CIRCULAR

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY

NO.: 27-02-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET		PAGE 1 OF 4
EFFECTIVE DATE: 07/01/2026	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 07-05-OMB	
SUBJECT: AGENCY GRANT AGREEMENTS			
ATTENTION: DIRECTORS OF ADMINISTRATION AND CHIEF FISCAL OFFICERS			
FOR INFORMATION CONTACT: JEANMARIE.SELLNER@TREAS.NJ.GOV			

I. PURPOSE

The purpose of this circular is to establish State policy regarding grant agreements entered into by Agencies with the use of funds from budget appropriations from the State of New Jersey ("State").

II. DEFINITIONS

Agency – Any State agency, or any other State entity or instrumentality, awarding a Grant funded through an appropriation of the State Legislature.

Date of Completion – The end date of the Term stated in the Grant Agreement, including any approved supplement, extension or amendment, unless the Agency determines in writing that the Project has been completed by the Grantee at an earlier date.

Disallowed Costs - Costs charged to a Grant which the Agency or its representatives determine to be beyond the approved scope or purpose of the Grant, unsupported, excessive, unreasonable, unnecessary, incurred outside the Term, or otherwise unallowable under the Grant Agreement or applicable law or regulation.

Grant – An award of financial assistance to an organization that provides support to accomplish a public purpose in the form of money, or property in lieu of money, by an Agency. The term includes "cost-type" in which the grantee is paid based on the costs incurred, with or without a fee; and "fixed" in which a specific amount is paid regardless of the actual costs incurred. The term does not include purchases made in accordance with statutes and regulations regarding procurement, stipends, tuition aid, loans to students, and other similar expenditures.

Grant Agreement – The legal instrument, including all attachments, exhibits, incorporated documents, extensions, supplements, and approved amendments, executed by an Agency and a Grantee to evidence a Grant and to set forth the terms and conditions governing the Grant, including the amount of the Grant, the approved scope or purpose, the Term, budget, method and schedule of payment, reporting requirements, applicable special conditions, and closeout obligations.

Grant Amount – The maximum amount of Grant funds awarded or obligated by the Agency to the Grantee under the Grant Agreement, as may be modified by an approved amendment. The Grant Amount represents the Agency's maximum financial commitment for the Grant and does not entitle the Grantee to payment except for allowable costs in accordance with the Grant Agreement.

Grant Closeout – The process by which the Agency determines that the Grantee completed the Project and that all applicable administrative, financial, reporting, audit, property disposition, and other closeout requirements have been satisfied.

Grantee – The government or non-government organization that receives a Grant from an Agency and is legally accountable for the use of the Grant funds and for compliance with the Grant Agreement. The Grantee is the whole legal entity to which the Grant is awarded, even if the Grant Agreement identifies only a specific part of that organization.

Project – The purpose, program, services, work, activities, deliverables, outcomes, or other undertaking for which the Grant is awarded, as described in the Grant Agreement. A Project may consist of a discrete activity, a capital improvement, the delivery of services, the administration of a program, or another authorized use of Grant funds.

Suspension – A temporary action by the Agency which pauses the Grantee's authority to receive Grant funds, incur new obligations, or continue work on the Project, and during such time the Agency may withhold further payments or prohibit the Grantee from incurring additional obligations from grant funds.

Term – The period covered by the Grant Agreement, during which the Grantee may work on the Project and incur obligations chargeable to the Grant. Unless otherwise stated in the Grant Agreement, the Term shall commence on the start date and continue through the end date of the "grant period" identified in Section I(6) of the Standard Grant Agreement, including any approved extension or amendment. The expiration of the Term does not prevent the Agency from allowing payment or reimbursement after the end date for allowable obligations properly incurred during the Term, subject to the Grant Agreement, closeout requirements, and applicable law.

Termination – The ending of a Grant, in whole or in part, under a Grant Agreement before the date of completion, whether by the Agency, by the Grantee, or by mutual agreement, in accordance with the terms of the Grant Agreement and applicable law, after which the Agency shall make no further payment and the Grantee shall be prohibited from incurring additional obligations of grant funds.

Defined terms include, as applicable, the singular and plural forms, possessive forms, and other grammatical variations of those terms.

III. POLICY

All Agencies are responsible for monitoring and enforcing compliance by Grantees with the terms of the Grant as set forth in the Grant Agreement. All Agency Grants require a signed Grant Agreement, including when the Grantee is specifically designated through a line-item appropriation or language appropriation ("budget language") in the annual Appropriations Act or any separate legislation. The following policy is adopted regarding Grants made by all Agencies.

A. The Standard Grant Agreement developed by the Office of Management and Budget (appended hereto) shall be used for any Grant, except that:

   1. Grant agreements developed by an Agency for its exclusive use may be used; however, all sections of the Standard Grant Agreement must be included, including Section XXIII of the Standard Grant Agreement; and

   2. Agencies may choose not to use the entire Standard Grant Agreement for Grants in an amount less than $10,000. However, Section I (Grant Agreement Data) of the Standard Grant Agreement must be included in all Agency Grant Agreements.

