

CONTRACT #

GRANTEE:

AGREEMENT

This AGREEMENT, entered into as of this **day of** , , by and between the Virginia Department of Housing and Community Development hereinafter referred to as "DHCD" and , Virginia hereinafter referred to as "GRANTEE."

WITNESSETH

WHEREAS, the Commonwealth of Virginia has been authorized to distribute and administer Community Development Block Grant (CDBG) funds pursuant to the Housing and Community Development Act of 1974, as amended, and

WHEREAS, DHCD has been authorized by the Governor of the Commonwealth of Virginia to distribute and administer CDBG funds in the form of according to the CDBG Program Design, and

WHEREAS, the PROJECT as described in the Community Improvement Grant Proposal as submitted by the GRANTEE has achieved a sufficiently high ranking through a competitive proposal selection system to qualify for CDBG funding on the basis of the CDBG Program Design,

Now THEREFORE, the above-mentioned parties hereto do mutually agree as follows:

1. DHCD agrees to award the GRANTEE a COMMUNITY IMPROVEMENT GRANT in an amount of the total allowable, eligible costs in carrying out the ACTIVITIES included in Products herein described not to exceed dollars (\$).
2. DHCD agrees to provide the GRANTEE with technical assistance in setting up and carrying out the administration of its CDBG Grant.
3. The GRANTEE will commence, carry out and complete the following Products (more thoroughly described in the GRANTEE'S CDBG Proposal).

PROJECT TITLE:

OUTCOMES:

BENEFITS:

ACTIVITIES:

4. The aforementioned PROJECT shall be carried out, and grant payments made in strict conformance with the CONTRACT DOCUMENTS.
5. The GRANTEE will use the lesser of (1) the amount specified above, or (2) if, at total PROJECT completion, there are cost underruns or project savings, these costs shall revert to DHCD and other funding sources committed to the PROJECT in the CIG proposal on a proportional basis, unless superseded by other federal program requirements. In no case will leveraged funds be returned beyond that amount which would have changed the PROJECT'S ability to be funded initially.
6. The GRANTEE will initiate the ACTIVITIES required by the CONTRACT DOCUMENTS beginning , 20 , unless grant Special Conditions require additional action on specified PRODUCT(S) before proceeding with that PRODUCT(S). In such instances the GRANTEE will initiate action relative to removal of the Special Conditions beginning with the execution of this AGREEMENT.
7. The GRANTEE shall complete the work as described in the CONTRACT DOCUMENTS within months of the execution of this AGREEMENT, or more specifically on or before , 20 . If the ACTIVITIES are not completed by that date all CIG funding and this AGREEMENT shall be terminated and the Grantee shall return all unexpended funds, unless an amendment to the CONTRACT DOCUMENT provides otherwise.
8. DHCD agrees to make payment to the GRANTEE upon receipt of a properly completed and signed invoice. Requests for Payment may be made, allowing approximately twenty-one days to receive the funds. Funds are to be immediately disbursed by the GRANTEE and shall not be deposited in an interest-bearing account.
9. The term CONTRACT DOCUMENTS means the following documents which are a part of this AGREEMENT and are incorporated by reference herein as if set out in full.
 - A. GRANTEE'S CDBG Proposal (including revisions);
 - B. CDBG AGREEMENT;
 - C. SPECIAL CONDITIONS;
 - D. GENERAL CONDITIONS;
 - E. ASSURANCES;
 - F. CDBG CONTRACT AMENDMENTS;
 - G. GRANT MANAGEMENT MANUAL (Those items specified as being required);
 - H. CONTRACT NEGOTIATION RECORD;
 - I. PROJECT MANAGEMENT PLAN;
 - J. PROGRAM INCOME PLAN; and
 - K. ANY PROJECT SPECIFIC PLAN AND/OR PROGRAM DESIGN.

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT in duplicate, each copy of which will be deemed an original.

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: _____ DATE: _____
Lisa A. Atkinson, Deputy Director

City of Richmond,
Commonwealth of Virginia

I do certify that Lisa A. Atkinson personally appeared before me and made oath that she is Deputy Director of the Department of Housing and Community Development and that she is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of _____, 20_____.

Notary Public

Registration Number

(GRANTEE)

BY: _____ DATE: _____
,

City/County/Town of _____,
Commonwealth of Virginia

I do certify that _____ personally appeared before me and made oath that he/she is _____ of the _____ and that he/she is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of _____, 20_____.

