



**POLICY FOR SUB-AWARD & MONITORING  
FOR EXPENDITURE OF AMERICAN RESCUE PLAN ACT  
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS  
BY LOCAL GOVERNMENTS**

**WHEREAS** the County of Lubbock, has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CSLFRF); and

**WHEREAS** the funds may be used for projects within these categories, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and storm water infrastructure, and to expand access to broadband internet; and

**WHEREAS** the ARPA/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the [Assistance Listing \(21.027\)](#); and

**WHEREAS** the ARPA/CSLFRF authorizes the County of Lubbock to enter sub-award agreements with sub-recipients to assist the County of Lubbock to carry out the terms of the ARPA/CSLFRF; and

**WHEREAS** if the County of Lubbock enters into a sub-award as a sub-recipient, it acts as a pass-through entity, as described in 2 CFR 200.1; and

**WHEREAS** the [Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds](#) (v.3.0 February 2022) provides, in relevant part:

**Sub-recipient Monitoring.** SLFRF recipients that are pass-through entities as described under 2 CFR 200.1 are required to manage and monitor their sub-recipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

First, your organization must clearly identify to the sub-recipient: (1) that the award is a sub-award of SLFRF funds; (2) any and all compliance requirements for use of SLFRF funds; and (3) any and all reporting requirements for expenditures of SLFRF funds.

Next, your organization will need to evaluate each sub-recipient's risk of noncompliance based on a set of common factors. These risk assessments may include factors such as prior experience in managing Federal funds, previous audits, personnel, and policies or procedures for award execution and oversight.

Ongoing monitoring of any given sub-recipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

Accordingly, your organization should develop written policies and procedures for sub-recipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting sub-recipients' compliance obligations.

Recipients should note that non-entitlement units of local government (NEUs) are not sub-recipients under the SLFRF program. They are SLFRF recipients that will report directly to Treasury.

Recipients should also note that sub-recipients do not include individuals and organizations that received SLFRF funds as end users to respond to the negative economic impacts of COVID-19 on these organizations. Such individuals and organizations are beneficiaries and not subject to audit pursuant to the Single Audit Act and 2 C.F.R. Part 200, Subpart F.

Separately or in addition, many recipients may choose to provide a sub-award (e.g., via contract or grant) to other entities to provide services to other end-users. For example, a recipient may provide a grant to a nonprofit to provide homeless services to individuals experiencing homelessness. In this case, the sub-award to a nonprofit is based on the services that the Recipient intends to provide, assistance to households experiencing homelessness, and the nonprofit is serving as the sub-recipient, providing services on behalf of the recipient. Sub-recipients are subject to audit pursuant to the Single Audit Act and 2 CFR part 200, subpart F regarding audit requirements; and

**WHEREAS** Subpart D of the UG dictates sub-recipient and award requirements for expenditure of [ARPA/CSLFRF] funds; and

**WHEREAS** 2 CFR 200.332 states that:

All pass-through entities must:

- (a) Ensure that every sub-award is clearly identified to the sub-recipient as a sub-award and includes the [required] information at the time of the sub-award . . . When some of [the required information] is not available, the pass-through entity must provide the best information available to describe the Federal award and sub-award.
- (b) Evaluate each sub-recipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award for purposes of determining the appropriate sub-recipient monitoring.
- (c) Consider imposing specific sub-award conditions upon a sub-recipient if appropriate as described by 2 CFR 200.208.
- (d) Monitor the activities of the sub-recipient as necessary to ensure that the sub-award is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the sub-award; and that sub-award performance goals are achieved.
- (e) Depending upon the pass-through entity's assessment of risk posed by the sub-recipient, [specific] monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements an achievement of performance goals.
- (f) Verify that every sub-recipient is audited as required by [2 CFR 200, Subpart F] when it is expected that the sub-recipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.
- (g) Consider whether the results of the sub-recipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- (h) Consider taking enforcement action against noncompliant sub-recipients as described in 2 CFR 200.339 and in program regulations.

**BE IT RESOLVED** that the Commissioners Court of the County of Lubbock hereby adopts and enacts the following Sub-award and Monitoring Policy for the expenditure of ARPA/CSLFRF funds.

**ORDER OF THE LUBBOCK COUNTY COMMISSIONERS COURT**

This POLICY FOR SUB-AWARD & MONITORING FOR EXPENDITURE OF AMERICAN RESCUE PLAN ACT, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY LOCAL GOVERNMENTS is adopted during the regular session of the Lubbock County Commissioners Court on this the 24 day of April, 2023 and becomes a part of the official minutes of the County Commissioners Court.

MOTION BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

Entered in the official minutes of the Lubbock County Commissioners Court.

\_\_\_\_\_

Terence Kovar, Precinct 1

\_\_\_\_\_

Jason Corley, Precinct 2

\_\_\_\_\_

Gilbert Flores, Precinct 3

\_\_\_\_\_

Jordan Rackler, Precinct 4

\_\_\_\_\_

Curtis Parrish, County Judge

ATTEST:

\_\_\_\_\_

Kelly Pinion  
COUNTY CLERK



## SUB-AWARD AND MONITORING POLICY FOR EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

### 1. POLICY OVERVIEW

[Title 2 U.S. Code of Federal Regulations Part 200](#), (2 CFR 200) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart D, defines requirements of pass-through entities initiating sub-award agreements with Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CSLFRF). The County of Lubbock, hereinafter County, shall adhere to all applicable sub-award and monitoring requirements governing the use of ARPA/CSLFRF. This policy establishes procedures for classifying, making an award to, and monitoring a sub-recipient consistent with ARPA/CSLFRF grant award terms and all applicable federal regulations in the UG.

Responsibility for following these guidelines lies with the Commissioners' Court, the Auditor's Office, the Grant Administrator, and Grant Auditors, who are charged with the administration and financial oversight of the [ARPA/CSLFRF].

#### I. DEFINITIONS

The definitions in 2 CFR 200.1 apply to this policy, including the following:

**Contract:** for the purpose of Federal financial assistance, a legal instrument by which a recipient or sub-recipient purchases property or services needed to carry out the project or program under a Federal award. For additional information on sub-recipient and contractor determinations, see [§ 200.331](#). See also the definition of *sub-award* in this section.

**Contractor:** an entity that receives a contract as defined in this section.

**Pass-through Entity:** a non-Federal entity that provides a sub-award to a sub-recipient to carry out part of a Federal program. The County is the pass-through entity if it awards a sub-award to a sub-recipient.

**Recipient:** an entity, usually but not limited to non-Federal entities that receives a Federal award directly from a Federal awarding agency. The term recipient does not include sub-recipients or individuals that are beneficiaries of the award.

**Sub-award:** an award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A sub-award may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

**Sub-recipient:** an entity, usually but not limited to non-Federal entities that receives a sub-award from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A sub-recipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

## II. SUB-RECIPIENT CLASSIFICATION

The County must make a case-by-case determination whether an agreement with another government entity or private entity, that is not a beneficiary, casts the party receiving the funds in the role of a sub-recipient or contractor. 2 CFR 200.331.

A sub-award is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the sub-recipient. Characteristics which support the classification of the non-Federal entity as a sub-recipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision-making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a sub-recipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a sub-award or a procurement contract.

The County will use the above criteria to determine if an agreement involving the expenditure of ARPA/CSLFRF is a contract or sub-award. The Auditor's Office will document the determination in the Sub-recipient or Contractor Classification Checklist in Appendix 1. ([Appendix 1: Sub-recipient or Contractor Classification Checklist.](#))

If the agreement involves a contractor relationship (including a contract for services), the County must follow its UG Procurement Policy when entering into a contract.

If the agreement involves a sub-recipient relationship, the County must proceed to Sections IV. through VII. below.

### III. ASSESSMENT OF RISK

Before engaging in a sub-award, the County must evaluate a sub-recipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award to determine whether to award the sub-award and the appropriate sub-recipient monitoring.

The Auditor’s Office Grant Personnel will conduct the risk assessment, which will include consideration of the following factors:

- (1) The sub-recipient’s prior experience with the same or similar sub-awards;
- (2) The results of previous audits including whether or not the sub-recipient receives a Single Audit in accordance with 2 CFR 200 Subpart F and the extent to which the same or similar sub-award has been audited as a major program;
- (3) Whether the sub-recipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (*e.g.*, if the sub-recipient also receives Federal awards directly from a Federal awarding agency). 2 CFR 200.332(b).

The results of the risk assessment must be documented in the Sub-recipient Assessment of Risk form in Appendix 2 and will be used to dictate the types and degree of sub-recipient monitoring. ([Appendix 2: Sub-recipient Assessment of Risk](#)) The County will assign an overall risk level to the sub-recipient indicating the following:

<b>Low Risk</b>	<b>Moderate Risk</b>	<b>High Risk</b>
There is a low risk that the sub-recipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.	There is moderate risk that the sub-recipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.	There is high risk that the sub-recipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.

If a proposed sub-recipient is deemed high risk, the Commissioners Court must provide written justification to proceed with the sub-award. The justification must be approved by the Civil District Attorney.

### IV. SUB-RECIPIENT MONITORING

The County will develop and implement a sub-recipient monitoring plan for the particular sub-award based on the findings of the Sub-recipient Assessment of Risk. According to 2 CFR 200.332(d), the monitoring plan must involve:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following-up and ensuring that the sub-recipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the sub-recipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the sub-recipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular sub-award.
- (3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the sub-recipient from the pass-through entity as required by 2 CFR [200.521](#).
- (4) The pass-through entity is responsible for resolving audit findings specifically related to the sub-award and not responsible for resolving crosscutting findings.

If a sub-recipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (*e.g.*, has been debarred or suspended), the pass-through entity may rely on the sub-recipient’s cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section 2 CFR [200.513\(a\)\(3\)\(vii\)](#). Such reliance does not eliminate the responsibility of the pass-through entity to issue sub-awards that conform to agency and award-specific requirements, to manage risk through ongoing sub-award monitoring, and to monitor the status of the findings that are specifically related to the sub-award.