B. Agencies shall adopt written policies and internal controls to ensure that the current fiscal year's portion of each Grant commitment, and the aggregate current fiscal year's portion of all Grant commitments for a program, do not exceed the amount appropriated and available for that program. An Agency shall not award, amend, renew, or extend a Grant unless sufficient funds are legally available for the current fiscal year's portion of the Grant commitment. Agencies shall not overcommit funds based on anticipated savings, cancellations, recoveries, lapsed balances, unexpended balances, or de-obligations from another Grant unless and until those funds have been released, returned, reappropriated, reallotted, or otherwise made legally available.

C. All Grant Agreements shall be signed by the Agency's Grant Approval Officer, identified in the Grant Agreement, who shall attest that sufficient funds have been appropriated by the State Legislature and are available for the current fiscal year's portion of the Grant commitment. Each Agency shall establish a clear internal process for the review and approval of Grant expenditures. The process shall ensure that Grant funds are expended only for allowable costs, within the approved Term and budget, and for purposes consistent with the Grant Agreement, the applicable appropriation, and any other governing funding restrictions. Funds appropriated or awarded for a restricted purpose shall be used only for that purpose, including, by way of example, that funds made available for capital purposes shall be used only for authorized capital costs.

D. Accounting for Grants (e.g., appropriations, encumbrances, etc.) must be in compliance with the Office of Management and Budget's Federal grant accounting policy and procedures outlined in Circular Letter 26-13-OMB (Federal Funds).

   1. Encumbrances established for the Grant will remain available throughout the grant term. However, OMB will conduct reviews of old encumbrances and pre-encumbrances, which may result in cancellations.
   2. It is the agency's responsibility to close out any remaining encumbrances within thirty (30) days of the Date of Completion.

E. Each Agency shall maintain an official central file of all Grant Agreements entered into and approved by the Agency's Grant Approval Officer. In addition to the Grant Agreements, the Agency shall maintain any documentation it possesses related to the Grant (e.g., invoices, expenditure and/or performance reports) and make the same readily available upon request. Each Agency's central file shall include a list of the following: (a) all active Grant Agreements; (b) the dollar amount of each

Grant award; (c) the Term of the Grant Agreement; and (d) the total Grant Amount that has been expended to date.

F. All Grants will be audited for compliance with applicable State and Federal laws and regulations.

G. In certain situations, the Agency may seek recapture of all or a portion of the Grant. More specifically, recapture of all or a portion of a Grant may occur under the following circumstances:

1. Termination. If an Agency has exercised its right to Terminate a Grant Agreement, in whole or in part, the Agency shall recapture any unspent, unobligated, or otherwise unallowable portion of the Grant Amount previously advanced to the Grantee and is attributable to the terminated Grant or terminated portion of the Grant.

2. Disallowed Costs. If an Agency determines that a Grantee has spent all or any portion of the Grant Amount on Disallowed Costs, the Agency shall take appropriate action to recapture the amount spent on such Disallowed Costs from the Grantee.

3. Suspension. If an Agency has exercised its right to Suspend a Grant, the Agency may delay seeking recapture of all or any portion of the Grant Amount until a decision is made by the Agency to exercise its right of Termination of a Grant Agreement or to take action to recapture any portion of the Grant Amount that was expended on Disallowed Costs.

H. The Term for Grant Agreements for capital grants shall extend no more than four years and for non-capital grants shall extend no more than one year from the execution date of the Grant Agreement. Exceptions are possible upon written request with justification to OMB, which OMB may approve in its sole discretion, but Grant Agreements spanning for long and extended periods should not be the norm. However, please note that Federal subgrantee agreements should align with the Federal award's period of performance.

Tariq Shabazz

Tariq Shabazz
Acting Director

APPENDIX (Standard Grant Agreement)

STATE OF NEW JERSEY GRANT AGREEMENT BETWEEN

____ ***(AGENCY)***

AND ____ ***(GRANTEE)***

GRANT NUMBER ______________________________

DEFINITIONS

GENERAL

PRE-AWARD REQUIREMENTS

POST-AWARD REQUIREMENTS

POST-TERM REQUIREMENTS

ATTACHMENTS

DEFINITIONS

“Agency” shall mean any State agency, or any other State entity or instrumentality, awarding a Grant funded through an appropriation of the State Legislature.

“Date of Completion” shall mean the end date of the Term stated in this Grant Agreement, including any approved supplement, extension or amendment, unless the Agency determines in writing that the Project has been completed by the Grantee at an earlier date.

“Disallowed Costs” shall mean costs charged to a Grant which the Agency or its representatives, determine to be beyond the approved scope or purpose of the Grant, unsupported, excessive, unreasonable, unnecessary, incurred outside the Term, or otherwise unallowable under this Grant Agreement or applicable law or regulation.

“Grant” shall mean an award of financial assistance to an organization that provides support to accomplish a public purpose in the form of money, or property in lieu of money, by an Agency. The term includes "cost- type” in which the grantee is paid based on the costs incurred, with or without a fee; and "fixed" in which a specific amount is paid regardless of the actual costs incurred. The term does not include purchases made in accordance with statutes and regulations regarding procurement, stipends, tuition aid, loans to students, and other similar expenditures.

“Grant Agreement” shall mean the legal instrument, including all attachments, exhibits, incorporated documents, extensions, supplements, and approved amendments, executed by an Agency and a Grantee to evidence a Grant and to set forth the terms and conditions governing the Grant, including the amount of the Grant, the approved scope or purpose, the Term, budget, method and schedule of payment, reporting requirements, applicable special conditions, and closeout obligations.

