward or subcontract portions of the work required in providing such services.

## **II. PURPOSE**

The purpose of this Agreement is to set out responsibilities of the SUBRECIPIENT as it participates in the federally funded program for the provision of services as described in the service plan. The SUBRECIPIENT hereby agrees to participate in the Federally Funded program reflected on the Notice of Subaward by providing services to refugees as described in the Service Plan, and incorporated herein and approved by RECIPIENT, Kentucky Office for Refugees.

## **III. DEFINITIONS**

**Authorized Organizational Representative:** The authorized organizational representative is the designated representative of the organization, who has the authority to act on the organization's behalf in matters related to the subaward and administration of grants.

**Budget Period:** The time interval from the start date of a funded portion of a subaward to the end date of that funded portion during which SUBRECIPIENTS are authorized to expend the funds awarded by CCLOU, including any funds other revisions pursuant to XIII. Revision of Budget and Program Plans of the Standard Terms and Conditions.

**Federal Recipient:** A Non-Federal entity that expends Federal awards received directly from a Federal awarding agency to carry out a Federal program.

**Federal Awarding Agency:** The Federal Agency that provides an award to the recipient.

**Non-Federal Entity:** A state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or SUBRECIPIENT.

**Pass-Through Entity:** A Non-Federal entity that provides a Federal Award to a SUBRECIPIENT to carry out a Federal Program.

**Period of Performance:** The time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. For the purposes of the RECIPIENT subaward agreement, the period of performance is the "Subaward Period of Performance" as indicated on the Notice of Subaward.

**Program Income:** The gross income earned by the SUBRECIPIENT that is directly generated by a supported activity or earned as a result of the subaward.

**Personally Identifiable Information (PII):** Information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public Web sites, and university listings. This type of information is considered to be Public PII and includes, for example, first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source, that, when combined with other available information, could be used to identify an individual.

**Program Manager:** The lead staff member of the SUBRECIPIENT responsible for managing the program as funded by this subaward, including the submission of the program reports to the Kentucky Office for Refugees.

**Service Plan:** The written plan which details all activities, tasks, and deliverables undertaken by the SUBRECIPIENT to adhere to the programmatic and financial requirements as required by the grant agreement. These written plans include the program plan and budgets, attachments submitted with the initial application, and any revised service plans, budgets and attachments submitted throughout the course of the project period.

**Subaward:** An award provided by a pass-through entity to a SUBRECIPIENT for the SUBRECIPIENT to carry out part of a Federal award received by the pass-through entity.

**Sub Office:** A refugee resettlement office where Reception & Placement services are provided, including services funded through this grant agreement, but at a different location other than the principal place of business of the SUBRECIPIENT. Management oversight of the sub office is the responsibility of the SUBRECIPIENT.

**Subrecipient:** The legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided. The singular form of SUBRECIPIENT shall include all individuals, and entities detailed herein, including the sub office. The SUBRECIPIENT shall include all officers, directors, employees, affiliates and agents of the SUBRECIPIENT.

**Unliquidated obligations:** For financial reports prepared on a cash basis, obligations incurred by the non-Federal entity that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are obligations incurred by the non-Federal entity for which an expenditure has not been recorded.

**Unobligated balance:** The amount of funds authorized under a Federal award that the non-Federal entity has not obligated. The amount is computed by subtracting the cumulative amount of the non-Federal entity's unliquidated obligations and expenditures of funds under the Federal award from the cumulative amount of the funds that the Federal awarding agency or pass-through entity authorized the non-Federal entity to obligate.

## **IV. FUNDING**

### **A. Condition for Receipt of Funds:**

Funds provided by RECIPIENT under this agreement may not be used by the SUBRECIPIENT as a match or cost-sharing to secure other federal or non-federal funding without prior written approval by RECIPIENT.

### **B. Subject to Funds Availability:**

This agreement is subject to the appropriation and availability of Federal funds. If funds are not appropriated as anticipated or are otherwise unavailable, RECIPIENT reserves the right to reduce or terminate this agreement upon notice.

### **C. Program Income:**

The SUBRECIPIENT agrees to comply with all applicable regulations regarding program income as outlined in the Uniform Administrative Requirements. All use of program income must be approved by the RECIPIENT staff person indicated on the Notice of Subaward.

KOR follows the additive method for program income, meaning that the total of program income earned is added to the total allowable costs. This increases the overall total amount of their subaward. Subrecipients who generate program income must ensure that their record-keeping clearly identifies what revenue is generated by the program and is considered program income, and what portion of eligible costs the program income pays for. Program income must be spent before requesting reimbursement from KOR. Any Program Income earned shall be reflected in the financial report and will be added to the budget total.