Notary Public

Registration Number

SPECIAL CONDITIONS

1. Notwithstanding the effective date of this contract, _____, 20____, eligible administrative expenses not to exceed \$ _____ incurred prior to this date have been approved for reimbursement. The effective date of this authorization is _____, 20____.
2. A total of \$ _____ in leverage funds is committed to this project by the GRANTEE. Sources of funds are as follows:

_____ \$ _____

These funds shall be expended prior to or in proportion to CDBG Funds within the budget, per activity. If additional leverage funds are committed to the project beyond those outlined above, the required leverage will remain at the originally approved amount. Documentation of the expenditure of these funds shall be maintained by the Grantee and reported to DHCD at the time of compliance reviews and request for final payment.

3. Remittances against this contract will be accepted and processed **only** on a pay-for-performance basis. The benchmarks to be used in determining eligibility for payment will be negotiated between the GRANTEE and the assigned Community Development Specialist. The benchmarks, compensation, and their schedule shall be considered as an ATTACHMENT to this CONTRACT. All remittance requests must be submitted via CAMS and shall be accompanied at least by a cover memorandum and copies of relevant invoices and checks. The GRANTEE must include a comparable compensation process for making payments to contractual service providers, and that process with benchmarks and a compensation schedule must be included in contracts with service providers
4. All grant-related work shall occur using a management team concept and representing all stakeholders, including but not limited to neighborhood residents (sparkplugs), the engineer and/or architect, the rehab specialist, the housing program administrator, the grant administrator, the Chief Executive, the Director of Public Works, and the local Planner, as appropriate.
5. The Project Management Team shall meet regularly (at least monthly) to properly monitor the Project's progress. The Team will review its Project Management Plan to determine if the project is being implemented according to the projected plan. The plan will be updated promptly in recognition of a deviation from projections and DHCD will be notified.
6. DHCD reserves the right to end funding at any point should the project prove nonviable. This includes, but may not be limited to, lack of progress in conformance with the approved Project Management Plan.

7. Monthly progress reports must be submitted to DHCD. These reports must document funds expended and obligated to date and the actions taken on key benchmarks that support the successful completion of the project.
8. DHCD reserves the right to receive additional documentation pertaining to construction, professional service, non-professional service or other contracts obligating CDBG funds prior to approving drawdown requests.
9. As the Centralized Application and Management System (CAMS) is implemented, at a minimum, the following must be observed:
 - A. Upon DHCD's concurrence, the following documents must be scanned in its entirety and as a single document and uploaded into CAMS via "Reports and Communication" as an Ad Hoc *contract* document:
 - i. Published Combined Notice of FONSI and NOI-RROF advertisement;
 - ii. Executed Request for Release of Funds and Certification;
 - iii. Executed Fair Housing Certification;
 - iv. Executed Project Management Plan;
 - v. Executed Program Income Plan, including the required list of appointed Board members, if appropriate;
 - vi. Executed Program Designs, including the Oversight Board(s) by-laws, if appropriate;
 - vii. Executed Certification of Signatures and Address.
 - B. All correspondence, including contract amendment and budget revision requests, must be uploaded into CAMS via "Reports and Communication" as an Ad Hoc *correspondence* document.
 - C. All ACTIVITIES required by this contract must be uploaded into "Reports and Communication" as Ad Hoc *contract* documents.
 - D. All remittance requests must be submitted through "Remittance" in CAMS.
 - E. If ACTIVITIES are submitted at the same time as a draw down request, the explanation text box at the bottom of the Remittances screen must note this fact.
 - F. The following pre-contract activity documents must be uploaded into "Reports and Communication" in CAMS: draft program designs and other required plans, Fair Housing Certification, draft NOI-FONSI advertisement, and draft Request for Release of Funds and Certification.
 - G. The original executed Final Financial Report must be mailed to DHCD. A copy must also be uploaded into "Reports and Communication" in CAMS as a contract document.
 - H. All annual financial audit reports as required by this contract shall be submitted through CAMS.