“Grant Amount” shall mean the maximum amount of Grant funds awarded or obligated by the Agency to the Grantee under this Grant Agreement, as may be modified by an approved amendment. The Grant Amount represents the Agency’s maximum financial commitment for the Grant and does not entitle the Grantee to payment except for allowable costs in accordance with this Grant Agreement.

“Grant Closeout” shall mean the process by which the Agency determines that the Grantee has completed the Project and that all applicable administrative, financial, reporting, audit, property disposition, and other closeout requirements have been satisfied.

“Grantee” shall mean the government or non-government organization that receives a Grant from an Agency and is legally accountable for the use of the Grant funds and for compliance with this Grant Agreement. The Grantee is the whole legal entity to which the Grant is awarded, even if this Grant Agreement identifies only a specific part of that organization.

“Project” shall mean the purpose, program, services, work, activities, deliverables, outcomes, or other undertaking for which the Grant is awarded, as described in this Grant Agreement. A Project may consist of a discrete activity, a capital improvement, the delivery of services, the administration of a program, or another authorized use of Grant funds.

“State” shall mean the State of New Jersey.

"Suspension" shall mean a temporary action by the Agency which pauses the Grantee's authority to receive Grant funds, incur new obligations, or continue work on the Project, and during such time the Agency may withhold further payments or prohibit the Grantee from incurring additional obligations from grant funds.

"Term" means the period covered by this Grant Agreement during which the Grantee may work on the Project and incur obligations chargeable to the Grant. Unless otherwise stated in this Grant Agreement, the Term shall commence on the start date and continue through the end date of the "grant period" identified in Section I(6) of this Grant Agreement, including any approved extension or amendment. The expiration of the Term does not prevent the Agency from allowing payment or reimbursement after the end date for allowable obligations properly incurred during the Term, subject to this Grant Agreement, closeout requirements, and applicable law.

"Termination" shall mean the ending of a Grant, in whole or in part, under this Grant Agreement before the date of completion, whether by the Agency, by the Grantee, or by mutual agreement, in accordance with the terms of this Grant Agreement and applicable law, after which the Agency shall make no further payment and the Grantee shall be prohibited from incurring additional obligations of grant funds.

Defined terms include, as applicable, the singular and plural forms, possessive forms, and other grammatical variations of those terms.

GENERAL

I. Grant Agreement Data (See Attached)

II. Compliance with Existing Laws

A. The Grantee, in order to permit the Agency to award the Grant under this Grant Agreement, agrees to comply with all Federal, State and municipal laws, rules, and regulations generally applicable to the Project.

B. These laws, rules and regulations include, but are not limited to, the following:

1. **Federal Office of Management and Budget (OMB)** documents:

   http://www.whitehouse.gov/omb/circulars/

2. **New Jersey Department of the Treasury, Office of Management and Budget** documents:

   a) Circular Letter, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, or as supplanted, amended, or replaced.

   b) State Grant Compliance Supplement: https://www.nj.gov/treasury/omb/stategrant.shtml

   c) Circular Letter, Federal Funds, or as supplanted, amended, or replaced

3. **State Affirmative Action Legal Citations**:

   The Grantee agrees to require its contractors to comply with the requirements of N.J.A.C. 17:27, applicable provisions of N.J.S.A 10:5, et. seq., and P.L. 1975, c.127 and all implementing regulations.

Failure to comply with applicable laws, rules and regulations shall be grounds for Termination of this Grant Agreement.

III. Bonding and Insurance

Bonding and insurance of the type described in Attachment A, Part VII, shall be provided to the Agency by the Grantee. Said proof of bonding and insurance must be retained on file by the Grantee. The Grantee shall promptly notify the Agency in writing in the event of any change in the bonding and insurance being maintained by the Grantee. Upon the Agency's request from time to time, the Grantee shall provide evidence to the Agency that the Grantee is in compliance with this Section III.

IV. Indemnification

The Grantee shall be solely responsible for and shall keep, save, and hold the State of New Jersey harmless from all claims, loss, liability, expense, or damage resulting from all mental or physical injuries or disabilities, including death, to its employees or recipients of the Grantee's services or to any other persons, or from any damage to any property sustained in connection with the delivery of the Grantee's services that results from any acts or omissions, including negligence or malpractice, of any of its officers, directors, employees, agents, servants or independent contractors, or from the Grantee's failure to provide for the safety and protection of its employees, whether or not due to negligence, fault, or default of the Grantee. The Grantee's responsibility shall also include all legal fees and costs that may arise from these actions. The Grantee's liability under this Grant Agreement shall continue after the Term of this Grant Agreement with respect to any liability, loss, expense or damage resulting from acts occurring prior to the end of the Term.

V. Assignability

The Grantee shall not subcontract any of the work or services covered by this grant, nor shall any interest be assigned or transferred except as may be provided for in this Grant Agreement or with the express written approval of the Agency. This Grant Agreement may not be pledged as collateral for any purpose.