### **D. UEI Number:**

Federal funding received from Catholic Charities of Louisville is subject to 2 CFR 25; SUBRECIPIENTS must have a Unique Entity Identifier (UEI). The UEI # is a transition from a DUNS #, meaning entities no longer rely on third-party (Duns & Bradstreet) to obtain an identifier. SUBRECIPIENT of RECIPIENT funding must maintain a current and active registration in *SAM.gov* at all times during which it has an active Federal award. The applicant or recipient must review and update its information in *SAM.gov* annually from the date of initial registration or subsequent updates to ensure it is current, accurate, and complete.

## **V. AUTHORIZED STATUTES AND REGULATIONS**

### **A. 2 CFR 200**

HHS is implementing the language in [2 CFR Part 200](#) in these codified regulations.

- a) *Administrative requirements:* Subparts B through D of this part set forth the uniform administrative requirements for grant and cooperative agreements, including the requirements for HHS awarding agency management of Federal grant programs before the Federal award has been made, and the requirements HHS awarding agencies may impose on non-Federal entities in the Federal award.
- b) *Cost principles:* Subpart E of this part establishes principles for determining the allowable costs incurred by non-Federal entities under Federal awards. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal Government participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by statute.
- c) *Single audit requirements and audit follow-up:* Subpart F of this part is issued pursuant to the Single Audit Act Amendments of 1996, (31 U.S.C. 7501-7507). It sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal entities expending Federal awards. These provisions also provide the policies and procedures for HHS awarding agencies and pass-through entities when using the results of these audits.

### **B. HHS Grants Policy Statement (HHSGPS):**

This subaward may be subject to the requirements of the [HHSGPS](#) that are applicable to your agency as a SUBRECIPIENT and the purpose of this subaward.

### **C. HHS/ACF/Office of Refugee Resettlement Regulations:**

- a) [45 Part 400](#) Refugee Resettlement Program
- b) [45 Part 401](#) Cuban/Haitian Entrant Program

## **D. 2 CFR 200.113:**

SUBRECIPIENTS must disclose, in a timely manner, in writing to RECIPIENT and the HHS OIG, all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal subaward ([2 CFR 200.113](#)). Disclosures to the HHS OIG must be sent to:

U.S. Department of Health and Human Services  
Office of Inspector General  
ATTN: Mandatory Grant Disclosures, Intake Coordinator  
330 Independence Avenue, SW Cohen Building  
Room 5527  
Washington DC 20201

## **E. 45 CFR 87:**

Organizations that receive direct financial assistance from an HHS awarding agency may not engage in any explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization) as part of the programs or services funded with direct financial assistance from the HHS awarding agency, or in any other manner prohibited by law. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded with direct financial assistance from the HHS awarding agency, and participation must be voluntary for beneficiaries of the programs or services funded with such assistance. More details on faith-based organizations and federal assistance can be found in [45 CFR Part 87](#).

## **VI. REPORTS AND RECORDS**

### **A. Programmatic Reporting:**

The SUBRECIPIENT agrees to provide programmatic reports no later than the due dates reflected in the agreement. Programmatic Reports received after the due date will be considered “Late.” When reports need to be revised in order to be accepted, the SUBRECIPIENT must provide a revised report by the due date indicated or immediate fund cutoff or other enforcement actions may be taken with regard to the delinquency.

### **B. Monthly Financial Reporting (Invoices)**

The SUBRECIPIENT agrees to submit a financial report (invoice) to RECIPIENT no later than the 10<sup>th</sup> of month. Financial reports received after the due date will be considered “Late”.

1. Any Program Income earned shall be reflected in the financial report and will be treated as an additive to the budget.
2. Failure to submit required invoices within the time allowed may result in suspension or termination of an active subaward, withholding an approval of a new subaward, or other enforcement actions, including withholding of payments. Continued failure to submit required reports may result in the imposition of specific award provisions or cause other eligible projects or activities involving the SUBRECIPIENT to not be funded. If at any time the SUBRECIPIENT provides an acceptable explanation regarding the late submission of a report, Catholic Charities of Louisville may waive the reporting requirements or set a new due date. Invoices submitted more than ninety (90) days past the due date will be considered late and will not be reimbursed.

