

**ATTACHMENTS A & B**  
**GRANT AGREEMENT TERMS AND CONDITIONS**  
**DEPARTMENT OF EDUCATION**

**I. COMPLIANCE WITH APPLICABLE LAWS**

The Grantee shall, at all times, comply with all federal, state and local laws, ordinances and regulations that are in any manner applicable to the activities performed by the Grantee, its agents, subgrantees and employees pursuant to this Grant Agreement. The Grantee shall cause its agents, subgrantees and employees to observe and comply with all such laws, ordinances, and regulations and shall protect and indemnify the State and its representatives against any claim or liability arising from or based on the violation of any such law, ordinance or regulation, whether by itself or its agents, subgrantees or employees. Failure to comply with such laws, ordinances and regulations shall be grounds for termination of this Grant Agreement for cause.

The laws, ordinances and Administration of Grants Regulations with which the Grantee shall comply include, but are not limited to, the following: *the Uniform Grant Guidance found at 2 CFR Chapter I, Chapter II Part 200, et seq., NJ State OMB Circular Letter 15-08-OMB - Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid; Education Department General Administrative Regulations (EDGAR) at 34 CFR, Parts 76, 81, 82 and 99, Public School Contracts Law (N.J.S.A. 18A:18A-1, et seq.) and Executive Order No. 189.* The Notice of Grant Opportunity and the approved application are hereby made a part of the Grant Agreement. Failure to comply with such laws, rules, or regulations shall be grounds for termination of this agreement.

**II. INDEMNIFICATION/INSURANCE**

The Grantee shall assume all risk of and responsibility for, and agrees to indemnify, defend and hold harmless the State of New Jersey and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith on account of loss of life or property or mental or physical injuries to any person or persons or damage to property which shall arise from or result directly or indirectly from (1) the work, services, or materials provided under this Grant Agreement; or (2) any failure to perform the Grantee's obligations under this Grant Agreement; or (3) any improper or deficient performance of such contractual obligations.

The Grantee shall, at its own expense, appear, defend and pay all charges for attorneys and all costs and other expenses arising from any such claim, demand, suit or action incurred in connection therewith. If any judgment shall be rendered against the State of New Jersey for which indemnification is provided under this Grant Agreement, the Grantee shall at its own expense satisfy and discharge the same.

It is expressly agreed and understood that any approval by the Department of the services and activities performed by the Grantee shall not operate to limit the indemnification obligations or any other obligations of the Grantee assumed under this Grant Agreement. The indemnification obligation is not limited by, but is in addition to, any insurance obligations contained in this Grant Agreement.

Furthermore, the provisions of this indemnification clause shall in no way limit the obligations assumed by the Grantee under this Grant Agreement, nor shall they be construed to relieve the Grantee of any liability nor preclude the State of New Jersey from taking other actions available to it under any other provisions of this Grant Agreement or otherwise in law.

The Grantee shall, at its own expense, purchase such insurance as is necessary to cover the risks and liabilities imposed by law for the services under this Grant Agreement. Within five days of a written request by the Department, the Grantee shall provide the Department with a certificate or certificates of insurance, together with declaration pages, showing compliance with the insurance obligation set forth herein.

This Section of this Attachment shall survive the expiration or termination of the Grant Agreement.

### **III. ASSIGNABILITY**

At the option of the Department, this Grant Agreement shall bind the heirs, representatives, successors or assigns of the Grantee. Any purported transfer or assignment of this Grant Agreement, or any part thereof, without written approval or consent by the Department shall be void, unless the Department subsequently gives written approval or consent.

### **IV. AVAILABILITY OF FUNDS**

The Recipient shall recognize and agree that both the initial provision of funding and the continuation of such funding under the Agreement is expressly dependent upon the availability to the Department of funds appropriated by the State Legislature from State and/or Federal revenue or such other funding sources as may be applicable. A failure of the Department to make any payment under this Agreement or to observe and perform any condition on its part to be performed under the Agreement as a result of the failure of the Legislature to appropriate shall not in any manner constitute a breach of the Agreement by the Department or an event of default under the Agreement and the Department shall not be held liable for any breach of the Agreement because of the absence of available funding appropriations. In addition, future funding shall not be anticipated from the Department beyond the duration of the award period set forth in the Grant Agreement and in no event shall the Agreement be construed as a commitment by the Department to expend funds beyond the termination date set in the Grant Agreement.