VI. Availability of Funds

The Grantee shall recognize and agree that both the initial provision of funding and the continuation of such funding under this Grant Agreement is expressly dependent upon the availability to the Agency 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 Agency to make any payment under this Grant Agreement or to observe and perform any condition on its part to be performed under this Grant Agreement as a result of: (a) the failure of the State Legislature to appropriate the funds necessary to cover the Grant Amount; or (b) the unavailability of funds shall not in any manner constitute a breach of this Grant Agreement by the Agency or an event of default under this Grant Agreement and the Agency shall not be held liable for any breach of this Grant Agreement because of the absence of available funding appropriations. In addition, future funding shall not be anticipated from the Agency beyond the duration of the Term set forth in this Grant Agreement and in no event shall this Grant Agreement be construed as a commitment by the Agency to expend funds beyond the Term set forth in this Grant Agreement.

PRE-AWARD REQUIREMENTS

VII. Special Grant Conditions For "High Risk" Grantees

A. A Grantee may be considered "high risk" if the Agency determines that a Grantee:

1. Has a history of unsatisfactory performance.

2. Is not financially stable.

3. Has a financial management system which does not meet the standards set forth in Section VIII.

4. Has not conformed to terms and conditions of previous grant agreements.

5. Is otherwise not responsible.

B. Should the Agency determine that a Grant will be made, special conditions and/or restrictions shall correspond to the high risk condition and shall be included in this Grant Agreement. Special conditions or restrictions may include:

1. Payment on a reimbursement basis.

2. Withholding authority to proceed to the next phase until receipt or evidence of acceptable performance within a given funding period.

3. Requiring additional, more detailed financial reports.

4. Additional project monitoring.

5. Requiring the Grantee to obtain technical or management assistance.

6. Establishing additional prior approvals.

C. If the Agency decides to impose such conditions, the Agency will notify the Grantee as soon as possible, in writing, of:

1. The nature of the special conditions/restrictions.

2. The reason(s) for imposing the special conditions.

3. The corrective actions that must be taken before the special conditions will be removed by the Agency and the time allowed for completing the corrective actions.

4. The method of requesting reconsideration of the conditions/restrictions imposed.

POST-AWARD REQUIREMENTS

VIII. Financial Management System

A. The Grantee shall be responsible for maintaining an adequate financial management system and will immediately notify the Agency when the Grantee cannot comply with the requirements established in this Section VIII.

B. The Grantee's financial management system shall provide for:

1. Financial Reporting:

   Accurate, current, and complete disclosure of the financial results of each grant in conformity with generally accepted principles of accounting and reporting, in a format that is in accordance with the financial reporting requirements of the grant.

2. Accounting Records:

   Records that adequately identify the source and application of funds for Agency-supported activities. These records must contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures and income.

3. Internal Control:

   Effective internal and accounting controls over all funds, property and other assets. The Grantee shall adequately safeguard all such assets and assure that they are used solely for authorized purposes.

4. Budget Control:

   Comparison of actual expenditures or outlays with budgeted amounts for each grant. Also, the relationship of the financial information with performance or productivity data, including the development of unit cost information required by the Agency.

5. Allowable Cost:

   Procedures for determining reasonableness, allowability, and allocability of costs generally consistent with the provisions of Federal and State requirements.

6. Source Documentation:

   Accounting records that are supported by source documentation.

7. Cash Management:

   Procedures to minimize the time elapsing between the advance of funds from the Agency and the disbursement by the Grantee, whenever funds are advanced by the Agency.

C. The Agency may require the submission of a "Certification to Adequacy of Accounting System," as provided in Attachment A, Section II of this Grant Agreement.

D. An Agency may review the adequacy of the financial management system of any applicant for a grant as part of a pre-award review or at any time subsequent to the grant award. If the Agency determines that the Grantee's accounting system does not meet the standards described in paragraph B above, additional information to monitor the grant may be required by the Agency upon written notice to the Grantee, until such time as the system meets with Agency approval.

IX. Method of Payment

A payment will be made to the Grantee in a manner determined by the Agency (see Attachment A, Section V), upon receipt by the Agency of a properly executed copy of this Grant Agreement.

X. Allowable Costs

A. Limitation on Use of Funds

   Except for modifications to the Project as expressly permitted by the Agency pursuant to the terms of this Grant Agreement, the Grantee is required to undertake and complete the Project described in Attachment D (Program Specifications). Grant funds must be used only for allowable costs. The Grantee shall implement a system of internal controls and monitoring procedures to ensure that the Grant Amount is allocated solely to eligible costs of the Grant.

B. Applicable Cost Principles

   Allowable costs will be determined in accordance with applicable Federal cost principles at 2 CFR Part 200 and State requirements.

XI. Term

The Grantee may only charge costs to the Grant Amount resulting from obligations made during the Term unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. This Grant Agreement defines the Term, which cannot exceed the Federal award's period of performance. All expenditures and obligations must occur within this timeframe. While the Federal government may allow a liquidation period, the earlier of either the end date of this Grant Agreement or Federal award end date takes precedence. All funds must be fully liquidated before the Term expires, and any remaining funds must be returned to the Agency.

XII. Matching Funds and Cost Sharing

The Grantee shall be required to account to the satisfaction of the Agency for matching funds and cost sharing requirements of the Grant in accordance with Federal and State requirements. As a condition of receiving the Grant and the Grant Amount, the Grantee has provided evidence of required matching funds to the Agency. The Grantee also acknowledges that any costs exceeding the costs of the Project approved by the Agency shall be the responsibility of the Grantee.