### **C. Final Financial Reports**

No later than the 10<sup>th</sup> of the month following the liquidation deadline, the SUBRECIPIENT must submit a final financial report, including the SUBRECIPIENT’s final E Financial invoice and a Statement of Revenues and



Expenses (Profit and Loss Statement) for each KOR-funded program. RECIPIENT reserves the right not to reimburse the SUBRECIPIENT for expenses not reflected in the final financial report.

#### **D. Information Reporting and ClientTrack:**

The SUBRECIPIENT agrees to adhere to the data and information reporting requirements as required by RECIPIENT-Kentucky Office for Refugees and/ or the Federal Awarding agency. Requirements for data maintained in the statewide database, ClientTrack, vary per funded program. SUBRECIPIENTS must make a reasonable effort to ensure timely and accurate data entry into ClientTrack.

Training and Management of ClientTrack Users: All users accessing ClientTrack must carefully read, sign, and comply with all guidelines stipulated in the ClientTrack Code of Conduct. A signed Code of Conduct form must be submitted to RECIPIENT before any new users are granted access to ClientTrack. All new employees must be provided an orientation/training regarding ClientTrack use prior to accessing the system by a designated staff person(s) of the SUBRECIPIENT. The designated staff person(s) should be able to provide training and support in this capacity. New users can also access ClientTrack video tutorials in the RECIPIENT Google Drive and/or reach out to the RECIPIENT staff. All SUBRECIPIENTS must notify RECIPIENT within 5 business days of any employees who resign or are terminated so that RECIPIENT can deactivate their ClientTrack account.

Security Incident or Data Breach: If a SUBRECIPIENT becomes aware of an incident involving the non-sanctioned distribution of data, the SUBRECIPIENT shall notify the Kentucky Office for Refugees immediately and shall cooperate regarding recovery, mitigation, remediation, and the necessity to involve law enforcement. Any costs associated with the security incident or data breach may be the responsibility of the SUBRECIPIENT.

#### **E. Client Records and PII:**

SUBRECIPIENT agrees to maintain accurate and complete records of clients' eligibility for assistance and services, types and amounts of assistance and services provided, costs of assistance and services, and outcomes of service delivery. SUBRECIPIENTS shall make such records available to RECIPIENT upon request. The SUBRECIPIENTS must ensure that no information about or obtained from a client will be disclosed in a form identifiable without the client's consent, or if the client is a minor, the consent of his or her parent or guardian. SUBRECIPIENTS cannot release PII about individuals receiving ORR refugee resettlement benefits or services without client consent, except for purposes directly connected with, and necessary to, the administration of this subaward. Research and outside evaluation activities are not directly related to the administration of the refugee resettlement program. One way to share information for activities not directly related to the administration of the resettlement program, such as research and evaluation, is to de-identify data. SUBRECIPIENTS may request information from another agency about a specific person only to confirm enrollment in the program and in order to prevent duplication of services. SUBRECIPIENTS must limit the amount of PII shared to only that which is necessary to confirm enrollment and must ensure PII is protected when sharing and receiving confirmation of enrollment.

#### **F. Financial Records:**

The SUBRECIPIENT must maintain records for the period of performance as described in the subaward agreement, which adequately identifies the source and application of funds provided for grant activities. These records must contain information pertaining to subaward agreement and authorization, outlays of allowable expenditures, and income. Examples of these records include time and effort sheets for employees listed in the award, profit and loss reports, receipts for purchases made, etc. SUBRECIPIENTS shall make such records available to RECIPIENT upon request. If you need assistance, please email [korinvoices@archlou.org](mailto:korinvoices@archlou.org).

The organization must implement and maintain a fund accounting system that provides for accurate, complete, and separate tracking of all financial activities related to federal awards.

## **G. Record Retention:**

The SUBRECIPIENT shall retain all financial records, supporting documentation, statistical records, and all other records pertinent to this project for a minimum period of three years from the date of the submission of the final report for the period of performance. The only exceptions are as follows:

- a) If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
- b) When the SUBRECIPIENT is notified in writing by the pass-through entity to extend the retention period.
- c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
- d) When records are transferred to or maintained by the pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.
- e) Records for program income transactions after the period of performance. In some cases, RECIPIENTS must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

## **H. Access to Records:**

RECIPIENT staff or its representative, Federal awarding agency and its Inspector General, Comptroller General of the United States, Non-Federal Auditors or any duly authorized representatives have the right of timely and unrestricted access to any books, documents, papers or other records of the SUBRECIPIENT, in order to perform audits, monitoring reviews or other types of on-site visits. This right also includes timely and reasonable access to the sub recipient's past and present personnel for the purpose of interviewing and disclosing matters related to such document.