GENERAL CONDITIONS

1. **DEFINITIONS** - Whenever used in the CONTRACT DOCUMENTS the following terms when written in all capital letters shall have the meanings indicated and shall be applicable to both the singular and plural thereof:
 - A. **AMENDMENT** - A formal addition or modification to the CONTRACT DOCUMENTS which has been approved in writing by both parties, and which affects the scope, objectives or completion date of the PROJECT, or which affects the manner in which the PROJECT is to be carried out.
 - B. **APPLICANT** - The entity which made the proposal for COMMUNITY IMPROVEMENT GRANT funding and accepted responsibility for assuring compliance and performance of all conditions.
 - C. **ASSURANCES** - The ASSURANCES which are attached to this document.
 - D. **COMMUNITY IMPROVEMENT GRANT (CIG)** - The funds, the PROJECT and PRODUCTS to be funded, and all conditions, laws and regulations affecting administration of funds currently in effect or as subsequently amended, and provided by DHCD to the GRANTEE from Community Development Block Grant funds allocated by the U.S. Department of Housing and Urban Development.
 - E. **CONTRACT DOCUMENTS** - The legal agreement between DHCD and the GRANTEE including the AGREEMENT and all documents referenced in paragraph 9 thereof.
 - F. **GRANTEE** – The entity which is the recipient of CIG funds and as such must comply with CONTRACT DOCUMENTS.
 - G. **MANUAL** - The CDBG Grant Management Manual, which contains the required procedures and best practices for the management of CDBG project.
 - H. **PRODUCT** – A PROJECT activity which constitutes a specific portion of the PROJECT, and as such is covered by its own budget.
 - I. **PROJECT** - The physical activities undertaken to meet the overall stated objective for which CIG funding is utilized.
 - J. **PROJECT MANAGEMENT PLAN** - A plan prepared by the Grantee, which identifies roles, responsibilities, method of contract administration and oversight, key dates for task implementation and completion, analysis of potential problems and management organization.

K. **WORK** - All labor, equipment and materials necessary to produce the construction of the PROJECT as required by the CONTRACT DOCUMENTS.

L. **WRITTEN NOTICE** - Any notice from one party to the AGREEMENT to the other signed by an authorized official which transmits binding statements of fact or condition and is delivered to the appropriate authorized official either in person or through the United States mail.

2. **ADMINISTRATIVE PROCEDURES** - The GRANTEE shall perform all contracted ACTIVITIES and administer all grant funds and activities in conformance with the general terms and special conditions set forth where required in MANUAL, and any WRITTEN NOTICES from DHCD.

3. **ACCOUNTING RECORDS** - The GRANTEE shall establish and maintain separate accounts within its existing accounting system or set up accounts independently which are in conformity with the requirements of the Code of Federal Regulations (24 CFR Part 85), the MANUAL requirements and any WRITTEN NOTICES from DHCD. The GRANTEE shall record in its accounting system all Grant payments received by it pursuant to this Grant and all other funds provided for, accruing to, or otherwise received on account of the Grant.

All costs, including paid services contributed by the GRANTEE or others, charged to the Grant shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the CDBG grant shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall reside at the offices of the GRANTEE locality.

4. **COSTS INCURRED PRIOR TO GRANT AGREEMENT EXECUTION** - No costs incurred prior to the execution of the AGREEMENT shall be eligible for reimbursement with Grant funds, unless such incurred costs are authorized in writing by DHCD.

5. **GRANT BUDGET** - The GRANTEE shall carry out activities and incur costs only in conformance with the latest approved budget for the Grant and subject to the provisions of these CONTRACT DOCUMENTS. The budget may be revised through Administrative Procedures detailed in the MANUAL, but no such budget or revision shall be effective unless and until DHCD shall have approved the same in writing via CAMS or as indicated in item 16 of these General Conditions.

6. **RECORDS** - The GRANTEE shall maintain accurate, complete and orderly documentation of CDBG-funded activities, including, general program files, legal files, financial records, project/case files with respect to specific individual beneficiaries, property owners and/or properties, and all other records pertinent to this AGREEMENT during the period of this AGREEMENT and for a period of not

less than five (5) years after the fiscal year of the AGREEMENT or three (3) years after the conditional closeout of the grant, whichever is longer.

The Public Body, DHCD, the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, the Inspector General, and the General Accounting Office, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the GRANTEE which are directly pertinent to this AGREEMENT for the purpose of making audit, examination, excerpts, and transcriptions.

7. **REPORTS** - The GRANTEE shall furnish, regularly and in such form as DHCD may require, reports concerning the status of project activities and grant funds.