The County’s monitoring plan will vary based on the overall sub-recipient risk assessment as low risk, medium risk, or high risk, detailed as follows:

Sub-recipient Deemed Low Risk	Sub-recipient Deemed Medium Risk	Sub-recipient Deemed High Risk
<ul style="list-style-type: none"> <li>• Payment validations (monthly)</li> <li>• Report reviews (quarterly)</li> <li>• Desk reviews (at least once per year and more frequently if requested by County or sub-recipient)</li> <li>• Onsite reviews (upon request of County or sub-recipient)</li> <li>• Audit review (yearly)</li> </ul>	<ul style="list-style-type: none"> <li>• More detailed financial reporting</li> <li>• Payment validations (monthly)</li> <li>• Report reviews (bi-monthly)</li> <li>• Desk reviews (within 6 months of project start and every six months thereafter)</li> <li>• Onsite reviews (within 12 months of project start and annually thereafter, or more frequently as requested by County or sub-recipient)</li> <li>• Audit review (yearly)</li> <li>• Procedures engagement (if sub-recipient not subject to Single Audit Act; yearly)</li> </ul>	<ul style="list-style-type: none"> <li>• More detailed financial reporting</li> <li>• Compliance training (one-time)</li> <li>• Prior approvals for certain expenditures</li> <li>• Payment validations (monthly)</li> <li>• Report reviews (monthly)</li> <li>• Desk reviews (within 3 months of project start and at least quarterly thereafter)</li> <li>• Onsite reviews (within 6 months of project start and bi-annually thereafter, or more frequently as requested by County or sub-recipient)</li> <li>• Audit review (yearly)</li> <li>• Procedures engagement (if sub-recipient not subject to Single Audit Act; yearly)</li> </ul>

**Payment validation:** All sub-recipient documentation for project expenditures must be reviewed by the County for compliance with sub-award requirements. Any non-compliant expenditures will be denied and the sub-recipient will be provided a reasonable description of the reason for denial and an opportunity to cure the deficiency. For a sub-recipient on a reimbursement-based payment structure, the validation will occur before a reimbursement payment is approved. For a sub-recipient that received an up-front payment, any funds found to have been expended in violation of the sub-award requirements must be repaid to the County.

**Report review:** A sub-recipient must submit quarterly financial and performance reports, based on the schedule set forth in the sub-award. The nature and scope of the reports will depend on the project and be spelled out in the sub-award. The reports will be reviewed by the Auditor’s Office Grant Department.

Any deficiencies or other performance concerns will be addressed with the sub-recipient in a timely manner and could trigger additional monitoring requirements or other interventions, as specified in the sub-award.

**Desk review:** The County will conduct a meeting to review the sub-recipient's award administration capacity and financial management. The meeting may be held virtually or in person. Topics covered will depend on project scope and sub-recipient risk assessment and may include governance, budgeting, accounting, internal controls, conflict of interest, personnel, procurement, inventory, and record keeping. The County will produce a report which summarizes the results and any corrective actions if deemed necessary. The report will be shared in a timely manner with the sub-recipient.

**Onsite review:** The County will conduct an on-site meeting at the sub-recipient's location to review the sub-recipient's project performance and compliance. Topics covered will depend on project scope and sub-recipient risk assessment and may include project procurement, data systems, activity and performance tracking, project reporting, inventory, and software systems. The County will produce a report which summarizes the results and any corrective actions deemed necessary. The report will be shared in a timely manner with the sub-recipient.

**Audit review:** The County must verify that every sub-recipient is audited as required by [2 CFR 200 Subpart F](#) (Single Audit) when it is expected that the sub-recipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR [200.501](#). The County must obtain a copy of the sub-recipient's Single Audit from the Federal Audit Clearinghouse (FAC). Within six months of the acceptance of the audit report by the FAC, the County will issue a management decision for any audit findings related to the sub-award. The decision will clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. (The decision will include reference numbers the auditor assigned to each finding.) The decision will provide a timetable for responsive actions by the sub-recipient. Prior to issuing the management decision, the County may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

**Procedures engagement:** Applicable only to sub-recipients who are not subject to the Single Audit Act. An auditor will perform specific procedures and report on findings. The scope must be limited to the following compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting. The review will be arranged and paid for by the County. The County will verify completion of the procedures engagement. Within six months of the acceptance of the procedures engagement report, the County will issue a management decision for any findings related to the sub-award. The decision will provide a timetable for responsive actions by the sub-recipient. Prior to issuing the management decision, the County may request additional information or documentation from the sub-recipient, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

The specific monitoring plan for each sub-recipient, including the type and frequency of reviews, will be detailed in the sub-award agreement. For all requirements beyond those listed under the Low Risk category above, the County will notify the sub-recipient of the following in the sub-award:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

To implement the monitoring plan, the Auditor's Office Grant Personnel must perform periodic reviews and document findings in the Sub-recipient Monitoring Form ([Appendix 3: Sub-recipient Monitoring Form](#)).



## V. SUB-RECIPIENT INTERVENTIONS

The County may adjust specific sub-award conditions as needed, in accordance with 2 CFR 200.208 and 2 CFR 200.339. If the County determines that the sub-recipient is not in compliance with the sub-award, the County may institute an intervention. The degree of the sub-recipient's performance or compliance deficiency will determine the degree of intervention. All possible interventions must be indicated in the sub-award agreement.

The County must provide written notice to the sub-recipient of any intervention within thirty days of the completion of a report review, desk review, onsite review, audit review, or procedures engagement review or as soon as possible after the County otherwise learns of a sub-award compliance or performance deficiency.

Pursuant to 2 CFR 200.208, the written notice must notify the sub-recipient of the following related to the intervention:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

The following interventions may be imposed on a sub-recipient, based on the level of the compliance or performance deficiency:

**Level 1 Interventions.** These interventions may be required for minor compliance or performance issues.

- (1) Sub-recipient addresses specific internal control, documentation, financial management, compliance, or performance issues within a specified time period
- (2) More frequent or more thorough reporting by the sub-recipient
- (3) More frequent monitoring by the County
- (4) Required sub-recipient technical assistance or training

**Level 2 Interventions.** These interventions may be required, in addition to Level 1 interventions, for more serious compliance or performance issues.

- (1) Restrictions on funding payment requests by sub-recipient
- (2) Disallowing payments to sub-recipient
- (3) Requiring repayment for disallowed cost items
- (4) Imposing probationary status on sub-recipient

**Level 3 Interventions.** These interventions may be required, in addition to Level 1 and 2 interventions, for significant and/or persistent compliance or performance issues.

- (1) Temporary or indefinite funding suspension to sub-recipient
- (2) Nonrenewal of funding to sub-recipient in subsequent year
- (3) Terminate funding to sub-recipient in the current year
- (4) Initiate legal action against sub-recipient

## VI. SUB-AWARD AGREEMENT & EXECUTION

The sub-award agreement will be drafted by the Purchasing Department Contract Manager using the Sub-award Agreement Template or other appropriate template. Contract terms and conditions may vary based on several factors, including sub-recipient risk assessment findings, as documented in the Sub-recipient Assessment of Risk. After review by the Civil District Attorney, the County Auditor, and the Grant Administrator, the Commissioners Court may fully execute the sub-award agreement, subject to any required budget amendments by the County's governing board, preaudit requirements, and other contract execution prerequisites set by the County.

## APPENDIX 1: Sub-recipient or Contractor Classification Checklist

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If the County of Lubbock wishes to contract with another government entity or a private entity and use ARPA/CSLFRF funds to pay for that contract, the County must determine if the relationship with the outside entity is a contractor or sub-recipient. To make this determination the County must review the project proposal, budget classification, and other related proposal documents, as well as engage in discussions with key personnel about the nature of the proposed agreement. The determination of whether a proposed agreement involves a contractor or sub-recipient relationship must be recorded on this form and maintained in the project file for the duration of the records retention period for ARPA/CSLFRF records.

**Instructions:** Complete Sections one through three. The section with the greatest number of marked characteristics indicates the likely type of relationship. The substance of the relationship should be given greater consideration than the form of agreement between the County and outside entity. In borderline cases, the County may either provide a written justification for its determination in Section three or, if appropriate, restructure the agreement to more clearly define it as either a contractor or sub-recipient relationship.

**Name of Outside Entity:** \_\_\_\_\_

### Section 1 -- Brief Description of Nature of Proposed Agreement:

**Section 1 -- Sub-recipient.** A sub-award is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship between the recipient and the sub-recipient. Sub-recipients may have one or more of the following characteristics:

- May determine who may be eligible to receive Federal assistance under the program guidelines.  
*For example: A sub-recipient that identifies mentors and mentees under a mentoring program.*
- Has its performance measured in relation to whether objectives of a Federal program were met?  
*The recipient will rely upon the sub-recipient's data to submit its own performance data to Treasury.*
- Has responsibility for programmatic decision making. *For example: If the recipient funds a sub-recipient to develop (or improve) a particular program and the sub-recipient will use its own judgment, discretion, and expertise to develop all or part of the program.*
- In accordance with its sub-award agreement (which may be in the legal form of a contract), the sub-recipient uses the Federal funds to carry out a program for a public purpose specified in authorizing statutes, as opposed to providing goods or services for the benefit of the recipient. *For example: To provide crime- or criminal-justice-related services (and, in the case of crime victims, compensation) to individual members of the public, such as victims of crime, or at-risk youth.*
- The sub-recipient will not earn a profit under the agreement.
- The sub-recipient is required to contribute cash or in-kind match in support of the sub-award.

**Section 2 -- Contractor.** A contract is for the purpose of obtaining goods and services for the recipient's own use and creates a procurement relationship between the recipient and the contractor. *Entities that include these characteristics are not subject to compliance requirements of the Federal program because of the agreement, though similar requirements may apply for other reasons.* A contractor relationship may have one or more of the following characteristics:

- Provides goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.