## **VII. INTERNAL CONTROLS**

The non-federal entity (SUBRECIPIENT) must:

- a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- c) Take reasonable measures to safeguard protected personally identifiable information and other information the HHS awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

## **VIII. AUDITS AND MONITORING**

### **A. Audit Procedures:**

The expenditure of funds under this agreement may be subject to the annual audit requirements of the Single Audit Act of 1984, Public Law 98-502, and as amended in 1996, Public Law 104-156, as implemented by the Office of Management and Budget audit requirements in [2 CFR Part 200 Subpart F](#).



## **B. Audit Submission and Reporting:**

For awards beginning 04/01/25 or later, RECIPIENT requires an external independent audit for all SUBRECIPIENTS. SUBRECIPIENTS that expend a total of \$1,000,000 or more a year in Federal awards must satisfy the single audit requirements of 2 CFR Part 200 Subpart F. SUBRECIPIENTS must submit their most recent annual audit report and 990 to KOR upon request.

Subrecipients that fall below the single audit threshold must undergo intensified financial monitoring of their KOR subawards according to procedures of engagements determined by KOR related to activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting. KOR will engage a third-party auditing firm to complete these intensified financial monitoring visits, and KOR will pay for the auditing firm's services directly. Subrecipients that fall below the single audit threshold are required to cooperate with the auditing firm's requests, and the auditing firm will submit a final report to KOR. Subrecipients that fall below the single audit threshold are not eligible to charge audit costs to their KOR subawards.

## **C. Monitoring:**

The SUBRECIPIENT, including any sub offices, may receive an on-site or virtual review by RECIPIENT or its authorized representatives in addition to Federal personnel. Monitoring staff may review project and/or financial activity relating to the terms of this agreement. Upon request, RECIPIENT or its authorized representatives shall be given full and complete access to all information related to the performance of this agreement to ensure compliance with project activity and consistently applied cost in the agreement. The SUBRECIPIENT shall provide Catholic Charities of Louisville and its authorized representatives, all technical staff, assistance, and information needed to enable Catholic Charities of Louisville to perform its monitoring function. This assistance from the SUBRECIPIENT includes, but is not limited to, information about the SUBRECIPIENT's project operation, accounting, and database systems. SUBRECIPIENT may be asked to submit supporting documentation for all reimbursement requests.

## **D. Questioned Costs:**

Questioned Costs in excess of \$25,000 per finding will be referred to the RECIPIENT auditor to determine the appropriate action in accordance with [2 CFR 200.516](#). Questioned costs can be discovered through any review process and RECIPIENT may refer questioned costs to the SUBRECIPIENT's auditor, regardless of the amount.

## **IX. PUBLICITY AND USE OF NAME**

Neither the SUBRECIPIENT nor RECIPIENT will use the name of the other, either expressly or by implication, in any publicity or advertisement without the express written approval of the other party of this subaward.

## **X. REVISION OF MATERIALS**

The SUBRECIPIENT may not alter any forms, publications and other materials created by RECIPIENT for the express purpose of carrying out the program, or any other program, without written approval from RECIPIENT.

## **XI. SUB OFFICE**

It is the responsibility of the SUBRECIPIENT to provide management oversight of their sub office as required under this grant agreement. Those oversight responsibilities include:

1. Communicate the programmatic and fiscal requirements of the program under this grant agreement including any attachments to this agreement, and to ensure the sub office complies with said requirements.

2. Training of new and tenured staff and volunteers of the sub office concerning the requirements of the program under this subaward agreement.
3. Ensure that the sub office submits separate program reports specific to the sub office to RECIPIENT.
4. It is the responsibility of the main office to ensure that they receive a copy of the sub office's programmatic report for review.
5. The main office must submit separate financial reports for the main office and sub office to RECIPIENT.
6. Submit any and all required documentation to RECIPIENT on behalf of the sub office.
7. Any responsibilities not expressly discussed but under the purview of the SUBRECIPIENT with management oversight of the sub office.

## **XII. STANDARDS FOR FINANCIAL MANAGEMENT**

### **A. Financial Management System:**

Standards for the financial management system are outlined in [2 CFR 200.302](#).