### **V. PROCUREMENT STANDARDS**

The Grantee shall procure supplies, equipment and services with funds provided under this Grant Agreement in a manner consistent with N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law); and the Uniform Grant Guidance, 2 CFR Chapter I, Chapter II Part 200 et seq., whichever is applicable. The Department assumes no responsibility for contractual and administrative matters associated with the Grantee's procurement of such supplies, equipment and services. No provider of supplies, equipment and services to the Grantee shall be deemed a third party beneficiary of this Grant Agreement.

### **VI. PROPERTY MANAGEMENT STANDARDS**

The Grantee shall use and dispose of property in a manner consistent with the Uniform Grant Guidance, if such property has been furnished by the Department or acquired in whole or in part with

federal or state funds or if the cost of such property was charged to a project supported by federal or state funds.

## **VII. METHOD OF PAYMENT**

A. The Department, in its sole discretion, may determine to make its initial payment to the Grantee upon the Grantee's delivery to the Department of a properly executed Grant Agreement. Such a payment in advance of costs actually incurred by the Grantee pursuant to the Grant Agreement, however, shall not exceed the dollar limits established on the Grant Agreement.

B. The Department will make progress payments to the Grantee on a periodic basis, as set forth on the Notice of Grant Opportunity. Such progress payments shall, in the sole discretion of the Department, be made in the form of reimbursement of expenditures actually made and reported.

C. The Department will not reimburse the Grantee for any costs incurred either prior to the effective date of the Grant Agreement or after the termination or expiration date of the Grant Agreement, unless otherwise stated herein or agreed to in writing by the Department.

D. The Department will not make final payment to the Grantee until all reports, unexpended program income and other deliverables required under the Grant Agreement have been submitted to the Department in acceptable form.

E. The Department may reimburse the Grantee for costs incurred during the Grant Agreement period and in conformance with the program's specifications even if the Grant Agreement is not fully executed and dated at the time such costs are incurred. In order to receive such reimbursement the Grantee must have an approved program application or equivalent document dated and executed by the Department prior to its incurrence of cost. Payments for costs incurred under this Section VII. E. will be authorized pending the execution of a Department Grant Agreement.

## **VIII. MATCHING AND COST SHARING REQUIREMENTS**

The Grantee shall demonstrate to the satisfaction of the Department that it has complied with all matching and cost sharing requirements of this Grant Agreement and in accordance with Administration of Grants Regulations.

## **IX. PROGRAM INCOME**

Program income shall be defined as gross income earned by the Grantee from grant-supported activities. Such earnings shall include, but not be limited to, interest on advance payments, income from service fees, program registration fees, commodity sales, usage and rental fees and patent and copyright royalties.

A. All interest earned on funds advanced to the Grantee by the Department shall be remitted to the Department on a quarterly basis.

B. Unless otherwise specified by the Department, the Grantee shall retain all royalties received as a result of copyrights and patents produced under this Grant Agreement.

C. Unless otherwise specified by the Department, all income earned by grant activities must be used to offset grant approved costs.

D. All program income shall be accounted for in the final financial report submitted by the Grantee.

## **X. FINANCIAL MANAGEMENT SYSTEM**

A. The Grantee shall maintain a financial management system that, at all times, provides the following:

1. Accurate, current and complete disclosure of all financial activities related to this Grant Agreement, in accordance with Generally Accepted Accounting Principles (GAAP).

2. Records that clearly identify the source and application of all funds used for the purposes described in the approved grant application. These records shall, at a minimum, contain information pertaining to Grant Agreement awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and program income.

3. Effective internal and accounting controls over all funds, property and other assets. The Grantee shall have in place a system for safeguarding all such assets and shall assure that they are used solely for authorized purposes.

4. A comparison of actual outlays with budgeted amounts. Financial information shall be correlated with performance and productivity data and shall result in unit cost formulation.

5. Accounting records that are supported by source documentation.

6. Procedures for determining the reasonableness and allowability of costs in a manner that is consistent with the Uniform Grant Guidance.

B. The Department may, at any time, require that the Grantee provide such other information as is deemed necessary by the Department to enable it to fully monitor the Grant Agreement.

## **XI. FINANCIAL AND PERFORMANCE REPORTING**

A. As used in this Grant Agreement, the term "Grant Agreement Budget" refers to the financial plan approved by the Department.