All reports shall be completed in full and submitted at the time prescribed by DHCD. Reports shall contain accurate information and shall detail any problems, delays or adverse conditions experienced.

8. **QUALITY CONTROL** - The GRANTEE accepts the responsibility to assure that all grant funded ACTIVITIES shall be implemented with the highest possible degree of competence, workmanship, quality and cost effectiveness. To this end the GRANTEE shall provide a system of quality control to include all aspects of grant administration and project implementation.

The GRANTEE shall obtain a certification of inspection and final completion signed by the project engineer or by the person responsible for quality control at the completion of each construction ACTIVITY.

9. **COMMUNICATIONS - WRITTEN NOTICES** shall constitute the only means of binding statements of fact or condition between the parties of this agreement. All required reports and requests to be issued by the GRANTEE must be made by way of a WRITTEN NOTICE unless other means are specified in the CONTRACT DOCUMENTS. *Please note that project-specific technical assistance provided via email does NOT have the weight of official WRITTEN NOTICE. Rather, it is comparable to oral technical assistance discussions.* All directives, findings and other formal issuance by DHCD must be transmitted through a WRITTEN NOTICE unless otherwise specified in the CONTRACT DOCUMENTS.

WRITTEN NOTICES shall be signed by and addressed to the appropriate authorized official and shall be considered transmitted when delivered in person, uploaded into CAMS or through the United States mail.

The GRANTEE shall act upon and respond to WRITTEN NOTICES promptly as directed.

10. **EXCESS GRANT FUNDS** -- At the completion of all Grant activities DHCD shall have the right to recapture any excess grant funds, provided that the GRANTEE has not had DHCD approval on any amendments or reprogramming of the funds.
11. **ACCESS TO BENEFITS** - No access or connection fees shall be charged to low- and moderate-income persons for access to improvements or benefits provided by grant funds. All low- and moderate-income persons identified in the proposal shall be assured access to and use of grant assisted improvements by regular user charges for the specified service.
12. **BENEFITS** - The PROJECT shall be implemented in such a manner so as to provide benefits to all persons identified in the project proposal. Affirmative steps shall be taken to assure direct benefit to low- and moderate-income persons in the number and extent identified in the proposal.
13. **PROGRAM INCOME** - Any income derived from activities financed with grant funds is program income and shall be utilized in the following manner:
 - A. Program income earned during the life of the grant is considered Active Program Income. It must be tracked by contract year. A contract year begins with the effective date of the contract and concludes 364 days later. Grantees shall track all Program Income based on the date that it is earned and report said amounts to DHCD when requested. When Active Program Income exceeds \$25,000 in any given contract year, 100% of that income earned must be spent immediately for eligible project expenses in lieu of drawing down funds. The Grantee may be able to access the total amount of CDBG funds in the grant agreement provided the Grantee has an approved Program Income Plan, the project is completed in a timely manner, and there are eligible project expenses that can be incurred in delivering products consistent with the CDBG grant agreement.

When Active Program Income is less than \$25,000 in a given contract year, it does not have to be expended immediately. It may be held in an interest bearing account. The Active Program Income and interest earned from it must be tracked by the Grantee. All Active Program Income earned in given program years in amounts of under \$25,000 per year can accumulate until the end of the project. The cumulative amount of these funds shall be used on eligible CDBG project activities at the end of the project. In these cases, the Grantee may use the program income in addition to the total amount of CDBG funds in the grant agreement provided the Grantee has an approved Program Income Plan, the project is completed in a timely manner, and there are eligible project expenses that can be incurred in delivering products consistent with the CDBG grant agreement. Funds remaining at Administrative Closeout of the grant must be returned to DHCD.

- B. Miscellaneous revenue is proceeds received in a 12-month reporting period (July 1 – June 30) of less than \$35,000 from an administratively closed project funded with CDBG monies. No amount of miscellaneous revenue received in the reporting period may be expended until after the period has ended and that fiscal year's report has been submitted to and approved DHCD. Grantees must retain the funds until it is authorized by DHCD to expend the proceeds locally. It must be returned to DHCD, unless DHCD has approved a Program Income Plan. Program Income Plans must be revised when the Grantee wants to change the activities approved. The revised plan must be submitted to DHCD for review and approval.
- C. Inactive program income is all revenue received in a 12-month reporting period (July 1 – June 30) of \geq \$35,000 from an administratively closed project funded with CDBG monies. All inactive program income received in the 12-month reporting period will be held in reserve until after the reporting period has ended and that fiscal year's report has been submitted to and approved by DHCD.