1. Identification, in its accounts, of all Federal Awards and subawards received and expended and the Federal programs under which they were received. This includes the CFDA title and number, Federal award identification number and year, name of the HHS awarding agency, and name of the pass-through entity, if any.
2. Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
3. In addition, financial records must be properly closed out at the end of the period of performance and all reports submitted in a timely manner.
4. Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See [2 CFR 200.303](#).
5. Comparison of expenditures with budget amounts for each Federal award.
6. Written procedures to implement the requirements of [2 CFR 200.305](#).
7. Written procedures for determining the allowability of costs in accordance with [Subpart E of 2 CFR 200](#).

### **B. Indirect Costs and Allocation of Costs:**

If the SUBRECIPIENT charges indirect (overhead) costs to the grant sub award an "Indirect Cost Proposal" must be prepared in accordance with the applicable cost principles. The SUBRECIPIENT must comply with one of the three following criteria for payment in indirect costs by RECIPIENT:

1. An approved "Indirect Cost Negotiation Agreement" from the Cognizant Federal agency if the SUBRECIPIENT is a direct recipient of Federal Grants, or
2. An approved "Indirect Cost Negotiation Agreement" from a state or local government that has agreed to review and approve the SUBRECIPIENT's in-direct cost proposal, or
3. A negotiated indirect cost rate between the pass-through entity and the SUBRECIPIENT (in compliance with this part), or a de minimis indirect cost rate as defined in [2 CFR 200.414](#).

### **XIII. PAYMENT TERMS AND CONDITIONS:**

#### **A. Maximum Amount Available:**

RECIPIENT shall not be obligated to reimburse the SUBRECIPIENT for costs incurred in excess of the total amount of Federal Funds awarded for the period of performance as reflected on the Notice of Subaward. The SUBRECIPIENT shall not be obligated to continue performance under the subaward agreement (including actions under the termination clause) or otherwise incur costs in excess of the total amount approved unless and until RECIPIENT has notified the SUBRECIPIENT in writing that additional funds have been awarded. RECIPIENT will not be obligated for any excess costs in the absence of a written notice of authorization from RECIPIENT.

#### **B. Obligation of Funding:**

The SUBRECIPIENT may not incur any obligations after the deadline indicated on box 17a of the Notice of Subaward.

#### **C. Liquidation of Obligations:**

The SUBRECIPIENT must liquidate all obligations no later than the deadline indicated on box 17b of the Notice of Subaward.

#### **D. Unliquidated Unobligated Funding:**

RECIPIENT has the authorization to utilize the balance of unliquidated unobligated funding as reported in the SUBRECIPIENT's Final Financial Report per budget period for whatever purpose necessary for the benefit of the program during the Federal Project Period.

#### **E. Unallowable Costs:**

The SUBRECIPIENT's reimbursement shall be subject to reduction for amounts included in the financial report which are determined by RECIPIENT to be unallowable on the basis of audits, reviews or monitoring of the grant agreement. RECIPIENT reserves the right to pursue repayment from the SUBRECIPIENT for any costs reimbursed by RECIPIENT which are later determined to be unallowable.

#### **F. Advance:**

The RECIPIENT reimburses the SUBRECIPIENT for its actual expenditures, subject to federal regulations and the limitations in these Terms & Conditions. The RECIPIENT does not provide nor offer cash advance payments to the SUBRECIPIENT.

#### **G. Reimbursement**

The reimbursement method is the default means of payment for SUBRECIPIENTS.

1. Request for Reimbursement: The SUBRECIPIENT shall submit the required monthly reimbursement form (e-Financial invoice) no later than the 10<sup>th</sup> of each month to the RECIPIENT via Foundant as indicated on the Notice of Subaward. Any request for reimbursement that does not include the required monthly reimbursement form will not be processed for payment until the required financial report is submitted. The date the report is filed for reimbursement will be the date the required financial report is submitted. Reports submitted after the 10<sup>th</sup> of the month will be considered late. Direct Deposit is the preferred method of payment by RECIPIENT but will make payment by check when requested by the SUBRECIPIENT.
  - a. Payment by Direct Deposit: The SUBRECIPIENT shall be paid monthly by reimbursement based on the submission of the monthly financial report submitted no later than the 10<sup>th</sup> of the month. RECIPIENT shall make payment to the SUBRECIPIENT by direct deposit no later than the next banking day after the 30<sup>th</sup> of the month. Reimbursement requests that are defined as "Late" will be paid to the SUBRECIPIENT as soon as feasibly possible.