B. The Grantee shall submit interim expenditure reports comparing actual expenditures with the Grant Agreement Budget. These reports shall be submitted on a periodic basis, as prescribed on Page 2 of this Grant Agreement.

C. The Grantee shall submit program/performance reports, as prescribed in the Notice of Grant Opportunity.

D. The Grantee shall submit a final financial report, as prescribed in the Notice of Grant Opportunity, and Grant Agreement obligations will remain in force until all final reports are reviewed and approved by the Department. In addition to the program income information required by Section IX.

D of this Attachment, the final financial report shall include a comparison of actual expenditures with the expenditures shown in the Grant Agreement Budget and a written performance report detailing the way in which expenditures advanced the purposes of this Grant Agreement.

E. Extensions to the reporting due dates prescribed in the Notice of Grant Opportunity may be granted by the Department upon receipt of a written request from the Grantee.

F. If reports are not submitted as required, the Department may, in its sole discretion, suspend payments under this Grant Agreement or any other Grant Agreement entered into between the Department and the Grantee.

## **XII. MONITORING OF PROGRAM PERFORMANCE**

A. The Grantee shall monitor the performance of all activities undertaken pursuant to this Grant Agreement to assure that time schedules are being met, projected work units are being accomplished and other performance goals, as defined in the approved application, attached hereto and made a part hereof which is part of the Grant Agreement, are being achieved.

B. The Grantee shall inform the Department, in writing, of all conditions that may negatively affect or are negatively affecting program objectives or performance as soon as they are known. These conditions include but are not limited to circumstances and problems that prevent the meeting of time schedules and goals or preclude the attainment of project work units within established time periods. The disclosure shall be accompanied by a statement of the action taken or contemplated by the Grantee to correct the problems and the time frame within which corrective action will be taken.

C. The Grantee shall inform the Department, in writing, of all favorable developments or circumstances which will enable the Grantee to meet time schedules and achieve goals sooner or more effectively than originally projected.

D. The Department may, at any reasonable time, make site visits to:

1. Review program accomplishments and management and financial control systems; or
2. Provide technical assistance.

## **XIII. AUDIT REQUIREMENTS**

A. The Grantee's operations under this Grant Agreement shall be audited, as specified in Attachment B hereto, by the Department, by any other appropriate unit or agency of the State of New Jersey and/or by a private firm or firms retained or approved by the Department. Audits are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of this Grant Agreement and to verify that accounts and financial statements are accurate.

B. The Grantee shall make available at its office at all times requested, all records retained pursuant to the requirements of Section XVIII of this Attachment, for examination, audit and/or reproduction by the Department, without conditions or restrictions of any type.

C. Audits will be conducted on the basis of the Grantee's fiscal year and in accordance with generally accepted auditing standards, and in accordance with New Jersey Treasury Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

D. Audits will be conducted on an organization-wide basis to test the fiscal integrity of financial transactions, as well as compliance with the terms and conditions of this Grant Agreement and applicable federal and state statutes and regulations.

E. The Grantee shall include in all subgrantee agreements, the requirement that the subgrantee shall make all of its records readily available to the Department for audit in accordance with the terms and conditions of this Section XIII.

F. Audits will be conducted on a continuing basis or at scheduled intervals, as determined solely by the Department.

G. All audit reports shall be promptly delivered to the Grantee for review. The Grantee shall cooperate with the Department to assure timely and appropriate resolution of audit findings and recommendations.

H. When audits disclose overpayments to the Grantee, the Department may, at its option, either require the Grantee to repay the overpayment by the Department or deduct the amount of overpayment from monies due the Grantee under this Grant Agreement or under any other Grant Agreement between the Grantee and the Department. Any overpayments not repaid through actual repayment or by deduction within thirty (30) days of notice to the Grantee shall be charged simple interest at ten percent (10%) per annum. The thirty (30) day notice of repayment or deduction shall commence upon mailing of written notice to the Grantee.

#### **XIV. GRANT AGREEMENT MODIFICATION/BUDGET REVISION CRITERIA AND PROCEDURES**

A. The Grantee shall request and obtain, in writing, the prior approval of the Department for every Grant Agreement modification/ budget revision alleged to be necessary for any of the following reasons:

1. Changes in the scope, objective, or schedule of the project or program;
2. The need for additional funding;
3. Changes to approved subgrants;
4. Transfer of expenditures to an unbudgeted line item;
5. Costs requiring prior approval pursuant to the Cost Principles section of the Uniform Grant Guidance or the governing Notice of Grant Opportunity; or
6. Budget category expenditure variances which cumulatively exceed 10 percent of the total award amount per specific funding source.