At the time the report is submitted, a specific work plan and budget may be submitted, outlining the proposed use of inactive program income. A timeline to expend all funds within twelve (12) months must be included. Work plans will only be approved if the proposed activities are the same activities for which the proceeds were generated.

Inactive program income must be reported to DHCD along with the other required annual reports e.g.; Activity and Beneficiary, Section 3, and Contract and Subcontract Activity Reports at the end of the state fiscal year.

It must be reported for five years and then can be expended according to the approved Program Income Plan.

Projects assisted with tax credits or other equity investment type projects MUST return all of its inactive program income to DHCD. Contact Division of Community Development's Fiscal Analyst for instructions on how to do so.

- D. Any lump sum receipt of inactive program income of \$35,000 or more during a state fiscal year (July 1 – June 30) must be reported to DHCD at the time it is received and transmitted to DHCD within 60 days. Returned funds should be made payable to *Treasurer of Virginia*. The check's memo line should indicate the grant number and the type of funds being returned e.g.; CDBG inactive program income. A reference in the required audit is not sufficient.
- E. Program income funds must be accounted for separately on the balance sheet. It must be tracked by the amounts due and received monthly by client's name, separated by active/inactive status and by contract number, project year and

by amount expended annually. Copies of supporting documents must be placed in the grant project files.

14. **CONTRACT SECURITY** - The GRANTEE shall secure all materials and equipment, purchased or paid for with grant funds through insurance coverage of the full value of the same.

All persons contracted, employed or otherwise utilized in the grant and having responsibility for the management, disposition, expenditure or use of Grant funds shall be bonded by a surety registered to do business in the Commonwealth of Virginia in an amount commensurate with their authority and potential liability.

15. **METHOD OF PAYMENT** - DHCD agrees to pay to the GRANTEE the amounts specified in paragraph 1 of the Agreement, which shall constitute full and complete funding for the GRANTEE'S work and activities set forth in the application. Remittances against this contract for administrative funds will be accepted and processed **only** on a pay-for-performance basis. The benchmarks to be used in determining eligibility for payment will be negotiated between the GRANTEE and the assigned Community Development Specialist. The benchmarks, compensation, and their schedule shall be considered as an ATTACHMENT to this CONTRACT. All remittance requests must be submitted in the manner proscribed by DHCD, including a cover memorandum and copies of relevant invoices and checks.

16. **DRAWDOWN AND PAYMENT OF GRANT FUNDS** - Drawdowns and expenditure of CDBG funds must be made subsequent to or in proportion to other funds within the budget per activity, and in accord with an agreed-upon pay-for-performance schedule.

17. **BUDGET REVISIONS/AMENDMENTS** - The GRANTEE shall not obligate, encumber, spend or otherwise utilize CDBG funds for any activity or purpose not included or not in conformance with the budget as apportioned and as submitted to DHCD unless:

- A. The GRANTEE has received explicit approval by WRITTEN NOTICE from DHCD via CAMS to undertake such actions; or
- B. The ACTIVITY or purpose is consistent with the objectives and scope of the approved PROJECT and does not entail a budget change between ACTIVITIES or between line items with ACTIVITIES exceeding 5% of the total grant amount cumulatively, including all previous budget changes.

17. **CHANGE ORDERS** - DHCD must approve all change orders on construction contracts. Any change order, regardless of cost or funding source, which results in a change of project scope, will be a disallowed cost.

18. **TERMINATION, SUSPENSION, CONDITIONS** -

- A. FOR CAUSE - If through any cause, the GRANTEE or DHCD fails to comply with the terms, conditions or requirements of the CONTRACT DOCUMENTS the other party may terminate or suspend this AGREEMENT by giving WRITTEN NOTICE of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

If, after the effective date of any suspension of this AGREEMENT, it is mutually agreeable to DHCD and the GRANTEE upon remedy of any contract violation by the GRANTEE or DHCD, the suspension may be lifted and the AGREEMENT shall be in full force and effect at a specified date after the parties have exchanged WRITTEN NOTICES stating a mutual understanding that the cause for suspension has been identified, agreed to and remedied.

