

COMMUNITY DEVELOPMENT BLOCK GRANT AND EMERGENCY SOLUTIONS GRANT GENERAL REQUIREMENTS

The following additional requirements apply to each exhibit that is part of this Contract and funded with federal Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) Program funds.

A. Additional Requirements – Compensation and Method of Payment

1. Federal Administrative and Cost Requirements

The Contractor shall comply with the policies, guidelines and requirements of 2 CFR 200 & Appendices: Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards.

2. Excess Federal Funds

CDBG funds on hand shall not exceed \$5,000 if retained beyond three days unless written approval is received from the County. Any reimbursement in excess of the amount required shall be promptly returned to the County.

3. Program Income

The Contractor shall report to the County the receipt and expenditure of all CDBG Program Income, as defined in 24 CFR § 570.500(a), that is generated under this Contract for the purposes specified herein or generated through the project(s) funded under this Contract. Program income shall be returned to the County unless the County specifies that it may be retained by the Contractor. If the County authorizes the Contractor to retain the Program Income to continue or benefit a project or projects, the Contractor shall comply with all provisions of the Contract in expending the funds. This duty to repay the County shall not be diminished or extinguished by the prior termination of the Contract pursuant to Section XI, Termination of the Community and Human Services and Public Entity Services Contracts.

B. Additional Requirements - Maintenance of Records

1. Federal Exceptions to Retention Requirements

Exceptions to the six year retention period specified in Section VIII, Records, Inspections and Evaluations of the Community and Human Services and Public Entity Services Contracts are as follows:

- a. Records that are the subject of audit findings, litigation, or claims shall be retained until such findings, litigation or claims have been resolved; and
- b. The retention period for real property and equipment records starts from the date of the disposition, replacement or transfer at the direction of the County.

2. Financial Management Records

Financial records shall identify adequately the source and application of funds for activities within this Contract, in accordance with the provisions of 2 CFR 200.327-329 Performance and Financial Monitoring and Reporting

3. Employment Records

If the Contractor is a municipal corporation or agency of the State of Washington, it agrees to maintain the following data for each of the Contractor's operating units funded in whole or in part with CDBG funds provided under this Contract.

- a. Employment data with such data maintained in the categories prescribed on the Equal Employment Opportunity Commission's EEO-4 form, and

- b. Documentation of any actions undertaken to assure equal employment opportunities to all persons regardless of race, color, national origin, sex or handicap.

4. Records Regarding Remedy of Past Discrimination

The Contractor shall maintain documentation of the affirmative action measures the Contractor has taken to overcome prior discrimination if a court or Housing and Urban Development (HUD) has found that the Contractor has previously discriminated against persons on the grounds of race, color, national origin or sex in administering a program or activity funded in whole or in part with CDBG funds pursuant to 24 CFR Part 121.

5. Additional Records

The Contractor shall maintain separate files for each program exhibit including:

- a. Notice of Grant Award;
- b. Motions, resolutions or minutes documenting Board or Council actions;
- c. Correspondence regarding budget revision requests;
- d. Copies of all invoices and reports submitted to the County;
- e. Bills for payment;
- f. Copies of approved invoices and warrants; and
- g. Records documenting that costs reimbursed with funding provided under this Exhibit are allowable in accordance with 2 CFR 200.400-475 Cost Principles. Such records include, but are not limited to the following.
 - I. Personnel costs - payroll time sheets for actual salary and fringe benefit costs; time sheets shall be signed by a supervisor and, if less than full time, annotated to document percent of time charged against this Exhibit.
 - II. Staff travel - documentation of mileage charges for private auto.
 - III. Copy machine use, postage, telephone use, and office supplies - when these costs are shared with other programs and no invoice is available, log sheets or annotated invoices.
- h. Documentation of the solicitation process used to select vendors and subcontractors along with original purchase orders and subcontracts.

C. Additional Requirements - Subcontracts and Purchases

- 1. A Contractor that receives federal funds under this Contract also shall include the following sections in every subcontract or purchase order for goods and services that are paid in whole or in part with funds provided under this Contract: Section I. Compensation and Method of Payment, Subsections A. or B. and D.
- 2. Debarred Contractors
 - a. The Contractor certifies that neither the Contractor nor any person or entity with a controlling interest in the Contractor is under suspension, debarment, voluntary exclusion or determination of ineligibility from participation in federal assistance programs under Presidential Executive Order 12549 or 12689, "Debarment and Suspension". The Contractor further certifies that neither the Contractor nor any person or entity with a controlling interest in the Contractor has any proceeding pending to suspend, debar, exclude or determine them ineligible from participation in federal assistance programs under Presidential Executive Order 12549 or 12689.
 - b. The Contractor shall not make any award at any time to any contractor that is debarred, suspended, or excluded from participation in federal assistance programs under Presidential Executive Order 12549, "Debarment and Suspension".