B. Any additions or deletions to the equipment purchases included in the approved application must have prior written approval from the Department.

C. All requests for Grant Agreement modification/ budget revisions or other Grant Agreement modifications must be received by the Department no later than 90 days prior to the expiration of the Grant Agreement period. Requests received less than 90 days prior to the expiration of the Grant Agreement period will not be considered by the Department.

D. When requesting approval of a proposed Grant Agreement modification/budget revision, the Grantee shall show the change in budget line item categories and complete the budget modification request form prescribed by the Department.

E. The Department may request changes in the scope of the services of the Grantee to be performed under this Grant Agreement. Such changes, including any increase or decrease in the amount of the Grantee's compensation, shall not be effective until incorporated in approved amendments to this Grant Agreement.

F. If the Grantee is making program expenditures or providing Grant Agreement services at a rate which, in the judgment of the Department, will result in substantial failure to expend the Grant Agreement amount or provide the full scope of Grant Agreement services, the Department may, upon thirty (30) days written notice to the Grantee, reduce the Grant Agreement amount and/or services associated with each program element to levels that more accurately reflect program expenditures during the Grant Agreement period. This reduction shall take into account the Grantee's fixed costs.

## **XV. GRANT AGREEMENT CLOSEOUT PROCEDURES**

A. For purposes of this Grant Agreement, "Date of Completion" shall mean the date when the Grant Agreement expires pursuant to its terms or is terminated in accordance with Section XVI of this Attachment.

B. In accordance with the Notice of Grant Opportunity, the Grantee shall submit the final financial report to the Department. Within the limits of the Grant Agreement amount, the Department may make upward or downward cost adjustments on the basis of the information contained in the report. Grant Agreement obligations will remain in force until all final reports are reviewed and approved by the Department.

C. The Grantee, along with the final financial report, will refund to the Department any unexpended funds or unobligated (unencumbered) cash advances.

D. All outstanding obligations (encumbered funds) which have not been paid out as of the Date of Completion must be liquidated prior to the submission of the final report by the due date established in the Notice of Grant Opportunity.

E. Whether or not audits were conducted during the Grant Agreement term, a final financial and compliance audit may be initiated up to three years after the Grant Agreement completion date beginning with the date the Grantee submits the final reports established in the Notice of Grant Opportunity.

F. If either the final financial report or the final audit discloses an overpayment to the Grantee, the Department may, at its option, either require the Grantee to repay the overpayment by the Department or deduct the amount of overpayment from monies due the Grantee under this Grant Agreement or under any other Grant Agreement between the Grantee and the Department. Any overpayments not repaid through actual repayment or by deduction within thirty (30) days of notice to the Grantee shall be charged simple interest at ten percent (10%) per annum. The thirty (30) day notice of repayment or deduction shall commence upon mailing of written notice to the Grantee.

G. The provisions of this Section XV. D., E. and F., shall survive the expiration or termination of this Grant Agreement.

H. The Grantee shall provide, along with the final financial report, a written accounting of property acquired with Grant Agreement funds or received from the Department, in accordance with the requirements set forth in Section VI. of this Attachment.

## **XVI. TERMINATION AND SUSPENSION**

### **A. Definitions.**

1. For purposes of this Grant Agreement, "Suspension" means the temporary cessation of all activities under this Grant Agreement, at the direction of the Department.

2. For purposes of this Grant Agreement, "Termination" means discontinuation of this Grant Agreement, prior to the Date of Completion that results from action taken by the Department or the Grantee in accordance with the provisions contained herein.

B. The Department may terminate this Grant Agreement for convenience, upon 60 days written advance notice to the Grantee, for any reason whatsoever, including lack of funding available to the Department. Upon receipt of a notice of Termination for convenience, the Grantee shall cease incurring additional obligations of Grant Agreement funds. However, the Department shall allow the Grantee to incur all necessary and proper costs which the Grantee cannot reasonably avoid during the Termination process, as long as these costs comply with Administration of Grants Regulations. The Grant Agreement Closeout procedures set forth in Section XV of this Attachment shall apply to a Termination for convenience.