XIII. Program Income

"Program income" shall be defined as gross income earned by the Grantee from the Project. Such earnings include, but will not be limited to, income from service fees, sale of commodities, usage or rental fees, and royalties on patents and copyrights.

A. If the Grantee receives investment income of $250 or more in a given fiscal year associated with the Grantee's investment of disbursements received of the Grant Amount, see Attachment A, Section VIII (B).

B. Unless this Grant Agreement provides otherwise, the Grantee shall have no obligation to the Agency with respect to royalties received as a result of copyrights or patents produced under this Grant Agreement, except as required by federal law, including 37 C.F.R. § 401.

C. All other program income earned during the Term shall be retained by the Grantee and used in accordance with Attachment A, Section IV.

XIV. Audit Requirements

The Grant is covered by the audit requirements of the State Department of the Treasury Circular Letter, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, or successor Treasury Circular Letter.

XV. Project and Budget Revision and Modification

A. This Section XV sets forth criteria and procedures to be followed by the Grantee in reporting deviations from the approved Project and Project budget and in requesting approvals for revisions and modifications to same. Revisions and modifications to the Project and Project budget must be formally requested by the Grantee and approved by the Agency in writing.

B. The Grantee shall request approval in writing from the Agency's Grant Approval Officer designated in Attachment A, Section III when there is reason that a revision or modification to the Project or Project budget will be necessary for the following reasons:

1. Changes in the scope, objective, financial assistance, key personnel, progress or completion timing, or deviations from the approved budget.

2. To provide financial assistance to a third party by sub-granting (if authorized by law) or by another means to obtain the services of a third party to perform activities which are central to

the purpose of the Grant.

3. The need for additional funding or to extend the Term.

4. Adjustments between cost categories and/or shifts of funding to direct cost categories that are not part of the approved budget.

5. Revisions which involve the transfer of amounts budgeted for indirect costs to absorb increases in direct costs.

For the purpose of this Grant: (1) “indirect costs” are defined as those incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved; and (2) “direct costs” are defined as those which can be identified specifically with a particular cost objective; these costs may be charged directly to grants, contracts, or to other programs against which costs are finally lodged.

C. The Agency may establish written policies restricting transfers of Grant funds among approved direct cost categories. The Grantee must obtain any prior approval required by this Grant Agreement, Agency policy, and applicable Federal or State requirements before making a budget change or transferring funds among cost categories.

D. When requesting approval for budget revisions, the Grantee shall clearly show the change in cost categories and shall use the budget form provided in Attachment B of this Grant Agreement.

E. The Agency may request modifications to the Project. Such changes must be mutually agreed upon by and between the Agency and the Grantee, must be incorporated in written amendments to this Grant Agreement.

F. If the Grantee is progressing with the Project at a rate which, in the judgment of the Agency, will result in substantial failure to complete the Project and/or expend the Grant Amount by the end of the Term, the Agency may so notify the Grantee. If, after consultation with the Agency, the Grantee is unable to develop to the satisfaction of the Agency a plan to correct the pace of the Project, the Agency may, in its discretion and upon thirty (30) days notice to the Grantee, reduce the Grant Amount by a sum so that the revised Grant Amount covers only the fairly projected Project expenditures for the remainder of the Term. This reduction shall take into account the Grantee's fixed costs and shall establish the committed level of the Project for the reduced Grant Amount. If such a determination is made by the Agency after all or a portion of the Grant Amount has been disbursed to the Grantee, the Grantee shall remit any amount above the revised Grant Amount back to the Agency.

G. If the revision requested will result in a change to the Project which requires prior Federal approval, the Agency shall obtain the applicable Federal agency's approval before approving the Grantee's request or making such a request.

XVI. Property Management Standards

Property furnished by the Agency, acquired in whole or in part with Federal or Agency funds or whose cost was charged to a project supported by Federal or Agency funds shall be utilized and disposed of in a manner generally consistent with State and Federal requirements.

XVII. Procurement Standards

Procurement of supplies, equipment, and other services with funds provided by the Grant shall be accomplished in a manner consistent with Federal and State requirements, including 2 C.F.R. § 200.317 through 200.327 and Appendix II to 2 C.F.R. Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

Adherence to the standards contained in the applicable Federal and State laws, rules and regulations does not relieve the Grantee of the contractual responsibilities arising under its procurement contracts. The Grantee is the responsible authority, without recourse to the Agency, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurement contracts entered into in support of or related to the Project.

XVIII. Monitoring of Project Performance

A. The Grantee shall comply with all applicable Federal and State requirements and shall ensure that the Project is carried out in accordance with this Grant Agreement. The Grantee shall monitor each Project program, function, and activity on an ongoing basis to determine whether: (1) required timelines and milestones are being met; (2) Project objectives, work units, deliverables, and outcomes are being achieved; and (3) other applicable performance goals or requirements are being satisfied.

B. The Grantee shall notify the Agency as soon as the Grantee becomes aware of any condition, development or event that may materially affect Project objectives, performance, timelines, milestones, work units, deliverables, outcomes, costs, or other Grant requirements.

1. For problems, delays, adverse conditions, or other matters that may negatively affect the Project or the Grantee's compliance with this Grant Agreement, the notice shall describe the condition, the actual or anticipated effect on the Project, the corrective action taken or proposed, and any Agency assistance requested.
2. For favorable developments or events, the notice shall describe how the development or event may allow the Grantee to complete the Project sooner than anticipated, at a lower than anticipated cost, with a greater benefit than originally planned.