- Normally operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the Federal program.  
*Examples include but are not limited to: Office equipment, supplies, software licenses, reference books, chemical reagents, cell phones, body-worn cameras, body armor, internet services, cell phone service, website hosting, copying/printing, and lodging.*
- The entity may earn a profit under the contract.

**FINAL DETERMINATION:**

- Sub-recipient**
- Contractor**

**Section 3 – Justification.** In determining whether an agreement between a recipient and another non-Federal entity reflects a sub-recipient or a contractor relationship, the substance of the relationship is more important than the form of the agreement. Considering the characteristics checked above, provide a written justification for the final determination of either a sub-recipient or contractor relationship.

*Explanation of Justification Determination:*

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Print Name and Title:** \_\_\_\_\_

**APPENDIX 2: Sub-recipient Risk Assessment**

**Sub-recipient Information:**

Sub-recipient Name	[INSERT SUB-RECIPIENT NAME, WHICH MUST MATCH THE NAME ASSOCIATED WITH ITS UNIQUE ENTITY IDENTIFIER]
Sub-recipient Unique Entity Identifier:	[INSERT SUB-RECIPIENT UNIQUE ENTITY IDENTIFIER]
Brief Description of Sub-award Project and Role of Sub-recipient:	[INSERT A BRIEF DESCRIPTION OF SUB-AWARD PROJECT AND ROLE OF SUB-RECIPIENT]
Name and Title of Sub-recipient Personnel Providing Information for this Risk Assessment	[INSERT NAME AND TITLE OF SUB-RECIPIENT PERSONNEL PROVIDING INFO. FOR THIS RISK ASSESSMENT]

Choose an item.	Is the entity prohibited from receiving Federal funds due to suspension or debarment per the Excluded Parties List located in the System for Award Management (SAM)? ( <a href="https://sam.gov/content/home">https://sam.gov/content/home</a> )
Choose an item.	Is the entity in good standing with Lubbock County? Discuss with appropriate staff.
Choose an item.	Has Data Collection Form on Federal Audit Clearinghouse (FAC) been reviewed? ( <a href="https://facweb.census.gov/uploadpdf.aspx">https://facweb.census.gov/uploadpdf.aspx</a> )
If yes,	List Findings:

Risk Category	Rating Label	Comments
<b>General Assessments</b>		
1. Is the proposed sub-recipient entity's (hereinafter "entity") facility, equipment, supplies, and staffing adequate for the needs of the award?	Choose an item.	
2. Has the entity adopted and implemented all required Uniform Guidance policies and procedures?	Choose an item.	
3. Has the entity adopted and implemented records retention, conflict of interest, and nondiscrimination policies, consistent with the ARPA/CSLFRF award terms?	Choose an item.	
4. Is the entity properly licensed or certified by a recognized source (i.e., the Internal Revenue Service non-profit determination letter, bonded and insured if performing construction-related activities, etc.)?	Choose an item.	
5. Does the entity have a Code of Ethics policy which is provided to all associated employees?	Choose an item.	
6. Has the entity's management demonstrated a commitment to compliance with the sub-award terms and all applicable laws and regulations?	Choose an item.	

<b>Financial Management, Systems, &amp; Personnel</b>		
7. Does the entity have a financial management system that provides records that can identify the sources and application of funds for sub-award funded activities?	Choose an item.	
8. Does the entity's financial management system provide for the control and accountability of project funds, property, and other assets?	Choose an item.	
9. What is the current staffing level of the entity?	Choose an item.	
10. Has there been any change in the entity's key staffing positions in the last 2 years?	Choose an item.	
11. What is the entity's staff's experience in performing stated activities in the proposed sub-award?	Choose an item.	
12. Does the entity have a formal, written personnel policy that addresses: (a) Pay rates & benefits (b) Time & attendance (c) Leave (d) Discrimination (e) Nepotism (f) Conflict of Interest?	Choose an item.	
13. Does the entity have sufficient internal controls related to the sub-award funds?	Choose an item.	
14. Does the entity have sufficient cash flow to carry out the sub-award terms?	Choose an item.	
<b>Experience with Other Federal Grants</b>		
15. Has the entity previously done work for the federal government?	Choose an item.	<b>If low or moderate (yes),</b> list the last three agencies and award periods.
(a) <b>If low or moderate (yes),</b> what is the entity's past performance on meeting federal program outcomes and managing federal funds in compliance with federal regulations?	Choose an item.	
16. Is the entity experienced in managing federal funds of the scope of this proposed sub-award?	Choose an item.	
17. Identify any monitoring interventions the entity is currently subject to related to other federal grant awards.	Choose an item.	
18. Does the entity maintain an inventory of federal government property that, at a minimum, identifies purchase date, cost, vendor, description, serial number, location, and ultimate disposition data?	Choose an item.	
<b>Audits</b>		
19. Does the entity have a designated federal cognizant audit agency?	Choose an item.	<b>If low (yes),</b> provide name of audit agency.
20. Has the entity completed a Single Audit in the past five years?	Choose an item.	<b>If low or moderate (yes),</b> provide a copy of the most recent audit and <b>do not complete the rest of the Audit Section.</b>

(a) <b>If high (no) to 20.</b> , does the entity have annual financial statements that have been reviewed of audited by an independent audit firm?	Choose an item.	If yes, please provide a copy of the statements for the most current fiscal year. If no, please explain.
<b>Indirect Rate Information</b>		
21. Does the entity have a negotiated federal indirect/F&A rate? ( <i>Note: This question does not impacted weight of risk assessment</i> )	Choose an item.	<b>If yes</b> , what is the rate? <b>If no</b> , indicate that de minimis 10% indirect rate will apply
<b>Overall Risk Assessment</b>		
22. Based on the overall assessment, does the reviewer anticipate any implementation problems with the proposed sub-award?	Choose an item.	
23. What percentage of the entity's overall annual budget will this sub-award comprise?	Choose an item.	
<b>24. Considering all factors above, assess overall level of risk</b>	<b>Choose an item.</b>	

Document any additional findings, mitigating factors, and recommendations here.

Assessment Completed By: \_\_\_\_\_ Date of Assessment: \_\_\_\_\_

APPENDIX 3: Sub-recipient Monitoring Form

This report reflects the County’s substantive assessment of the sub-recipient’s project implementation and sub-award compliance. The County’s project manager assigned to the sub-award or finance officer must complete this report for each payment validation, report review, desk review, site review, and audit or procedures engagement review during the sub-award term (and, as appropriate, after the expiration or termination of the sub-award). Upon completion, and following review by **LIST APPROPRIATE STAFF**, the original will be filed in the sub-award file. Any required sub-recipient corrective actions will be detailed in writing and provided to the sub-recipient within thirty days of the completion of this report.

I. Sub-award Overview (complete this section for all reviews)

STAFF INFORMATION

Reviewed conducted by:		Date:
Type (programmatic, financial, or both)		Date:
Review confirmed by:		Date:

SUB-RECIPIENT INFORMATION

Sub-recipient Name:	
Sub-recipient Program Personnel (who participated in the review):	
Sub-recipient Contact Phone Number:	
Sub-recipient Fiscal/Audit Personnel (who participated in the review):	
Sub-recipient Fiscal Contact Phone Number:	

GRANT REVIEW INFORMATION

Grant	Project #	Award \$	POP Begin	POP End	Review Period	
					Beginning Date	Ending Date

TYPE OF MONITORING

	Type of Monitoring	Date Completed	Comments
<input type="checkbox"/>	Payment Validation (Complete this column, but not the rest of the form.)		
<input type="checkbox"/>	Report Review (Complete this column, but not the rest of the form.)		



<input type="checkbox"/>	Audit or Procedures Engagement Review (Complete this column, but not the rest of the form.)		
<input type="checkbox"/>	Desk Review (If desk review, complete the rest of the form.)		
<input type="checkbox"/>	Onsite Review (If onsite review, complete the rest of the form.)		

## II. Desk and Onsite Reviews (complete this section for desk and onsite reviews only)

### PRE-MEETING NOTES

List any issues, concerns, or other specialty items for follow-up during review.

- 1.
- 2.

### SUMMARY OF PROGRESS

Sub-recipient must submit a written summary of the major work plan milestones during the review period at least one week prior to the review. The summary must address 1) number of clients served as compared with projections; 2) staffing; 3) activities undertaken; and 4) significant accomplishments. A copy of that summary will be appended to this written review report.

### MONITORING OVERVIEW

#### PROGRAM IMPLEMENTATION

Indicate milestones met this quarter and identify milestones as scheduled to occur in the following quarter. (7,000 words or attach additional pages as needed.)

#### ACTIVITIES/PRODUCTS

Identify any reports or products that were submitted during the quarter, and identify those due the following quarter. (7,000 words or attach additional pages as needed.)

CORRECTIVE ACTIONS FROM PRIOR REVIEWS

Indicate actions taken in response to prior review issues.  
(7,000 words or attach additional pages as needed.)

ASSESSMENT OF QUALITY OF IMPLEMENTATION

Is the project being implemented on schedule? Are the activities impacting the goals and objectives as outlined in approved application? (7,000 words or attach additional pages as needed.)

ISSUES/PROBLEMS

Discuss significant new issues/problems with respect to projected milestones, audits, staffing, client flow, departures from approved goals, late reports, etc. (7,000 words or attach additional pages as needed.)