C. If the Grantee fails to fulfill or comply with any of the terms or conditions of this Grant Agreement, in whole or in part, the Department may place the Grantee in default status and take any or all of the following actions:

1. Suspend activities under the Grant Agreement, upon 30 days advance written notice by the Department, and withhold further payments, except for those necessary and proper costs which the Grantee cannot reasonably avoid during the period of suspension and which comply with Administration of Grants Regulations. The notice of Suspension shall state the reason for the action, the effective date of the Suspension, the corrective action that must be taken and the time period during which the corrective action must be accomplished.

2. Terminate the Grant Agreement for cause, in whole or in part, upon 30 days advance written notice by the Department. The Notice of Termination shall state the reason for the action, the effective date of the Termination and the Grant Agreement Closeout procedures to be followed. As

of the effective date of a Termination for cause, the Grantee shall immediately cease incurring additional obligations of Grant Agreement funds. The Grantee shall have no right to utilize Grant Agreement funds to pay any costs incurred after the effective date of a Termination for cause.

3. Terminate the Grant Agreement for cause, in whole or in part, immediately effective upon notice, whenever the Department determines that the Grantee has jeopardized the safety and welfare of the public, materially failed to comply with the terms and conditions of the Grant Agreement, or whenever the fiscal or programmatic integrity of the Grant Agreement has been compromised. The notice of Termination pursuant to this provision shall state the reason for the action, the effective date of the Termination and Grant Agreement Closeout procedures to be followed. As of the effective date of such a Termination for cause, the Grantee shall immediately cease incurring additional obligations of Grant Agreement funds. The Grantee shall have no right to utilize Grant Agreement funds to pay any costs incurred after the effective date of the Termination.

4. Invoke any other remedy or remedies that may be legally available.

D. The Department and the Grantee may mutually terminate the Grant Agreement, in whole or in part, when both parties agree that its continuation will not produce beneficial results commensurate with the further expenditure of funds. The parties shall agree, in writing, upon the termination conditions. The Grant Agreement Closeout procedures set forth in Section XV of this Attachment shall apply to a mutual Termination.

## **XVII. ACCESS TO RECORDS**

A. The Grantee shall make available to the Department, any federal agency whose funds are expended in the course of this Grant Agreement and any of their duly authorized representatives, all accounting records, books, documents and other papers that are required to monitor and audit the Grantee's operations.

B. When reasonable and practical to do so, the Department and federal agencies shall provide prior notice of all visits entailing inspections, audits and other reviews. However, the Department retains the right to make unannounced visits, inspections and audits as deemed necessary.

C. The Department reserves the right to review all the records of subgrantees. Therefore, all subgrants entered into by the Grantee shall include a provision whereby the subgrantee acknowledges its obligation to make all pertinent records available to the Department, to any federal agency whose funds are expended in the course of this Grant Agreement and any of their duly authorized representatives.

D. The Department shall have the right to review all work papers produced in connection with audits made by the Grantee or by independent Certified Public Accountants or licensed public accountants engaged by the Grantee to perform such audits.

## **XVIII. RECORD RETENTION**

A. Financial and statistical records, supporting documents, and all other records related, in any way, to this Grant Agreement shall be retained for a period of three years after the expiration or termination date of this Grant Agreement beginning with the date the Grantee submits the final reports established in the Notice of Grant Opportunity, except as set forth below:

1. If any litigation, claim or audit is started before the expiration of the three year period, all records and supporting documents shall be retained until all such litigation, claims and audit findings are resolved.

2. Records pertaining to nonexpendable property acquired with Grant Agreement funds shall be retained for three years after final disposition of such property.

B. The retention period starts from the date of submission of the final financial report or, for Grant Agreements that are renewed annually, from the date of submission of the annual financial report.

C. The Grantee shall transfer to the custody of the Department all records that the Department determines must be retained for a longer period than that which is provided for herein.

D. The Grantee shall cause all subgrantees to comply with the terms of this Section XVIII.

## **XIX. SUBGRANTING/CONSULTANT AGREEMENTS**

A. Whenever the Grantee intends to subgrant any work or services under this Grant Agreement, the subgrant must have Department approval prior to the Grantee's entry into the subgrant. It is understood, however, that consent of the Department to the subgrant in no way relieves the Grantee of its full obligations under this Grant Agreement. The Grantee shall at all times give personal attention to the fulfillment of this Grant Agreement and shall keep all work and services under its control. Consent to the subgrant shall not be construed to be an approval of said subgrant or of any of its terms, but shall operate only as an approval of the Grantee's request for the making of a subgrant between the Grantee and its chosen subgrantee. The Grantee shall be responsible for all work and services performed by the subgrantee and such work and services shall conform to the provisions of this Grant Agreement.