- b. Payment by Check: The SUBRECIPIENT shall be paid monthly by reimbursement based on the submission of the monthly financial report submitted no later than the 10<sup>th</sup> of the month. RECIPIENT shall make payment by check, defined as mailed and postmarked no later than the 30<sup>th</sup> of the month. Reimbursement requests that are defined as “Late” will be paid to the SUBRECIPIENT as soon as feasibly possible.

#### **XIV. REVISION OF BUDGET AND PROGRAM PLANS**

RECIPIENT anticipates that the SUBRECIPIENT may need to modify its budget or other aspects of its approved service plan during the budget period to accomplish the programmatic objectives. Therefore some changes may be made at the SUBRECIPIENT's discretion as long as they are within the limits established by RECIPIENT. In other cases, a prior written approval may be required before a SUBRECIPIENT makes certain budget modifications or undertakes particular activities. The changes that require RECIPIENT approval are outlined below. The request and the approval must be in writing for the revision to be valid. RECIPIENT shall provide the written response to the SUBRECIPIENT in a timely manner. All other changes, except for the changes described below, do not require prior approval.

##### **A. Award Amendments**

SUBRECIPIENTS may not request to amend an award unless unforeseeable circumstances necessitate a change in the scope of work as described in the annual service plan or funding opportunity application. “Unforeseeable circumstances” is defined as events or situations that were not anticipated and would not have been anticipated by a competent person acting reasonably. "Scope of work" includes the outcomes, target population(s), costs, period of performance, and key personnel detailed in the approved funding application, and any positions allocated to a KOR award which are vacant and will not be filled for the remainder of the period of performance. Requests for award amendments will be evaluated on a case-by-case basis when these criteria are met.

RECIPIENT reserves the right to make good-faith amendments to awards in a manner consistent with applicable statutes and regulations.

##### **B. Prior Approvals (Programmatic):**

The SUBRECIPIENT shall submit (1) a completed RECIPIENT Prior Approval Request Form and (2) an updated service plan to request written approval from the Lead Program Contact indicated on the subaward for the following programmatic prior approvals, in accordance with [2 CFR 200.308](#) and [2 CFR 200.407](#):

1. Change in scope or objective of the service plan, even if there is no such associated budget revision.
2. Change in a key person who are identified by name in the application, such as staff reflected on the service plan or award document.
3. Disengagement from the project for more than three months, or a 25 percent reduction in the time devoted by the lead project manager.
4. Unless described in the approved service plan, the transferring and/or sub-contracting out of any work (individual or entity) under the sub-award. This does not apply to the procurement of supplies, material, equipment or general support services.

##### **C. Prior Approvals (Financial)**

The SUBRECIPIENT shall submit (1) a completed RECIPIENT Prior Approval Request Form, (2) a revised budget narrative, and (3) a revised line-item budget to request written approval from the Lead Financial Contact indicated on the subaward for the following financial prior approvals, in accordance with [2 CFR 200.308](#) and [2 CFR 200.407](#):

1. Adding a new budget line-item that is not reflected in the service plan approved by RECIPIENT.

2. Transferring funds budgeted for direct client service costs, also known as “Participant Support Costs” as defined in [2 CFR 200.1](#), to other categories, such as administrative costs.
3. Transferring funds between approved budget line items where either (1) the transfer amounts to 25 percent or more of an award and/or (2) the transfer is greater than \$100,000.
4. The need arises for additional funds to complete the project.
5. A no-cost extension (an extension of time that does not require the awarding of additional funds) of the period of performance

#### **D. Budget Revisions**

For any budget revisions that do not meet the above criteria, the SUBRECIPIENT does not need to submit a RECIPIENT Prior Approval Request Form. However, they will need to submit (1) a revised budget narrative and (2) a revised line-item budget to the Lead Financial Contact indicated on the subaward.

### **XV. CLOSE OUT**

RECIPIENT will close-out the Federal Subaward when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the SUBRECIPIENT. The SUBRECIPIENT may charge the Federal award during the closeout for the necessary administrative costs of that Federal award (for example, salaries of personnel preparing final reports). These costs may be incurred until the due date of the final report(s), which is the 10<sup>th</sup> of the month following the liquidation date listed on the Notice of Subaward. If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award. This section specifies the actions the SUBRECIPIENT and RECIPIENT must take to complete this process at the end of the period of performance.