**MONITORING SPECIFICS** (Complete all fields that are applicable to the sub-award.)

Activity Goals	<input type="checkbox"/> N/A	Yes	No	N/A
<b>Scope of Service, Number of People to be Served, and any Special Terms stated within the Sub-award Agreement.</b>				
1. Has there been a change in the activity goals, scope of service, number of people to be served or other special terms as indicated in the Agreement between the Sub-recipient and the Recipient?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(a) If yes, was the Recipient informed of the change?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the activity conform to any additional or special terms as reflected in the Sub-award Agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the sub-recipient providing the full scope of services as stated in the application and Sub-award Agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are the actual accomplishments at the time of this review the same as the planned accomplishments? Is the activity achieving the expected quantifiable levels of performance (number of persons served, achieving goals set for clients, etc.) reaching the intended client group?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the overall activity performance schedule being met in a timely manner (i.e. goal for number of clients served, expenditure of funds in timely manner, reporting requirements)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Did the activity operate within the approved budget as detailed in the Sub-award Agreement? (i.e., budgetary line items both accurate and realistic for activity expenses; source and use of match funds accurate)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Did the activity funding source change?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Was there a change in make-up or responsibility of staff for the activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Were invoices for reimbursement payments submitted with support documentation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Were reports outlined in the Sub-award Agreement submitted on time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>General Comments</b>				

General Compliance		Yes	No	N/A
<b>Request a copy of all applicable policies and procedures required by the ARPA/CSLFRF award terms and Uniform Guidance.</b>				
11. Does the sub-recipient have written policies and procedures to adequately administer the ARPA/CSLFRF sub-award?				
12. Does the sub-recipient have a written conflict of interest policy for their employees?				
13. Are there sufficient internal controls in place to protect against waste, fraud and abuse of Federal funds (segregation of duties, etc.)?				
14. If program income will be generated by the sub-recipient, have provisions been made to ensure that it is used in accordance with ARPA/CSLFRF and Uniform Guidance requirements?				
What procedures does the sub-recipient use to identify and account for federal property purchased with sub-award funds?				
Does the sub-recipient have adequate safeguards for preventing loss, damage, or theft of property held (inventory control, etc.)?				
Describe any technical assistance/training provided to sub-recipient during the project period.				
<b>General Comments</b>				

Employee Reimbursement	<input type="checkbox"/> N/A	Yes	No	N/A
<b>Request a copy of the employee reimbursement policy, and/or have the sub-recipient describe the procedure for approving and documenting expenses that are reimbursed.</b>				
15. Are detailed receipts (i.e., receipts that do not merely show a total, but the detail of what was purchased) provided for reimbursement?				
16. Are reimbursements reviewed and approved by a supervisor or project manager prior to being submitted to the Fiscal Officer/Accounting Staff for payment?				
17. Does the sub-recipient have a Reimbursement Policy?				
<b>Examine two or more reimbursements that were paid out of the grant being monitored.</b>				
18. Were the detailed receipts provided to support the amounts requested?				
19. Were the expenses in compliance with grant requirements/guidelines and UG?				
20. If reimbursed for training or conference expenses, was a certificate of attendance or completion, or agenda and brochure provided to support request for reimbursement?				
<b>General Comments</b>				

Equipment	<input type="checkbox"/> N/A	Yes	No	N/A
<b>What is the purchasing procedure for equipment purchased with grant funds?</b> Attach copies of relevant policies and of any purchasing documentation during the review period.				
<b>How is equipment inventoried, insured, and managed?</b> Attach copies of relevant policies and current inventory information.				
<b>What is the procedure for transferring equipment purchased with grant funds to another entity?</b> Attach copies of relevant policies and documentation for any transfers during review period.				
<b>Request an inventory list, physical locate selected items, and examine items to ensure compliance.</b>				
1. Were all transactions conducted in a manner providing full and open competition, and quotations obtained from an adequate number of sources?				
2. Has all equipment indicated as purchased actually been purchased?				
3. Was equipment purchased in accordance with required procurement rules/policies?				
4. Were additions and deletions to the equipment budget made and approved prior to the purchase/procurement dates?				
5. Does a detailed expenditure list indicate any equipment purchased that is not accounted for in the sub-award budget?				
6. Is equipment purchased with sub-award funds in prior years still in inventory and still being used for sub-award purposes?				
7. Has the inventory been updated, and did it account for all items transferred to other entities?				
8. For equipment that was transferred, aside from normal office equipment, was the transferee properly trained on the equipment, and is there a record of that training?				
9. For equipment transferred to other entities; have they added it to their inventory records and is it maintained/used for intended purposes?				
<b>General Comments</b>				

<b>Financial Management</b>	<input type="checkbox"/> N/A	<b>Yes</b>	<b>No</b>	<b>N/A</b>
<b>What is the Accounting System for each grant program?</b>				
1. Is there a separate accounting for all financial transactions for the sub-award?				
2. Is a process in place to prevent co-mingling of funds?				
3. Does the accounting system prevent obligation or expenditure of funds outside the sub-award's period of availability?				
4. Are accounting records supported by source documentation?				
5. Were any illegal transfers or unusual activities noted during a review of the sub-recipient's fund activity reports?				
6. Does the system provide for prompt and timely recording and reporting of all financial transactions?				
7. Is proper Fiscal record retention being followed (through Dec. 31, 2031)?				
<b>What is the process for approval and payment of expenditures and posting to the General Ledger?</b>				
8. Are sub-award costs identified as eligible prior to encumbering funds and placing an order?				
9. Were the applicable State/Federal suspension and debarment listings consulted prior to doing business with a vendor and/or contractor?				
10. Are all invoices reviewed by the project director for eligibility and marked 'okay to pay' prior to being submitted to the fiscal office or accounting staff for payment?				
11. Are disbursements fully support by invoices, requisitions, purchase orders, or similar documents?				
12. Are cancelled checks or warrants available for review?				
13. Were all sub-award funds that were received disabused within the allowable timeframe?				
<b>What is the reconciliation process, and how are errors or adjustments handled?</b>				
14. Does the sub-recipient perform routine reconciliations of its records against the General Ledger? By whom and how often?				
15. Does the sub-recipient have sufficient internal controls related to reconciliations?				
16. Were actions taken to promptly correct any errors and/or resolve issues?				
<b>General Comments</b>				

<b>Other Direct Costs</b>	<input type="checkbox"/> N/A	<b>Yes</b>	<b>No</b>	<b>N/A</b>
<b>How are rent, utilities, and other items allocated for the program?</b>				
1. Are rent payments documented by a copy of the lease agreement, and canceled checks or receipts?				
2. Are receipts, bills, and invoices properly maintained?				
3. Is the actual rate and method being charged to the grant consistent with the rate and method approved in the budget?				
4. Are costs shared with other programs or funding sources? If yes, how are costs allocated?				
<b>General Comments</b>				

Personnel/Direct Labor	<input type="checkbox"/> N/A	Yes	No	N/A
<b>Describe the payroll process and who is paid by the sub-award.</b>				
1. Are personnel files maintained for each employee that include current job descriptions, performance and evaluations, and changes in pay rates?				
2. Are time sheets, activity reports, or payroll files available for review? These documents should clearly show the effort toward the sub-award charged.				
3. Are individual employee time sheets and attendance records:				
• Prepared and signed by each employee for each pay period?				
• Reviewed and signed by each employee's supervisor?				
• Reconciled to the payroll master ledger?				
4. Are all authorized staff positions filled for the approved budget?				
5. Are staff salaries consistent with the approved budget?				
6. Are fringe benefits the same as what is listed in the approved budget?				
<b>General Comments</b>				

Reporting Requirements	<input type="checkbox"/> N/A	Yes	No	N/A
<b>Sub-recipients are required to report on progress toward implementing plans described in their application/proposal.</b>				
1. Progress reports must be submitted based on approved work plan. Have all of the reports been submitted for this reporting period?				
2. Are there any outstanding data elements that must be tracked and reported by the sub-recipient? If so, detail the plan for the sub-recipient to comply with this requirement.				
<b>Comments</b>				

Supplies & Materials	<input type="checkbox"/> N/A	Yes	No	N/A
<b>Explain the process of allocating supply costs to the sub-award.</b>				
1. Are purchases of supplies approved and well documented by quotes, invoices, or receipts?				
2. Are expenditures for supplies consistent with the approved budget?				
3. Is there a substantial supply inventory remaining at the project termination date?				
4. Were all transactions conducted in a manner providing full and open competition, and quotations obtained from an adequate number of sources?				
<b>General Comments</b>				

Travel/Vehicle Mileage	<input type="checkbox"/> N/A	Yes	No	N/A
<b>Request a copy of the sub-recipient's travel policy or have them describe the procedure for approving and documenting travel expenses.</b>				
1. Is employee travel approved in advance by a supervisor or project manager?				
2. Are travel expenditures documented with expenses reports and/or detailed receipts (i.e., receipts do not merely show total but detail of what was purchased)?				

3. Are travel expenditures appropriately supported within sub-award guidelines and in the approved budget?			
4. Are mileage reimbursements supported by a mileage log or similar documentation?			
<b>General Comments</b>			

Single Audit Review	<input type="checkbox"/> N/A	Yes	No	N/A
<b>Obtain a copy of the sub-recipient's most recent audit from FAC.</b> Attach it to this review form.				
1. Was the Major Programs' Compliance Opinion in the Summary of Auditor's Results in the Schedule of Findings qualified?				
2. Were there any findings and/or questioned costs for federal awards in the Schedule of Findings? Were any other operational issues such as the handling of assets, lack of policies and procedures, contract non-compliance, etc., which would impact Federal dollars received?				
3. Were past audit findings and/or questioned costs for federal awards satisfactorily resolved?				
4. Was any control issue identified which would impact the processing of Federal grant dollars (i.e., control weaknesses)?				
<b>General Comments</b> <i>(If yes response to questions 1, 2, and/or 4, then comment on the issues noted from the audit and how this was addressed during the onsite review).</i>				

[DRAFTER NOTE: ADD OTHER RELEVANT REVIEW FIELDS HERE]

**RECOMMENDED CHANGES AND/OR NEW MONITORING INTERVENTIONS**

Please document any recommendations for financial, programmatic, or other changes. Indicate if further monitoring interventions are warranted. (7,000 words or attach additional pages as needed.)