In the case of contract violations by the GRANTEE, DHCD may impose conditions other than termination or suspension which are appropriate to ensure proper grant and project administration and adherence to the terms of the CONTRACT DOCUMENTS. Such conditions must be imposed through WRITTEN NOTICE.

- B. FOR CONVENIENCE - DHCD may terminate this AGREEMENT for convenience in the event that DHCD is no longer authorized as an agency to administer the CDBG program or if the federal funds allocated are no longer available.

The GRANTEE may terminate this AGREEMENT for convenience at any time provided that all of the following conditions are met:

- i. The GRANTEE gives DHCD ten (10) days WRITTEN NOTICE; and
- ii. The ACTIVITIES which have been initiated either have been completed and may be utilized in their stage of completion in a manner consistent with the objectives in the GRANTEE'S CIG Proposal, or will be completed by the GRANTEE through its own or other resources; and
- iii. The GRANTEE had honored or will honor all contractual obligations to third parties affected by the PROJECT; and
- iv. DHCD agrees to the termination.

A GRANTEE'S valid termination for convenience in accordance with these CONTRACT DOCUMENTS shall not affect nor prejudice the GRANTEE'S future relationship with DHCD nor its future consideration as a CIG recipient.

19. **SUBSEQUENT CONTRACTS** - The GRANTEE shall remain fully obligated under the provisions of the CONTRACT DOCUMENTS notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the ACTIVITIES for which the grant assistance is being provided to the GRANTEE.

Any GRANTEE or CONTRACTOR or SUBCONTRACTOR which is not the APPLICANT shall comply with all the lawful requirements of the APPLICANT necessary to ensure that the PROJECT for which this assistance is being provided under this AGREEMENT is carried out in accordance with the APPLICANT'S Assurances and Certifications.

Grantees shall obtain a financial disclosure report from all contractors, subcontractors, developers, and consultants which certifies the financial interest of all officers, directors, principal stockholders, or other persons who will have a \$50,000 or 10 percent or greater interest in the contract whichever is lower.

20. **POLITICAL ACTIVITY PROHIBITED** - None of the funds, materials, property or services contributed by the DHCD or the GRANTEE, under this AGREEMENT, shall be used in the performance of this AGREEMENT for any partisan political activity, or to further the election or defeat of any candidate for public office.
21. **INTEREST OF MEMBER OF AGENCY AND OTHERS** - No officer, member, or employee of the GRANTEE and no member of its governing body, and no other public official of the governing body of the locality or localities in which the PROJECT is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this PROJECT shall participate in any decision relating to this AGREEMENT which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this AGREEMENT or the proceeds thereof.
22. **OFFICIALS NOT TO BENEFIT** - No member of or delegate to the Congress of the United States of America and no Resident Commissioner shall be admitted to any share or part hereof or to any benefit to arise therefrom.
23. **CERTIFICATIONS** - The GRANTEE certifies that it will comply with the following:
- a. Freedom of Information Act;
 - b. Virginia Conflict of Interest Act;
 - c. Virginia Fair Employment Contracting Act; and
 - d. Virginia Public Procurement Act.

24. **BENEFICIARIES** - There are no third party beneficiaries of this AGREEMENT. The provisions contained in these CONTRACT DOCUMENTS represent the entire AGREEMENT between DHCD and the GRANTEE. The provisions are designed to assist in meeting the community needs of the GRANTEE identified in the GRANTEE'S CDBG proposal, but are not designed to accrue to the specific benefit of any individual person or entity residing or located in the GRANTEE'S community or elsewhere. Consequently, the terms of these CONTRACT DOCUMENTS may be enforced by DHCD or the GRANTEE exclusively and not by any individual person or entity residing or located in the GRANTEE'S community or elsewhere as a third-party beneficiary of this contract.
25. **AUDITS** -- All GRANTEES that receive funding during a specific program year are required to submit one of the following financial documents: Financial Statement**, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an independent CPA or an audit required by the Code of Federal Regulations (CFR), (2 CFR 200 Subpart F), audited by an independent CPA. Please see the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the *minimal* standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures ≤\$100,000 (Regardless of source)	Financial Statement prepared by organizations**
Total annual expenditure between \$100,001 and \$300,000 (Regardless of source)	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > \$300,000 (Regardless of source)	Audited Financial Statement prepared by an Independent CPA
Federal expenditures ≥\$750,000	2 CFR 200 Subpart F--Audited by an Independent CPA

**Does not require preparation by a CPA

Required financial statements must be submitted yearly, within nine (9) months after the end of your fiscal year or 30 (thirty) days after it has been accepted (reviewed financial statement(s), audited financial statements, and 2 CFR 200 Subpart F audit only) - whichever comes first.