C. The Agency may, at its discretion, make site visits or, in addition to Section XX below, request documents from the Grantee that will enable the Agency to:

1. Review Project progress and management control systems.

2. Provide such technical assistance as may be required.

3. Perform fiscal reviews to ensure the Grant Amount is being properly expended in a timely manner.

XIX. Reporting Requirements

A. The Project budget as used in this Section XIX means the approved financial plan to carry out the purpose of the Grant. This plan is the financial representation of the Project as approved during the grant application and award process. The "Approved Budget" for the Project is contained in Attachment B.

B. Completion of the Project shall be evidenced by delivery to the Agency of a final report, as prescribed in Attachment A, Section VI.

C. The Grantee shall submit all final requisitions within 90 days from the Date of Completion, after which time no requisitions will be accepted, except for good cause as determined by the Agency.

D. During the Term of the Grant, the Grantee shall submit interim expenditure reports comparing actual Project expenditures with the approved Project budget utilizing the form found in Attachment C and in accordance with the schedule found in Attachment A, Section VI.

E. The Grantee shall submit interim performance reports as prescribed by the Agency in Attachment A, Section VI; however, these reports shall not be required more frequently than quarterly or less frequently than annually.

F. The Grantee shall submit annual reports, if applicable.

G. The Agency may grant an extension of a reporting due date upon the Grantee’s written request. The Grantee must submit the request before the applicable due date, unless the Agency determines that extenuating circumstances justify a later request. The request must state the reason for the extension, identify the proposed extended due date, and include any other information required by the Agency. No extension is effective unless approved in writing by the Agency.

H. If reports are not submitted as required by this Grant Agreement, subject to such extensions granted by the Agency, the Agency may, at its discretion, Suspend the Grant. Further, the State may, at its discretion, take such action to withhold payments to the Grantee on any other grant with the Agency or other State entities until the required reports have been submitted.

XX. Access to Records

A. The Grantee, in accepting the Grant and executing this Grant Agreement, agrees to make available to the Agency, any Federal agency whose funds are used in connection with the Grant, and their duly authorized representatives, all records necessary to monitor, evaluate, review, investigate, or audit the Grantee’s use of the Grant Amount and performance under this Grant Agreement.

B. Records subject to access include, but are not limited to, financial records, accounting records, books, documents, papers, source documentation, contracts, procurement records, payroll and personnel records, property records, programmatic records, performance records, reports, correspondence, electronic records, data, and any other records relating to the Grant, the Project, or costs charged to the Grant Amount.

C. The Agency may conduct site visits (in addition to any site visits allowable under Section XIX above), inspections, reviews, audits, and requests for documentation as necessary to the carry out its responsibilities under this Grant Agreement and applicable law. The Agency generally shall provide prior notice when reasonable and practical; however, the Agency retains the right to conduct unannounced site visits, inspections, reviews, audits, or requests when deemed necessary.

D. The Grantee shall ensure that the Agency, any Federal agency whose funds are used in connection with the Grant, and their duly authorized representatives have access to the records relating to the Grant. The Grantee shall include appropriate access-to-records provisions in each agreement with a subgrantee.

E. The Agency reserves the right to access audit documentation, including work papers, produced in connection with any audit, review, or examination of the Grantee or Grant, whether prepared by the Grantee, an independent certified public accountant, registered municipal accountant, licensed public accountant, or other auditor or reviewer engaged by the Grantee.

F. Access to records shall be provided during normal business hours, unless the Agency determines that other access is necessary. The Grantee shall cooperate fully with all authorized monitoring, inspection, review, audit, investigation, and closeout activities.

G. Nothing in this Section XX requires the public disclosure of records that are confidential, privileged, or otherwise protected from disclosure by law. However, the Grantee may not withhold such records from the Agency or other authorized oversight entity when access is required for monitoring, audit, investigation, enforcement, or closeout purposes, provided that appropriate safeguards are used to protect confidential or legally protected information.

XXI. Record Retention

A. Except as otherwise provided in this Grant Agreement or required by applicable Federal or State law, rule or regulation, records retention schedule, program requirement, or written direction of the Agency, the Grantee shall retain all financial records, programmatic records, supporting documents, statistical records, source documentation, electronic records, and all other records pertinent to the Grant for a period of seven years. Records may be retained in electronic form if the records remain complete, accurate, accessible, secure, and capable of being produced for monitoring, audit, investigation, enforcement, and closeout purposes throughout the applicable retention period.

B. The seven-year retention period begins on the date the Grantee submits the final expenditure report to the Agency. For Grants that are renewed annually, the retention period begins on the date the Grantee submits the annual financial report for the applicable Grant year, unless this Grant Agreement or Agency directs otherwise.

C. If any litigation, claim, negotiation, investigation, monitoring review, audit, questioned cost, disallowance, enforcement action, or other action involving the records begins before the expiration of the retention period, the Grantee shall retain the records until the action is completed and all issues are resolved, or until the end of the regular seven-year retention period, whichever is later, unless the Agency directs a longer retention period.

D. Records for real property, equipment, or other nonexpendable property acquired or improved, in whole or in part, with the Grant Amount shall be retained for seven years after the date of final disposition, replacement, or transfer of the property, unless a longer period is required by applicable law, this Grant Agreement, or written direction of the Agency.