- c. The Contractor shall ensure that all subcontractors receiving any federal funds pursuant to this Contract have not been disbarred or suspended from federal contract participation. This may be done by checking the System for Award Management at <https://www.sam.gov>, which lists all suspended and debarred entities.

3. Federal Procurement Requirements

If the Contractor is a municipal corporation or an Agency of the State of Washington, it agrees to comply with procurement requirements specified in 2 CFR 200.318-326. The regulations at 2 CFR 200.319 require that all goods and services, irrespective of cost, be procured using a competitive process.

4. Failure to Comply is Default

Failure by the Contractor to require compliance with the above terms and conditions in subcontracts shall constitute a breach of this Contract.

D. Additional Requirements – Conflict of Interest

1. No Conflict of Interest

The Contractor agrees to abide by the provision of 2 CFR 200.318(c)(1) and 24 CFR 570.611, if applicable, which include (but are not limited to) the following.

- a. The Contractor shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds under this Contract;
- b. No employee, director, officer or agent of the Contractor shall participate in the selection or in the award, or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. By way of example, such a conflict would arise if such a person, or his or her employer, immediate family member or partner has financial or other interest in the entity selected; and
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may have or obtain a financial interest in any contract, subcontract or agreement regarding a CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or and one year thereafter. For purposes of this paragraph, "covered person" includes any person who is an employee, agent, consultant, officer, or elected director of the Contractor or the County.

2. Copyright

If this contract results in any copyrightable material or inventions, the County reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Additional Requirements - Political Activity Prohibited

1. Certification Regarding Lobbying

The Contractor certifies, to the best of its knowledge and belief, that no Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - a. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subcontractors shall certify and disclose accordingly.
 - b. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 USC 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

F. Additional Requirements - Equipment Purchase, Maintenance and Ownership

Disposition of Equipment

If the Contractor ceases to use equipment purchased in whole or in part with CDBG funds for the purpose described in this Contract, or if the Contractor wishes to dispose of such equipment, the disposition shall be determined under the provisions of 24 CFR 570.502(6). The Contractor agrees that it will contact the County for instructions prior to disposing of, surplus, encumbering or transferring ownership of any equipment purchased in whole or in part with federal funds.

G. Supplanting

1. Not-for-Profit Corporation

If the Contractor is a nonprofit corporation providing public (human) services under this Contract with CDBG funds and the Contractor received non-federal funds from King County ("local funds") or any other source to provide the same services as those funded herein during the preceding calendar year, the Contractor must use the funds provided herein to pay for units of service this year that are over and above the level of service provided with local funds during the previous year.

2. Municipal Corporation

If the Contractor is a municipal corporation, any federal CDBG Funds made available under this Contract shall not be utilized by the Contractor to reduce or replace the local financial support currently being provided for the service funded under this Contract.

H. Drug Free Workplace Certification and Other Requirements

1. Drug-Free Workplace Certification

The Contractor certifies that it is in compliance with the Drug-Free Workplace Act of 1988 (42 USC 701) and regulations set forth at 24 § part 24, subpart F.

2. Other Federal Requirements

The absence of mention in this Contract of any other federal requirements which apply to the award and/or expenditure of the federal funds made available by this Contract is not intended to indicate that those federal requirements are not applicable to Contractor activities. The Contractor shall comply with all other federal requirements relating to the expenditure of federal funds, including but not limited to: the Hatch Act (5 USC Chapter 15) regarding political activities.

I. Constitutional Prohibition

Funds Not Used for Religious Purposes

In accordance with the First Amendment of the United States Constitution, Article 1, Section 11 of the Washington State Constitution, and separation of church and state principles, as a general rule, funds received under this Contract may not be used for religious activities. The following restrictions and limitations apply to the use of CDBG funds:

1. A Contractor may not engage in inherently religious activities, such as worship, religious instruction or proselytization, as part of the assistance funded under this Contract. If the Contractor conducts religious activities, the activities must be offered separately, in time and location, from the assistance funded under this Contract, and participation must be voluntary for the beneficiaries of the assistance; and
2. In performing under this Contract, the Contractor shall not discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

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