## APPENDIX 4: Sub-award Agreement Template

[DRAFTER NOTE: THIS IS A VERY BASIC SUB-AWARD AGREEMENT TEMPLATE FOR ARPA/CSLFRF SUB-AWARDS. SUB-AWARD AGREEMENT TERMS AND CONDITIONS WILL VARY BASED ON SEVERAL FACTORS, INCLUDING THE NATURE OF THE PROJECT AND SUB-RECIPIENT RISK ASSESSMENT FINDINGS. PLEASE CAREFULLY REVIEW AND AMEND THIS TEMPLATE TO ADDRESS THE SPECIFIC NATURE OF THE SUB-AWARD.]

American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recover Funds Sub-award Agreement  
Between  
Lubbock County, Texas  
and  
[NAME OF SUB-RECIPIENT]

### Article I. Overview.

**Section 1.1. Parties.** The parties to this agreement are Lubbock County, Texas, a body politic and political subdivision of the State of Texas (“County”) and [FULL LEGAL NAME OF SUB-RECIPIENT], a Texas [SUB-RECIPIENT ENTITY TYPE (EG., NON-PROFIT CORPORATION, FOR-PROFIT CORPORATION, GOVERNMENT ENTITY, ETC.)] (“Sub-recipient”).

**Section 1.2. Definitions.** The definitions in 2 CFR 200.1 are hereby incorporated into this Agreement.

**Section 1.3. Roles.** For the purposes of this Agreement, the County serves as a pass-through entity.

**Section 1.4. Source of Funding.** This Agreement is funded by a portion of the [DOLLAR VALUE ALLOCATED TO LOCAL GOVERNMENT] allocated to the County by the Coronavirus State Local Fiscal Recovery Fund created under section 603 of the American Rescue Plan Act of 2021 (ARPA/CSLFRF).

**Section 1.5. Purpose.** The purpose of this Agreement is to establish the terms and conditions for a sub-award allocated to the Sub-recipient from the County.

**Section 1.6. Disclosures.** Federal regulations, specifically 2 CFR 200.331(a)(1), require the County to provide the Sub-recipient with specific information about this sub-award. All required information is listed in Exhibit A (Sub-award Data).

**Section 1.7. Term.** This Agreement shall govern the performance of the parties for the period [START DATE] (the “Effective Date”) through [END DATE] (“Expiration Date”), unless earlier terminated by either party in accordance with the terms of this Agreement (“Agreement Term”).

### Article II. Scope of Funded Activities.

**Section 2.1. Scope of Services.** Sub-recipient shall perform all activities described in the scope of activities, attached hereto as Exhibit B (Approved Activities).

**Section 2.2. Budget.** Sub-recipient shall perform the Approved Activities in accordance with the program budget as approved by the County and attached hereto as Exhibit C (Approved Budget).

**Section 2.3. Prior Approval for Changes.** Sub-recipient may not transfer allocated funds among cost categories within a budgeted program account without the prior written approval of the County; nor shall Sub-recipient make any changes, directly or indirectly, to program design, Approved Activities, or Approved Budget without the prior written approval of County.

### Article III. Compensation.

**Section 3.1. Payment of Funds.** County agrees to reimburse Sub-recipient for costs actually incurred and paid by Sub-recipient in accordance with the Approved Budget and for the performance of the Approved Activities under this Agreement in an amount not to exceed \$[ ] (“Total Agreement Funds”).



The amount of Total Agreement Funds, however, is subject to adjustment by the County if a substantial change is made in the Approved Activities that affects this Agreement or if this Agreement is terminated prior to the expiration of the Agreement. Program funds shall not be expended prior to the Effective Date or following the earlier of the Expiration Date or the last day of the Agreement Term. Costs incurred shall only be as necessary and allowable to carry out the purposes and activities of the Approved Activities and may not exceed the maximum limits set in the Approved Budget. Expenses charged against the Total Agreement Funds shall be incurred in accordance with this Agreement.

[DRAFTING NOTE: THIS SECTION SHOULD BE RE-DRAFTED TO MATCH THE PROCESS THAT YOUR PARTICULAR LOCAL GOVERNMENT WILL FOLLOW TO MAKE REIMBURSEMENT PAYMENTS TO SUB-RECIPIENTS. THE DEFAULT PAYMENT METHOD IS REIMBURSEMENT. IF THE NATURE OF THE SUB-AWARD REQUIRES UP FRONT PAYMENTS TO THE SUB-RECIPIENT, THIS SECTION WILL NEED TO BE REDRAFTED TO ACCOUNT FOR THOSE PAYMENTS AND THE POTENTIAL FOR CLAWBACK IF AN EXPENSE IS DETERMINED TO BE UNALLOWABLE.]

**Section. 3.2. Invoices.** On or before the twentieth (20th) day of each month and in any event no later than thirty (30) days after the earlier of the expiration or termination of this Agreement, Sub-recipient shall submit invoices and associated receipts, in a format dictated by County, for the most recent month ended, to County's [NAME DEPARTMENT HERE AND INDICATE HOW SUB-RECIPIENT MUST SUBMIT INFO (MAIL, EMAIL, ETC.)], setting forth actual expenditures of Sub-recipient in accordance with this Agreement. Within ten (10) working days from the date it receives such invoice, County may disapprove the requested reimbursement claim. If the reimbursement claim is so disapproved, County shall notify Sub-recipient as to the disapproval. A decision by County to disapprove a reimbursement claim is final. There is no appeal process for sub-recipient. If County approves payment, then County will disburse the funds without further notice.

[DRAFTING NOTE: THIS SECTION SHOULD BE RE-DRAFTED TO MATCH THE PROCESS THAT YOUR PARTICULAR LOCAL GOVERNMENT WILL FOLLOW TO MAKE REIMBURSEMENT PAYMENTS TO SUB-RECIPIENTS. THE DEFAULT PAYMENT METHOD IS REIMBURSEMENT. IF THE NATURE OF THE SUB-AWARD REQUIRES UP FRONT PAYMENTS TO THE SUB-RECIPIENT, THIS SECTION WILL NEED TO BE REDRAFTED TO ACCOUNT FOR THOSE PAYMENTS AND THE POTENTIAL FOR CLAWBACK IF AN EXPENSE IS DETERMINED TO BE UNALLOWABLE. LG SHOULD ALSO INDICATE HOW PAYMENTS WILL BE MADE – CHECK, ELECTRIC FUNDS TRANSFER, ETC.]

**Section. 3.3. County's Sub-award Obligations Contingent on Federal Funding and Sub-recipient Compliance.** The payment of funds to Sub-recipient under the terms of this Agreement shall be contingent on the receipt of such funds by County from the ARPA/CSLFRF and shall be subject to Sub-recipient's continued eligibility to receive funds under the applicable provisions of state and federal laws. If the amount of funds that County receives from the ARPA/CSLFRF is reduced, County may reduce the amount of funds awarded under this Agreement or terminate this Agreement. County also may deny payment for Sub-recipient's expenditures for Approved Activities where invoices or other reports are not submitted by the deadlines specified in this Agreement or for failure of Sub-recipient to comply with the terms and conditions of this Agreement.

#### **Article IV. Financial Accountability and Grant Administration.**

**Section. 4.1. Financial Management.** Sub-recipient shall maintain a financial management system and financial records related to all transactions with funds received pursuant to this Agreement and with any program income earned as a result of funds received pursuant to this Agreement. Sub-recipient must administer funds received pursuant to this Agreement in accordance with all applicable federal and state requirements, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, as required by the ARPA/CSLFRF Assistance Listing (21.027). Sub-recipient shall adopt such additional financial management procedures as may from time-to-time be prescribed by County if required by applicable federal or state laws or regulations, or guidelines from US Department of Treasury. Sub-recipient shall maintain detailed, itemized documentation and other necessary records of all income received and expenses incurred pursuant to this Agreement.

**Section. 4.2. Limitations on Expenditures.** County shall only reimburse Sub-recipient for documented expenditures incurred during the Agreement Term that are: (i) reasonable and necessary to carry out the scope of Approved Activities described in Exhibit B; (ii) documented by contracts or other evidence of liability consistent with the established County and Sub-recipient procedures; and (iii) incurred in accordance with all applicable requirements for the expenditure of funds payable under this Agreement. County may not reimburse or otherwise compensate Sub-recipient for any expenditures incurred or services provided prior to the Effective Date or following the earlier of the expiration or termination of this Agreement.

**Section. 4.3. Indirect Cost Rate.** The indirect cost rate, if any, indicated in Exhibit C (Approved Budget) shall apply to this Agreement.

[DRAFTER NOTE: IF THE SUB-RECIPIENT HAS A NICRA WITH ANOTHER FEDERAL AGENCY THAT IS HIGHER THAN THE DE MINIMIS INDIRECT RATE OF 10%, YOU MUST USE THE SUB-RECIPIENT'S NICRA TO CALCULATE ITS INDIRECT RATE. SEE 2 CFR 200.332(a)(4)(ii)]

**Section. 4.4. Financial and Other Reports.** Sub-recipient shall submit to County such reports and back-up data as may be required by the Federal Government or County, including such reports which enable County to submit its own reports to the US Department of Treasury, in accordance with the following schedule, which may be amended from time to time:

<u>REPORT</u>	<u>DEADLINE</u>
[INSERT APPLICABLE REPORT REQUIREMENTS HERE]	[INSERT APPLICABLE DEADLINES]

[DRAFTER NOTE: REVIEW TREASURY PROJECT & EXPENDITURE REPORT AND RECOVERY PLAN DEADLINES AS A GUIDELINE FOR DEVELOPING TIMELINE. SEE TREASURY COMPLIANCE AND REPORTING GUIDANCE.]

This provision shall survive the expiration or termination of this Agreement with respect to any reports which the Sub-recipient is required to submit to County following the expiration or termination of this Agreement.