B. The Grantee shall cause all subgrantees to be subject to the audit provisions of Sections XIII, XVII, and XVIII of this Attachment as well as all other applicable terms of the Grant Agreement.

C. The Grantee will be reimbursed for costs incurred in connection with subgrants and consultant agreements. No nonemployee compensation may be paid unless a written, legally binding, subgrant or consultant agreement is maintained in the Grantee's file.

## **XX. PUBLIC NOTICES [also see attachment B]**

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded, pursuant to this Grant Agreement, in whole or in part with federal funds, the Grantee shall, state:

- A. the percentage of the total cost of the program or project which is financed with federal funds;
- B. the dollar amount of federal funds for the project or program; and
- C. the percentage and dollar amount of the total costs of the project or program that will be funded by nongovernmental sources.

## **XXI. INDEPENDENT GRANTEE**

In performing services under this Grant Agreement, the Grantee is an independent grantee, and nothing herein is to be construed as establishing an employer-employee relationship.

**Attachment B**  
**New Jersey Department of Education**  
**Grant Agreements**

1. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with federal funds, all grantees receiving federal funds, including but not limited to state and local governments, shall clearly state (1) the percentage of the total cost of the program or project which is financed with federal funds, (2) the dollar amount of federal funds for the project or program, and (3) the percentage and dollar amount of the total costs of the project or program that will be funded by nongovernmental sources.

2. Grantees who develop materials during the course of a grant-supported program may exercise their right to ownership by copyrighting the materials. However, the grantee (and all subgrantees) must grant to the DOE and to the federal agency providing the funds (as applicable), for governmental purposes, a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use these materials and to authorize others to do so.

This license to the DOE covers any and all materials developed under the grant agreement (deliverables). The license to the DOE does not preclude the grantee from exercising its right of ownership of the materials, or to prevent the grantee from selling or licensing the materials. If the materials are to be licensed, or sold by the grantee, then the net proceeds constitute *program income* as defined, and the funds must be treated accordingly.

**At least one copy of all materials developed by the grantee during the period of grant agreement support must be forwarded to the DOE at time of grant agreement closeout.**

3. Recipients of federal and/or state grant funds are required to have an annual audit performed in accordance with the Single Audit Act, the Uniform Grant Guidance, and State Circular 15-08-OMB (See section XIII, Attachment A, Grant agreement Terms and Conditions). The State of New Jersey policy regarding grant recipients is as follows:

1. Recipients that expend \$750,000 or more in federal and/or state funds within their fiscal year must have an annual organization-wide audit performed in accordance with the revised Single Audit Act, the Uniform Grant Guidance, and State Circular 15-08-OMB..

2. Recipients that expend less than \$750,000 but \$100,000 or more in federal and/or state funds within their fiscal year must have either a financial statement audit performed in accordance with Government Auditing Standards (Yellow Book) or a program-specific audit performed in accordance with the Act, Amendments, Subpart F – Audit Requirements (of the Uniform Grant Guidance) and State policy

Program-specific audits in accordance with Subpart F Audit Requirements (of the Uniform Grant Guidance) can be elected when a recipient expends federal or State awards under only one federal or State program and the federal or State program's statutes, regulations or terms and conditions of the grant award do not require a financial statement audit of the recipient.

3. Audit reports for recipients requiring an annual organization-wide audit as indicated in No. 1 above, must include the auditors comments on internal controls over state grants and state aid, and compliance with material terms and conditions of state grant agreements, state aid programs, and applicable laws and regulations.

4. Single audit reports must also include a supplementary schedule of the recipient's state grant and state aid financial assistance programs. This schedule, entitled Schedule of State Financial Assistance, must show the following information for each grant program:

State Grantor Department  
Program Title  
State Account Number  
Program Amount (funds received)  
Program/Grant Grant agreement Period  
Total Disbursements

Failure to comply with these audit requirements could jeopardize your eligibility for future grant funding. Consult your business administrator and independent accountant regarding these requirements.

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