E. The Grantee shall require any subgrantee to retain records related to the subgrant for the retention period required by this Section XXI and shall include appropriate record-retention requirements in each agreement with a subgrantee.

F. The Agency may request the transfer of records to its custody when it determines that the records possess long-term retention value, are needed for continuing oversight, or are necessary to protect the interests of the State. If records are needed for joint use, the Agency and the Grantee shall make appropriate arrangements for access, custody, copying, or continued retention.

XXII. Enforcement

A. Remedies for Noncompliance

If the Grantee materially fails to comply with the terms or conditions of a Grant, whether set forth in this Grant Agreement, an applicable State or Federal statute or regulation, an assurance, application, approved budget, notice of award, program requirement, circular or other governing authority, the Agency may take one or more of the following actions, as appropriate under the circumstances:

1. Temporarily withhold payments pending correction of the deficiency by the Grantee or pending further enforcement action.

2. Disallow all or part of the costs of any activity, expenditure, or action that is not in compliance.

3. Suspend or Terminate the Grant, in whole or in part.

4. Withhold, reduce, or condition further awards or payments to the Grantee, to the extent authorized by law and this Grant Agreement.

5. Require the Grantee to return unspent Grant funds, repay amounts expended in violation of this Grant Agreement or other governing requirements, or reimburse the Agency for

Disallowed Costs.

6. Require the Grantee to submit and implement a corrective action plan.

7. Take any other remedy available under this Grant Agreement, applicable law, or other governing authority.

The remedies in this Section XXII are cumulative and may be exercised individually or in combination.

B. Hearings and Appeals

In taking an enforcement action, the Agency shall provide the Grantee with any notice, hearing, appeal or other administrative process to which the Grantee is entitled under the Grant Agreement or applicable law.

C. Effect of Suspension or Termination

See Section XXIII (F).

D. Relationship to Debarment and Suspension

The enforcement remedies identified in this Section XXII, including Suspension and Termination, do not preclude the Grantee from being subject to applicable State or Federal debarment, suspension, disqualification, exclusion, or other responsibility procedures.

XXIII. Termination and Suspension

A. Suspension for Noncompliance

1. If the Grantee fails to comply with this Grant Agreement, applicable Federal or State requirements, or any Grant award stipulation, standard, or condition, the Agency may Suspend the Grant, in whole or in part. During a Suspension, the Agency may withhold payments, prohibit the Grantee from incurring additional obligations of Grant funds, require corrective action, impose other conditions pending resolution of the noncompliance, or decide to terminate the grant in accordance with paragraph B below.

2. The Agency shall notify the Grantee in writing of the Suspension, the reasons for the Suspension, the effective date, the portion of the Grant affected, any corrective action required, and any conditions for reinstatement. Costs incurred during a Suspension are not allowable unless expressly authorized in writing by the Agency or otherwise permitted under this Grant Agreement and applicable law.

B. Termination for Cause

The Agency may Terminate the Grant, in whole or in part, if the Agency determines that the Grantee has failed to comply with this Grant Agreement, applicable Federal or State requirements, or any Grant award stipulation, standard, or condition. The Agency shall notify the Grantee in writing of the Termination, the reasons for the Termination, the effective date, and, in the case of a partial Termination, the portion of the Grant being Terminated.

After the effective date of Termination, the Grantee shall not incur new obligations for the Terminated Grant or Terminated portion of the Grant, unless expressly authorized in writing by the Agency. Payments made to the Grantee, recoveries by the Agency, and any other rights or liabilities of the parties shall be determined in accordance with this Grant Agreement and applicable law.

C. Termination by Mutual Agreement

The Agency and the Grantee may Terminate the Grant, in whole or in part, by mutual written agreement when both parties determine that continuation of the Project, or a portion of the Project, would not produce beneficial results commensurate with the further expenditure of the Grant Amount. The written agreement shall state the effective date of the Termination, the portion of the Grant being Terminated, the responsibilities of each party, and any conditions for closeout, repayment, or final payment.

After the effective date of a mutual Termination, the Grantee shall not incur new obligations for the Terminated Grant or Terminated portion of the Grant and shall cancel as many outstanding obligations as reasonably possible, unless otherwise authorized in writing by the Agency.

D. Effect of Partial Termination

If a Grant is Terminated in part, the Grantee may continue to carry out the portion of the Project that has not been Terminated, provided that the Agency determines that the remaining portion of the Grant continues to serve this Grant purpose and that sufficient funds remain available. The Agency may amend this Grant Agreement, approved budget, Project scope, performance requirements, reporting requirements, or other Grant terms as necessary to reflect the partial Termination.

E. Closeout

The Grant Closeout procedures in Section XXIV shall apply to all Terminations, including partial Terminations.

F. Costs resulting from obligations incurred by the Grantee during a Suspension, or after the effective date of Termination, are not allowable and cannot be applied against the Grant Amount unless expressly authorized in writing by the Agency. Costs resulting from obligations properly incurred before the effective date of Suspension or Termination may be allowable if they are necessary, reasonable, noncancellable, not reasonably avoidable, and otherwise allowable under this Grant Agreement and applicable law.