- a) The SUBRECIPIENTS must submit, no later than deadlines indicated after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the subaward. RECIPIENT may approve extensions when requested by the SUBRECIPIENT.
- b) Unless RECIPIENT authorizes an extension, SUBRECIPIENTS must liquidate all obligations incurred under the Federal subaward no later than the deadline indicated in the Notice of Subaward.
- c) RECIPIENT must make prompt payments to the SUBRECIPIENT for allowable reimbursable costs under the subaward being closed out.
- d) The SUBRECIPIENT must promptly refund any balances of unobligated cash that RECIPIENT paid in advance that are not authorized to be retained by the SUBRECIPIENT for use in other projects.
- e) Consistent with the terms and conditions of the Federal Subaward, RECIPIENT must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.
- f) The SUBRECIPIENT must account for any real and personal property acquired with Federal funds or received from the Federal Government.

### **XVI. FAILURE TO LIQUIDATE SUBAWARD DURING BUDGET PERIOD**

The SUBRECIPIENT has a responsibility to ensure Federal Funds subawarded to their agency are used for the public purpose designated for the program and to the maximum benefit of the stakeholders. RECIPIENT may determine that the SUBRECIPIENT will not liquidate their subaward by the conclusion of the budget period based on the review of program and financial reports. The SUBRECIPIENT will be provided an opportunity to review the implementation of their program to ensure funds awarded are forecasted to be liquidated by the conclusion of their budget period. If results of the revised implementation are ineffective, RECIPIENT may determine it is necessary to reduce the SUBRECIPIENT’s subaward prior to the end of their budget period. This will permit RECIPIENT to utilize these funds in a different manner to ensure all funds awarded to RECIPIENT



are liquidated by the conclusion of the Federal Project Period. If a reduction is enacted, then the SUBRECIPIENT will receive an amended Subaward and be required to submit a budget revision to reflect the reduction of the subaward.

## **XVII. CORRECTIVE ACTION**

When a SUBRECIPIENT has a history of failure to comply with standard, programmatic, or specific terms and conditions of a Federal subaward, or failure to meet expected performance goals, or is not otherwise responsible, RECIPIENT may impose additional specific award conditions as needed. These additional award conditions may include items such as:

1. Requiring payments as reimbursements rather than advance.
2. Withhold authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance.
3. Requiring additional, more detailed financial reports.
4. Requiring additional project monitoring.
5. Requiring SUBRECIPIENT to obtain technical or management assistance.
6. Establishing additional prior approvals.

If imposed, RECIPIENT must notify the SUBRECIPIENT of:

1. The nature of additional requirements.
2. The reason why additional requirements are being imposed.
3. The time allowed for completing the actions, if applicable.
4. The method for requesting reconsideration; any specific conditions must be promptly removed once the conditions that prompted them have been corrected.

## **XVIII. TERMINATION OF AGREEMENT:**

Termination of this Agreement by either Party for any reason shall not affect the rights and obligations of the parties accrued prior to the date of termination of this Agreement.

### **A. Non-compliance:**

If corrective action does not result in improved performance by the SUBRECIPIENT, or if it is determined that noncompliance cannot be remedied by imposing additional conditions, RECIPIENT may take one or more of the following actions, as appropriate in the circumstances.

- a) Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action.
- b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- c) Wholly or partly suspend or terminate the Federal subaward.
- d) Initiate suspension or debarment proceedings as authorized under 2 CFR 180, and recommend such proceedings to be initiated by the Federal awarding agency.
- e) Withhold further Federal subawards for the project or program,
- f) Take other legal remedies that may be legally available.

### **B. If the agreement is terminated:**

1. RECIPIENT shall provide the SUBRECIPIENT a written thirty-day (30) notice of termination.



2. Except as modified in section XVIII. TERMINATION OF AGREEMENT of this Agreement, the RECIPIENT and SUBRECIPIENT shall follow the procedures laid out in section XV. CLOSE OUT of this Agreement.
3. Upon receipt of a termination notice the SUBRECIPIENT shall take immediate action to minimize all expenditures and obligations financed by this agreement and shall cancel unliquidated obligations as soon as possible.
4. As of the termination effective date, the SUBRECIPIENT will have 60 days to liquidate funds and the final report will be due 10 days after the revised liquidation deadline.
5. The SUBRECIPIENT will be compensated for all actual and allowable expenses properly incurred prior to the date of termination.

#### **C. For convenience:**

This agreement may be terminated for convenience if both Parties agree that the continuation of the agreement would not produce beneficial results. Both parties shall agree on termination conditions, including the effective date, and in the case of partial termination, the portion to be terminated.