**Section. 4.5. Improper Payments.** Any item of expenditure by Sub-recipient under the terms of this Agreement which is found by auditors, investigators, and other authorized representatives of the County, the US Department of Treasury, the NC Department of State Treasurer, or other federal or state instrumentality to be improper, unallowable, in violation of federal or state law, or the terms of this Agreement, or involving any fraudulent, deceptive, or misleading representations or activities of Sub-recipient, shall become Sub-recipient's liability, and shall be paid solely by Sub-recipient, immediately upon notification of such, from funds other than those provided by County under this Agreement or any other agreements between County and Sub-recipient. This provision shall survive the expiration or termination of this Agreement.

**Section. 4.6. Audits and Access to Records.** Sub-recipient certifies compliance with applicable provisions of 2 CFR 200.501-200.521, and continued compliance with these provisions during the term of this section. If Sub-recipient is not required to have a Single Audit as defined by 200.501, US Department of Treasury requirements, or the Single Audit Act, then Sub-recipient shall have a financial audit performed yearly by an independent Certified Public Accountant. Sub-recipient shall provide notice of the completion of any required audits and will provide access to such audits and other financial information related to the Agreement upon request. Sub-recipient certifies that it will provide County with notice of any adverse findings which impact this Agreement. This obligation extends for one year beyond the expiration or termination of this Agreement.

[DRAFTER NOTE: BASED ON THE RISK ASSESSMENT OF THE SUB-RECIPIENT, THE LOCAL GOVERNMENT MAY IMPOSE A MORE LIMITED PROCEDURES ENGAGEMENT REQUIREMENT ON A SUB-RECIPIENT THAT IS NOT SUBJECT TO A SINGLE AUDIT. IF SO, THAT REQUIREMENT SHOULD BE SPELLED OUT HERE. THE LOCAL GOVERNMENT WILL ARRANGE FOR THE PROCEDURES ENGAGEMENT WITH THE AUDITOR AND PAY FOR IT. ARPA/CSLFRF FUNDS MAY BE USED TO COVER THESE COSTS IF THE PROCEDURES ENGAGEMENT IS LIMITED TO ALLOWABLE COSTS UNDER THE UNIFORM GUIDANCE.]

**Section. 4.7. Closeout.** Final payment request(s) under this Agreement must be received by County no later than thirty (30) days after the earlier of the Expiration Date or the last day of the Agreement Term. County will not accept a payment request submitted after this date without prior authorization from County. In consideration of the execution of this Agreement by County, Sub-recipient agrees that acceptance of final payment from County will constitute an agreement by Sub-recipient to release and forever discharge County, its agents, employees, officers, representatives, affiliates, successors and assigns from any and all claims, demands, damages, liabilities, actions, causes of action or suits of any nature whatsoever, which Sub-recipient has at the time of acceptance of final payment or may thereafter have, arising out of,

in connection with or in any way relating to any and all injuries and damages of any kind as a result of or in any way relating to this Agreement. The Sub-recipient's obligations to County under this Agreement shall not terminate until all closeout requirements are completed to the satisfaction of County. Such requirements shall include submitting final reports to County and providing any closeout-related information requested by County by the deadlines specified by County. This provision shall survive the expiration or termination of this Agreement.

#### **Article V. Compliance with Grant Agreement and Applicable Laws.**

**Section. 5.1. General Compliance.** Sub-recipient shall perform all Approved Activities funded by this Agreement in accordance with this Agreement, the award agreement between County and the US Department of Treasury, and all applicable federal, state and local requirements, including all applicable statutes, rules, regulations, executive orders, directives or other requirements. Such requirements may be different from Sub-recipient's current policies and practices. County may assist Sub-recipient in complying with all applicable requirements. However, Sub-recipient remains responsible for ensuring its compliance with all applicable requirements.

**Section. 5.2. Expenditure Authority.** This Agreement is subject to the laws, regulations, and guidance documents authorizing and implementing the ARPA/CSLFRF grant, including, but not limited to, the following:

***Authorizing Statute.** Section 603 of the Social Security Act (42 U.S.C. 803), as added by section 9901(a) of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).*

***Implementing Regulations.** Subpart A of 31 CFR Part 35 (Coronavirus State and Local Fiscal Recovery Funds), as adopted in the Coronavirus State and Local Fiscal Recovery Funds interim final rule (86 FR 26786, applicable May 17, 2021 through March 31, 2022) and final rule (87 FR 4338, applicable January 27, 2022 through the end of the ARPA/CSLFRF award term), and other subsequent regulations implementing Section 603 of the Social Security Act (42 U.S.C. 803).*

***Guidance Documents.** Applicable guidance documents issued from time-to-time by the US Department of Treasury, including the currently applicable version of the Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds.<sup>1</sup>*

This Agreement is also subject to all applicable laws of the State of Texas.

**Section. 5.3. Federal Grant Administration Requirements.** Sub-recipient shall comply with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 CFR Part 200 (UG), as adopted by the Department of Treasury at 2 CFR Part 1000 and as set forth in the [Assistance Listing for ARPA/CSLFRF \(21.027\)](#). These requirements dictate how Sub-recipient must administer the sub-award and how County must oversee Sub-recipient.

The applicable UG provisions are as follows:

[Subpart A, Acronyms and Definitions](#)

[Subpart B, General provisions](#)

[Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards](#) (except 2 CFR 200.204, .205, .210, and .213)

[Subpart D, Post Federal; Award Requirements](#) (except 2 CFR 200.305(b)(8) & (9), .308, .309, and .320(c)(4))

[Subpart E, Cost Principles](#)

[Subpart F, Audit Requirements](#)

[2 CFR Part 25](#) (Universal Identifier & System for Award Management)

[2 CFR Part 170](#) (Reporting Sub-award and Executive Compensation Information)

[2 CFR Part 180](#) (OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement))

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<sup>1</sup> <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>.

Sub-recipient shall document compliance with UG requirements, including adoption and implementation of all required policies and procedures, within thirty (30) days of the execution of this Agreement and during all subsequent reviews during the term of the Agreement. County may provide sample policies or other assistance to Sub-recipient in meeting these compliance requirements. Regardless of County's assistance, it is the Sub-recipient's responsibility to properly comply with all UG requirements. Failure to do so may result in termination of the Agreement by County.

#### **Section. 5.4. Procurement Requirements.**

(a) **Federal.** Consistent with UG compliance requirements, including the standards in 2 CFR 200.318 for the acquisition of property, equipment, supplies, or services required under this Agreement, Sub-recipient shall adopt and enact procurement procedures. Sub-recipient's documented procurement procedures must conform to the procurement standards identified in Subpart D of 2 CFR Part 200 (Procurement Standards). Such standards include, but are not limited to, the following:

1. All procurement transactions for property or services shall be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320(1)-(3) and (5), which allows for non-competitive procurements only if either (1) the item is below the micro-purchase threshold; (2) the item is only available from a single source; (3) the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or (4) after solicitation of a number of sources, competition is determined inadequate.
2. Sub-recipient shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
3. Sub-recipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts in conformance with 2 CFR 200.318(c). Sub-recipient shall immediately disclose in writing to County any potential conflict of interest affecting the awarded funds in accordance with 2 CFR 200.112.
4. Pursuant to 2 CFR 200.321, Sub-recipient shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
5. Sub-recipient shall "maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price." 2 CFR 200.318(i).

(b) **Local.** In addition to the requirements described in subsection (a), the Sub-recipient shall comply with the following: **[DRAFTER NOTE: ADJUST THIS SECTION TO FIT YOUR LOCAL GOVERNMENT'S SPECIFIC REQUIREMENTS.]**

1. **Reporting.** Sub-recipient shall document, in its quarterly report to **County**, the status of all contracts executed in connection with this Agreement.
2. **County review of solicitations.** Except for micro-purchases made pursuant to 2 CFR 200.320(a)(1) or procurements by small purchase procedures pursuant to 2 CFR 200.320(a)(2), if Sub-recipient proposes to enter into any contract for the performance of any of the Approved Activities under this Agreement, then the Sub-recipient shall forward to County a copy of any solicitation (whether competitive or non-competitive) at least fifteen (15) days prior to the publication or communication of the solicitation. County will review the solicitation and provide comments, if any, to Sub-recipient within three (3) business days. Failure to respond within three (3) business days does not constitute approval by the County. Consistent with 2 CFR 200.324, County will review the solicitation for compliance with applicable procurement standards. County's review and comments shall not constitute a binding approval of the solicitation. Regardless of County's review, Sub-recipient remains bound by all applicable laws, regulations, and Agreement terms. If during its review County identifies any deficiencies, then County will communicate those deficiencies to Sub-recipient as quickly as possible within the three (3) business day window outlined above.

3. **County review of contracts.** Except for micro-purchases pursuant to 2 CFR 200.320(a), if Sub-recipient proposes to enter into any contracts for the performance of any of the Approved Activities under this Agreement, then Sub-recipient shall forward to County a copy of the written contract prior to contract execution. County shall review the unexecuted contract for compliance with applicable requirements and provide comments, if any, to Sub-recipient within three (3) business days. Failure to respond within three (3) business days does not constitute approval by the County. Consistent with 2 C.F.R. §200.324, County will review the unexecuted contract for compliance with the procurement standards outlined in 2 C.F.R. §§200.318 through 200.327 as well as Appendix II to 2 C.F.R. Part 200. County's review and comments shall not constitute an approval of the contract. Regardless of County's review, Sub-recipient remains bound by all applicable laws, regulations, and Agreement terms. If during its review County identifies any deficiencies, then County will communicate those deficiencies to Sub-recipient as soon as possible within the three (3) business day window outlined above. Sub-recipient must correct the noted deficiencies before executing the contract.

(c) **Mandatory Contract Provisions.** Sub-recipient must include contract provisions required by UG and other state and federal laws and regulations, and as otherwise dictated by County.

[DRAFTER NOTE: CONSIDER WHETHER TO PROVIDE LIST OF REQUIRED CONTRACT PROVISIONS IN APPENDIX]

**Section 5.5. Sub-awards.** In executing this Agreement, Sub-recipient may not enter a sub-award without prior written approval from County.