Entities must electronically submit their financial statement(s), reviewed financial statements, audited financial statements, or 2 CFR 200 Subpart F audit in DHCD's Centralized Application and Management System (CAMS) which requires the organization to register in CAMS at <https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx>. Entities are required to have a DHCD reviewed and approved current audit or reviewed financial statement(s) in order to submit a remittance request.

Additional reporting requirement (for local governments and non-profits organizations)

In accordance with the Code of Federal Regulations; Title 2 CFR Part 200 Subpart F, non-Federal entities that expend \$750,000 or more in federal awards within the entity's fiscal year are required to complete a "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations" (see Appendix A for sample form), upload your audit to CAMS and submit a copy of your Audited Financial Statement to the Federal Audit Clearinghouse at <https://harvester.census.gov/facweb/files/2013%20Form%20SF-SAC.pdf>.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:
http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf

ASSURANCES/CERTIFICATIONS

The GRANTEE hereby assures and certifies that:

1. It possesses legal authority to execute the PROJECT.
2. Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the PROJECT application including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the GRANTEE to act in connection with the PROJECT application and to provide such additional information as may be required.
3. Its chief executive officer or other officer of GRANTEE approved by the Virginia Department of Housing and Community Development:
 - a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.5(a) through (h) which further the purposes of NEPA insofar as the provisions of such Federal law apply to this Grant;
 - b. Is authorized and consents on behalf of the GRANTEE and himself to accept the jurisdiction of the Federal and Commonwealth of Virginia courts for the purpose of enforcement of his responsibilities as such an official.
4. It will comply with the regulations, policies, guidelines and requirements of the Code of Federal Regulations 2 CFR 200, as amended or replaced from time to time, as they relate to the PROJECT, acceptance, and use of Federal funds under this Grant; and, as applicable, all State laws and administrative requirements which may supersede them (by virtue of being more stringent).
5. It will comply with:
 - A. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - B. Section 906 of Public Law 100-625 (Cranston-Gonzalez National Affordable Housing Act) which prohibits discrimination on the basis of religion or religious affiliation. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG funds on the basis of his or her religion or religious affiliation.
 - C. Executive Order 11246, as amended (Contracts/subcontracts above \$10,000)

During the performance of this contract, the GRANTEE agrees as follows:

- (1) The GRANTEE will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The GRANTEE will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The GRANTEE agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The GRANTEE will, in all solicitations or advertisements for employees placed by or on behalf of the GRANTEE, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
- (3) The GRANTEE will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers ' representatives of the GRANTEE's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The GRANTEE will comply with all provisions of Executive Order 11246, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The GRANTEE will furnish all information and reports required by Executive Order 11246, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the GRANTEE's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the GRANTEE may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in

Executive Order 11246, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- (7) The GRANTEE will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, as amended, so that such provisions will be binding upon each subcontractor or vendor. The GRANTEE will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a GRANTEE becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the GRANTEE may request the United States to enter into such litigation to protect the interests of the United States.

B. Subcontracts

Each contractor or subcontractor shall include the equal opportunity clause in each of its subcontracts.

6. All parties to this contract hereby agree to comply with the provisions of Title VI of the *Civil Rights Act of 1964* (Public Law 88-352) which provides: that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance of any dollar amount – no minimum threshold.
7. All parties to this contract hereby agree to comply with the provisions of Section 109 of the *Housing and Community Development Act of 1974*, as amended which provides: No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the *Rehabilitation Act of 1973* shall also apply to any such program or activity of any dollar amount – no minimum threshold.
8. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or

other ties.

9. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
10. It will require buildings or facilities designed with funds provided under this Grant to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1980, in accordance with the Virginia Uniform Statewide Building Code. The Grantee will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
11. It will comply with Section 3 of the *Housing and Urban Development Act of 1968*, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
12. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards and Executive Order 12088 relating to the prevention, control, and abatement of water pollution.
13. It will comply with Section 104 (l) of the *Housing and Community Development Act of 1974*, as amended, in that: it has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is subject of such nonviolent civil rights demonstration within its jurisdiction.

(Grantee Official)

Date