#### **D. Federal funds not available:**

If Federal Funds are not appropriated as anticipated or are otherwise unavailable, RECIPIENT reserves the right to reduce or terminate this agreement upon notice. Such termination or reduction shall not be considered a breach of this Agreement and shall not require a 30-day notice or a corrective action period.

#### **E. Bankruptcy or insolvency:**

If at any time the SUBRECIPIENT is adjudged bankrupt, becomes insolvent, enters or makes a composition with or assignment to its creditors, this Agreement may be terminated accordingly. The SUBRECIPIENT shall give prompt written notice of such action to RECIPIENT and RECIPIENT shall solely decide whether to terminate this Agreement. In the event of termination, RECIPIENT shall give a 10-day written notice of termination.

#### **F. Upon receipt of any termination notice:**

The SUBRECIPIENT shall stop incurring costs. The SUBRECIPIENT shall promptly deliver to RECIPIENT all data, reports, summaries, and such other information and material as may have been prepared for and/or accumulated by the SUBRECIPIENT in the performance of this Agreement, whether completed or in process.

#### **G. Force Majeure:**

Neither party hereto will be liable for damages for any delay or default in performance during the term hereof if delay or default is caused by conditions beyond its control, including but not limited to acts of God, Government restrictions, continuing domestic or international problems such as wars, threats of terrorism, or insurrections, strikes, fires, floods, work stoppages and embargoes; provided, however, that either party will have the right to terminate this Agreement 'without breach' upon thirty (30) days prior written Notice if the other party's delay or default due to any of the above-mentioned causes continues for a period of two months.

### **XIX. INDEMNITY:**

To the extent allowed by Kentucky Law, the SUBRECIPIENT shall indemnify and hold harmless RECIPIENT from and against all claims arising in connection with this agreement and services provider hereunder and from all costs, attorney's fees, expenses, and liabilities incurred in or from any such claim. SUBRECIPIENTS, upon notice from RECIPIENT, shall defend the same at SUBRECIPIENT's expense by counsel that is reasonably satisfactory to RECIPIENT; however, in no event shall the amount paid to the SUBRECIPIENT's attorney exceed what would be reasonable attorney's fees incurred in connection with the applicable claim.

## **XX. APPLICABLE LAW/VENUE:**

This Agreement is written and shall be construed in accordance with and governed by the laws of Kentucky unless U.S. Federal law applies. If legal action is taken against the SUBRECIPIENT, however, this Agreement shall be construed and interpreted in accordance with the Federal and State laws, which by statute are required to govern the SUBRECIPIENT. Any action against RECIPIENT must be brought in a Kentucky State Court or U.S. Federal District Court located in Louisville, KY. The terms of this paragraph will survive the termination of this Agreement.

## **XXI. INDEPENDENT SUB-RECIPIENT:**

### **A. Relationship**

1. The relationship of the SUBRECIPIENT to RECIPIENT will be that of an Independent SUBRECIPIENT and no principal relationship or employer-employee relationship is contemplated or created by the parties to this grant agreement. Neither the SUBRECIPIENT nor any subcontractor shall be eligible to participate in any of the RECIPIENTS benefit programs.
2. SUBRECIPIENT shall be solely responsible for selecting, supervising and compensating individuals pursuant to the terms of the grant agreement.
3. SUBRECIPIENT shall be exclusively responsible for the payment to its employees and contractors of all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, compliance with wage and hour laws, and all other employment laws.

## **XXII. COMMUNICATION AND RESPONSIVENESS**

### **A. General communication**

The SUBRECIPIENT is required to communicate and be responsive to the RECIPIENT. This includes but is not limited to submitting required reports, responding to monitoring inquiries, and other matters related to federal subaward compliance. Failure to communicate and respond to RECIPIENT may result in withholding reimbursement of funds, suspension or termination of an active subaward, withholding an approval of a new subaward, or other enforcement actions.

### **B. Quarterly Community Consultations (QCCs)**

Resettlement agencies in each of Kentucky's five metro areas coordinate and host quarterly community consultations. Each SUBRECIPIENT funded through this award must make a good-faith effort to send a representative of their organization to at least two (2) of the quarterly consultations each calendar year during the period of performance.

## **XXIII. OPERATION DURING PERIOD OF PERFORMANCE**

The SUBRECIPIENT is required to operate during their entire period of performance as indicated on their Notice of Subaward, unless submitting a Prior Approval Form and receiving full written approval from RECIPIENT. Failure to operate during the entire period of performance may result in withholding reimbursement of funds, suspension or termination of an active subaward, withholding an approval of a new subaward, or other enforcement actions.