**Section 5.6. Property Management.** All real property acquired or improved, and equipment or supplies purchased in whole or in part with ARPA/CSLFRF funds, must be used, insured, managed, and disposed of in accordance with 2 CFR 200.311 through 2 CFR 200.316. [DRAFTER NOTE: NEED MORE HERE ABOUT PROPERTY MANAGEMENT, APPLICATION OF UG REQUIREMENTS, VESTED OWNERSHIP, AND LOCAL GOVERNMENT APPROVALS]

**Section 5.7 Program Income.** If Sub-recipient earns program income, as defined in 2 CFR 200.1 during the term of the sub-award, it must segregate the gross proceeds of the program income and follow the provisions in 2 CFR 200.307. [DRAFTER NOTE: IF THE SUB-AWARD ACTIVITY WILL INVOLVE THE GENERATION OF PROGRAM INCOME, YOU'LL NEED TO FLESH THIS SECTION OUT. SEE THIS [POST AND SAMPLE PROGRAM INCOME POLICY FOR MORE DETAILS](#)]

**Section. 5.8. Federal Restrictions on Lobbying.** Sub-recipient shall comply with the restrictions on lobbying in 31 CFR Part 21. Pursuant to this regulation, Sub-recipient may not use any federal funds to pay any person to influence or attempt 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 any of the following covered federal actions: 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. Sub-recipient shall certify in writing that Sub-recipient has not made, and will not make, any payment prohibited by these requirements using the form provided in [Exhibit D \(Lobbying Certifications\)](#).

**Section. 5.9. Universal Identifier and System for Award Management (SAM).** Sub-recipient shall obtain, and provide to the County, a unique entity identifier assigned by the System for Award Management (SAM), which is accessible at [www.sam.gov](http://www.sam.gov).

**Section. 5.10. Equal Opportunity & Other Requirements.** Sub-recipient shall adopt and enact a nondiscrimination policy consistent with the requirements in this section.

**Civil Rights Laws.** Sub-recipient shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d *et seq.*) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

**Fair Housing Laws.** Sub-recipient shall comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 *et seq.*), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

**Disability Protections.** Sub-recipient shall comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

**Age Discrimination.** Sub-recipient shall comply with the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

**Americans with Disabilities Act.** Sub-recipient shall comply with Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

**Section. 5.11. Suspension and Debarment.** Sub-recipient shall comply with the Office of Management and Budget (OMB) Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement) in 2 CFR Part 180, as adopted by the U.S. Department of Treasury at 31 CFR Part 19. Sub-recipient represents that neither it, nor any of its principals has been debarred, suspended, or otherwise determined ineligible to participate in federal assistance awards or contracts. Sub-recipient further agrees that it will notify County immediately if it or any of its principals is placed on the list of parties excluded from federal procurement or non-procurement programs available at [www.sam.gov](http://www.sam.gov).

**Section. 5.12. Federal Funding Accountability and Transparency Act of 2006.** Sub-recipient shall provide County with all information requested by County to enable County to comply with the reporting requirements of the *Federal Funding Accountability and Transparency Act of 2006* (31 U.S.C. 6101 note).

**Section. 5.13. Licenses, Certifications, Permits, Accreditation.** Sub-recipient shall obtain and keep current any license, certification, permit, or accreditation required by federal, state, or local law and shall submit to County proof of any licensure, certification, permit or accreditation upon request.

**Section. 5.14. Publications.** Any publications produced with funds from this Agreement shall display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [LOCAL GOVERNMENT NAME], Texas by the U.S. Department of the Treasury."

**Section 5.15. Program for Enhancement of Contractor Employee Protections.** Sub-recipient is hereby notified that they are required to: inform its employees working on any federal award that they are subject to the whistleblower rights and remedies of the program; inform its employees in writing of employee whistleblower protections under 41 U.S.C §4712 in the predominant native language of the workforce; and include such requirements in any agreement made with a subcontractor or sub-grantee.

**Section 5.16. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment.** Pursuant to 2 CFR 200.216, Sub-recipient shall not obligate or expend funds received under this Sub-award to: (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services (as described in Public Law 115-232, section 889) as a substantial or essential component of any system, or as a critical technology as part of any system.

**Section 5.17. Use of Name.** Neither party to this Agreement shall use the other party's name, trademarks, or other logos in any publicity, advertising, or news release without the prior written approval of an authorized representative of that party. The parties agree that each party may use factual information regarding the existence and purpose of the relationship that is the subject of this Agreement for legitimate business purposes, to satisfy any reporting and funding obligations, or as required by applicable law or regulation without written permission from the other party. In any such statement, the relationship of the parties shall be accurately and appropriately described.

**Section 5.18. Highest Compensated Officers.** The names and total compensation of the five most highly compensated officers of Sub-recipient shall be listed if the Sub-recipient in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards;

and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA § 2(b)(1) Code of 1986. If this requirement applies to Sub-recipient, Sub-recipient will submit the list of its five most highly compensated officers to County within thirty (30) days of the execution of this Agreement and yearly thereafter during the Agreement term.

**Section 5.19. Statement of Assurances.** Sub-recipient certifies compliance with SF 424B (Statement of Assurances – Non-Construction) and SF424D (Statement of Assurances – Construction). [DRAFTER NOTE: NEED TO CONFIRM WHETHER THIS SECTION IS REQUIRED.]

**Section 5.20. Drug-free Workplace Requirements.** [DRAFTER NOTE: NEED TO DETERMINE WHAT US TREASURY'S POLICY IS IMPLEMENTING 2 CFR 182]

**Section 5.21. Stevens Amendments Requirements.** Sub-recipient shall identify that federal assistance funds were used to fund Approved Activities under this Agreement in any publicity and /or signage relating to the funded project or program.

[\*\*DRAFTER NOTE: ADD ANY ADDITIONAL SECTIONS REQUIRED BY STATE LAW OR GENERAL CONTRACT PRINCIPLES\*\*]

## Article VI. Cooperation in Monitoring and Evaluation.

**Section. 6.1. County Responsibilities.** County shall monitor, evaluate, and provide guidance and direction to Sub-recipient in the conduct of Approved Activities performed under this Agreement. County must determine whether Sub-recipient has spent funds in accordance with applicable laws, regulations, including the federal audit requirements and agreements and shall monitor the activities of Sub-recipient to ensure that Sub-recipient has met such requirements. County may require Sub-recipient to take corrective action if deficiencies are found.

The type and degree of monitoring activities depends on the results of the Sub-recipient Risk Assessment, as detailed in County's Sub-award and Monitoring Policy for the expenditure of ARPA/CSLFRF funds, see Exhibit E (Sub-award Policy). The following specific monitoring activities apply to this Agreement:

[DRAFTER NOTE: LIST APPROPRIATE MINIMUM MONITORING ACTIVITIES HERE – REFERENCE LISTS IN SUB-AWARD POLICY. IF MEDIUM OR HIGH RISK MONITORING APPLIES, ADD THE FOLLOWING DETAILED INFORMATION:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.]

### Section. 6.2. Sub-recipient Responsibilities.

- (a) **Cooperation with County Oversight.** Sub-recipient shall permit County to carry out monitoring and evaluation activities, including any performance measurement system required by applicable law, regulation, funding sources guidelines or by the terms and conditions of the applicable grant award, and Sub-recipient agrees to ensure, to the greatest extent possible, the cooperation of its agents, employees and board members in such monitoring and evaluation efforts. This provision shall survive the expiration or termination of this Agreement.
- (b) **Cooperation with Audits.** Sub-recipient shall cooperate fully with any reviews or audits of the activities under this Agreement by authorized representatives of County, the US Department of Treasury, and the US Government Accountability Office. Sub-recipient agrees to ensure to the extent possible the cooperation of its agents, employees, and board members in any such reviews and audits. This provision shall survive the expiration or termination of this Agreement.

**Section 6.3. Interventions.** If County determines that Sub-recipient is not in compliance with this Agreement, County may initiate an intervention, in accordance with 2 CFR 200.208 and 2 CFR 200.339. The degree of Sub-recipient's performance or compliance deficiency will determine the degree of intervention. All possible interventions are listed below and will depend on the degree of deficiency in Sub-recipient's performance or compliance deficiency.

If County determines that an intervention is warranted, it shall provide written notice to Sub-recipient of the intervention within thirty (30) days of the completion of a report review, desk review, onsite review, audit review, or procedures engagement review or as soon as possible after the County otherwise learns of a compliance or performance deficiency related to the execution of this Agreement. The written notice shall notify Sub-recipient of the following related to the intervention:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

County may impose the following interventions on Sub-recipient, based on the level of the compliance or performance deficiency that County determines:

**Level 1 Interventions.** These interventions may be required for minor compliance or performance issues.

- (1) Sub-recipient addresses specific internal control, documentation, financial management, compliance, or performance issues within a specified time period
- (2) More frequent or more thorough reporting by the Sub-recipient
- (3) More frequent monitoring by the County
- (4) Required Sub-recipient technical assistance or training

**Level 2 Interventions.** These interventions may be required for more serious compliance or performance issues.

- (1) Restrictions on funding payment requests by Sub-recipient
- (2) Disallowing payments to Sub-recipient
- (3) Requiring repayment for disallowed cost items
- (4) Imposing probationary status on Sub-recipient

**Level 3 Interventions.** These interventions may be required for significant and/or persistent compliance or performance issues.

- (1) Temporary or indefinite funding suspension to Sub-recipient
- (2) Nonrenewal of funding to Sub-recipient in subsequent year
- (3) Terminate funding to Sub-recipient in the current year
- (4) Initiate legal action against Sub-recipient

Interventions will remain in place until the underlying performance or compliance deficiency is addressed to the sole satisfaction of the County.

**Section 6.4. Records Retention and Access.** Sub-recipient shall maintain all records, books, papers and other documents related to its performance of Approved Activities under this Agreement (including without limitation personnel, property, financial and medical records) through at least December 31, 2031, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit or other inquiry involving this Agreement. Sub-recipient shall make all records, books, papers and other documents that relate to this Agreement available at all reasonable times for inspection, review and audit by the authorized representatives of County, the US Department of Treasury, the US Government Accountability Office, and any other authorized state or federal oversight office.

**Section 6.5. Key Personnel.** Sub-recipient shall identify all personnel who will be involved in performing Approved Activities and otherwise administering the Agreement, including at least one project manager and one fiscal officer (Key Personnel). Sub-recipient shall notify County of any changes to these personnel within thirty (30) days of the change. Key personnel names, titles, and contact information are listed in Exhibit F (Key Personnel).



**Article VII. Default and Termination.**

**Section. 7.1. Termination for Cause.** County may terminate this Agreement for cause after three days written notice. Cause may include misuse of funds, fraud, lack of compliance with applicable rules, laws and regulations, failure to perform on time, or failure to comply with any of the requirements of this Agreement.

**Sec. 7.2. Termination Without Cause.** County may terminate this Agreement for any reason, in its sole discretion, by providing Sub-recipient with thirty (30) days prior written notice.

**Sec. 7.3. Termination by Mutual Agreement.** County and Sub-recipient may agree to terminate this Agreement for their mutual convenience through a written amendment to this Agreement. The amendment will state the effective date of the termination and the procedures for proper closeout of the Agreement.

**Sec. 7.4. Termination Procedures.** If this Agreement is terminated, Sub-recipient may not incur new obligations for the terminated portion of the Agreement after Sub-recipient has received the notification of termination. Sub-recipient must cancel as many outstanding obligations as possible. Costs incurred after receipt of the termination notice will be disallowed. Sub-recipient shall not be relieved of liability to County because of any breach of Agreement by Sub-recipient. County may, to the extent authorized by law, withhold payments to Sub-recipient for the purpose of set-off until the exact amount of damages due County from Sub-recipient is determined.

**Article VIII. General Conditions.**

**Section. 8.1. Indemnification.** To the extent permitted by law, Sub-recipient agrees to indemnify and hold harmless County, and any of its officers, agents and employees, and the Federal Government from any claims of third parties arising out of any act or omission of Sub-recipient in connection with the performance of this Agreement.

**Section. 8.2. Insurance.** Sub-recipient must maintain insurance policies with minimum limits as follows: **[DRAFTER NOTE: INDICATE YOUR LOCAL GOVERNMENT’S INSURANCE REQUIREMENTS BELOW.]**

Coverage

Minimum Limits

County may require higher limits if warranted by the nature of this Agreement and the type of activities to be provided. The insurer must provide County with a Certificate of Insurance reflecting the coverages required in this Section. All Certificates of Insurance shall reflect thirty (30) days written notice by the insurer in the event of cancellation, reduction, or other modification of coverage. In addition to this notice requirement, Sub-recipient must provide County prompt written notice of cancellation, reduction, or material modification of coverage of insurance. If Sub-recipient fails to provide such notice, the Sub-recipient assumes sole responsibility for all losses incurred by County for which insurance would have provided coverage. The insurance policies must remain in effect during the term of this Agreement.

Sub-recipient shall name County as an additional insured except as to workers compensation insurance and it is required that coverage be placed with an “A” rated insurance company acceptable to County. If Sub-recipient fails at any time to maintain and keep in force the required insurance, County may cancel and terminate the Agreement without notice.

**Section. 8.3. Venue and Jurisdiction.** County and Sub-recipient agree that they executed and performed this Agreement in Lubbock County, Texas. This Agreement will be governed by and construed in accordance with the laws of Texas. The exclusive forum and venue for all actions arising out of this Agreement is the appropriate division of the Texas General Court of Justice in Lubbock County. Such actions may not be commenced in, nor removed to, federal court unless required by law.

**Section. 8.4. Nonwaiver.** No action or failure to act by County constitutes a waiver of any of its rights or remedies that arise out of this Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach of this Agreement, except as specifically agreed in writing.

**Section. 8.5. Limitation of County Authority.** Nothing contained in this Agreement may be deemed or construed to in any way stop, limit, or impair County from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

**Section. 8.6. Severability.** If any provision of this Agreement is determined to be unenforceable in a judicial proceeding, the remainder of this Agreement will remain in full force and effect to the extent permitted by law.

**Section. 8.7. Assignment.** Sub-recipient may not assign or delegate any of its rights or duties that arise out of this Agreement without County's prior written consent. Unless County otherwise agrees in writing, Sub-recipient and all assigns are subject to all County's defenses and are liable for all Sub-recipient's duties that arise from this Agreement and all County's claims that arise from this Agreement.

**Section. 8.8. Integration.** This Agreement contains the entire agreement between the parties pertaining to the subject matter of this Agreement. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed, or implied, between the parties, other than as set forth or referenced in this Agreement.

**Section. 8.9. Notices.** All notices and other communications required or permitted by this Agreement must be in writing and must be given either by personal delivery, approved carrier, email, or mail, addressed as follows:

(a) If to the County:  
[ADDRESS HERE]  
[EMAIL HERE]

(b) If to the Sub-recipient:  
[ADDRESS HERE]  
[EMAIL HERE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly constituted legal representatives and is effective as of the Effective Date.

[DRAFTER NOTE: INCLUDE SIGNATURE LINES AND ATTESTATIONS HERE]

**Exhibit A: Sub-award Data**

Sub-recipient Name	[Insert Sub-recipient name, which must match the name associated with its unique entity identifier]
Sub-recipient Unique Entity Identifier:	[Insert Sub-recipient Unique Entity Identifier]
Federal Award Identification Number (FAIN):	[Insert Federal Award Identification #]
Federal Award Date of Award to the Recipient by the Federal Agency:	[Insert date]
Sub-award Period of Performance Start Date:	[Insert date]
Sub-award Period of Performance End Date:	[Insert date]
Amount of Federal Funds Obligated by this Action by the Pass-Through Entity to the Sub-recipient:	[Insert Total Agreement Funds]
Total Amount of Federal Funds Obligated to the Sub-recipient by the Pass-Through Entity Including the Current Obligation:	[If additional federal awards have been awarded to the Sub-recipient, insert total amount, including the Total Agreement Funds specified above]
Total Amount of the Federal Award Committed to the Sub-recipient by the Pass-Through Entity:	[Insert amount]
Federal Award Project Description:	[Insert description]
Name of Federal Awarding Agency:	Department of Treasury
Name of Pass-Through Entity:	LUBBOCK COUNTY, TEXAS
Contact Information for [LOCAL GOVERNMENT NAME] Authorizing Official:	[Insert contact information]
Contact Information for City Project Manager:	[Insert contact information]
CFDA Number and Name:	21.027- Coronavirus State and Local Fiscal Recovery Funds
Identification of Whether Sub-award is R&D:	Not R&D
Sub-recipient Indirect Costs:	See <u>Exhibit C</u> – Approved Budget

## Exhibit B: Approved Activities

[DRAFTER NOTE: DESCRIBE IN DETAIL WHAT THE SUB-RECIPIENT WILL DO WITH THE MONEY]

**Exhibit C: Approved Budget**

Consult the County’s Allowable Costs and Cost Principles Policy and the ARPA/CSLFRF Final Rule for specific directives and limitations on cost items.

<b>REVENUES</b>			<b>Total Revenue</b>
Lubbock County Coronavirus State and Local Fiscal Recovery Funds Awarded		\$	
<b>Budget Cost Categories</b>		<b>OMB Uniform Guidance Federal Awards Reference 2 CFR 200</b>	<b>Total Expenditures</b>
1.	Personnel (Salary and Wages)	\$	
2.	Fringe Benefits	\$	
3.	Travel	\$	
4.	Equipment	\$	
5.	Supplies	\$	
6.	Contractual Services and Sub-awards	\$	
7.	Consultant (Professional Service)	\$	
8.	Construction	\$	
9.	Occupancy (Rent and Utilities)	\$	
10.	Research and Development (R&D)	\$	
11.	Telecommunications	\$	
12.	Training and Education	\$	
13.	Direct Administrative Costs	\$	
14.	Miscellaneous Costs	\$	
a.	Advertising and public relations costs		
b.	Materials and supplies costs, including costs of computing devices		
15.	<i>Add additional cost items as needed</i>		
16.	Total Direct Costs (add lines 1-15)	\$	
17.	Total Indirect Costs		
	Rate %:		
	Base*:	\$	
18.	Total Costs Federal Grant Funds (Lines 16 and 17)	\$	
<b>MUST EQUAL REVENUE TOTALS ABOVE</b>			

\* The Base is modified direct total costs (MTDC) of the sub-award project. Pursuant to 2 CFR 200.68, MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each sub-award (regardless of the period of performance of the sub-awards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each sub-award in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

## Exhibit D: Lobbying Certification

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an 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 undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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 this transaction imposed by section 1352, title 31, U.S. Code. 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.

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Signature of Sub-recipient's Authorized Official

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Name and Title of Sub-recipient's Authorized Official

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Date

**Exhibit E: Sub-award Policy**

[DRAFTER NOTE: APPEND THE COUNTY'S SUB-AWARD POLICY HERE.]

**Exhibit F: Key Personnel**

[DRAFTER NOTE: CREATE A CONTACT INFORMATION FORM HERE]

COUNTY INFORMATION	
Administrative Address:	
Invoice Address:	
Project Manager Name:	
Project Manager Title:	
Project Manager Email:	
Project Manager Phone:	
Fiscal Officer Name:	
Fiscal Officer Title:	
Fiscal Officer Email:	
Fiscal Officer Telephone:	
SUB-RECIPIENT INFORMATION	
Administrative Address:	
Invoice Address:	
Project Manager Name:	
Project Manager Title:	
Project Manager Email:	
Project Manager Telephone:	
Fiscal Officer Name:	
Fiscal Officer Title:	
Fiscal Officer Email:	
Fiscal Officer Telephone:	