Suspension or Termination does not relieve the Grantee of continuing obligations under this Grant Agreement, including obligations relating to reporting, record retention, audit, access to records, repayment of Disallowed Costs, return of unspent Grant funds, property disposition, and cooperation with Grant Closeout.

G. Notwithstanding the above, the Agency may suspend or terminate the Grant in the event (a) there is a reduction or cancellation of an appropriation of funds allocable to the Grant; (b) funds allocable to the Grant are unavailable; or (c) the terms and conditions of the funds available to the Agency allocable to the Grant have been modified. The Agency shall promptly notify the Grantee in writing of the Suspension or Termination and the reasons for the Suspension or Termination together with the effective date of such action. Payments made to the Grantee or recoveries by the Agency under the Grant Suspended or Terminated under this paragraph shall be in accord with the legal right and liability of the parties.

POST-TERM REQUIREMENTS

XXIV. Grant Closeout Procedures

The Grantee shall complete Grant Closeout upon the Date of Completion, expiration of the Term, or Termination of this Grant Agreement, in whole or in part, as applicable. The Grantee shall submit all final expenditure reports, performance reports and other closeout documents required by the Agency within the timeframes set forth in Attachment A, Part VI. Closeout actions may also

include resolution of Disallowed Costs, submission of required audit information, disposition of property, cancellation of outstanding obligations when required, and any other action necessary to close the Grant.

A. The Agency may, in the Agency's sole discretion, extend a closeout deadline upon the Grantee's written request. The request must be submitted before the applicable due date, unless the Agency determines that extenuating circumstances justify a later request. No extension is effective unless approved in writing by the Agency.

B. Together with the final report, the Grantee shall refund to the Agency any unexpended or unobligated Grant funds previously advanced to the Grantee, except for the amounts the Agency has authorized in writing to be retained or used for an approved purpose. In the case of a partial Termination, the Grantee shall refund any such funds attributable to the terminated portion of the Grant.

C. Grant Closeout does not affect the Agency's right to recover funds after closeout if an audit, review, investigation, monitoring activity, or other authorized oversight process identifies Disallowed Costs, overpayments, unspent funds, unsupported costs, or other amounts owed to the Agency. If a final audit has not been completed prior to Grant Closeout, the Agency retains the right to recover any appropriate amount after considering the audit findings, recommendations, questioned costs, or other relevant information.

Attachments:

A. Additional Grant Provisions
B. Approved Budget
C. Comparison of Actual to Budget Expenditures
D. Program Specifications

I. GRANT AGREEMENT DATA

STATE OF NEW JERSEY

GRANT AGREEMENT

1. Date Issued
2. Supersedes Award Notice Dated

3a. Grant Award No.
3b. DUNS No.

1. Title of Grant Award

5a. Agency Name/Address

5b. Financial Officer Name and Title

5c. Phone No.

6. Grant Term (Mo./Day/Yr.)
From Through

5d. Grantee
Name
Street
State
Zip Code

7. Vendor I.D. No.

8. Source of Funds

FISCAL YEAR	ACCOUNT NUMBER	CFDA #	AMOUNT

9. Award Computation for Grant
a. Grant Amount $
b. Less Unobligated Balance from Prior Budget Periods
c. Less Cumulative Prior Award(s) this Budget Period
d. Amount of this Action $

10a. Nature or purpose of program to be funded.

10b. This Grant is subject to the terms and conditions incorporated either directly or by reference in the following:
Attachment A - Additional Grant Provisions
Attachment B - Approved Budget
Attachment C - Comparison of Actual to Budget Expenditures
Attachment D - Program Specifications

The Grantee's Terms and Conditions for Administration of Grants is referenced in this Grant Agreement.

Acceptance of the grant terms and conditions is acknowledged by the Grantee by:
(1) Returning a copy of this Grant Agreement with Section I (12) properly completed; or
(2) Accepting the Grant from the Agency. This method of acceptance is valid if a grant application signed by an officer of the Grantee is on file at the Agency.

11. Remarks (Other Terms & Conditions attached) Yes ______ No ______

12. Agency and Grantee Signatures

If this Grant Agreement, including all attachments annexed hereto, correctly sets forth your understanding of the terms and conditions applicable to the Grant, please indicate your organization's concurrence with such terms by having the enclosed copy of this Grant Agreement signed by an appropriate officer of your organization and returned to the Agency.

ACCEPTED AND AGREE:

(Grantee/Organization)

By

Title

I attest that sufficient funds have been appropriated by State Legislature to cover the current state fiscal portion of the grant.

AGENCY GRANT APPROVAL OFFICER

COUNTERSIGNED:

(Agency)

By

Title

APPROVED FOR FORM

OFFICE OF THE ATTORNEY GENERAL

A GRANT BETWEEN

STATE OF NEW JERSEY

____
(AGENCY)

AND

____
(GRANTEE)

GRANT NUMBER___________________________________

ADDITIONAL GRANT PROVISIONS

Attachment A is hereby annexed to and provides for additional grant provisions and conditions between the ______________ and ____________________ detailed below.
(Agency) Grantee/Organization)

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Grant Agreement.

I. Audit Requirements

A. Any audit required under Section XIV of the Grant Agreement will be conducted on an organization-wide basis and on the Grantee's fiscal year. The Grantee's fiscal year ends on (Date).

B. Any changes to the Grantee's fiscal year must be reported immediately to the Agency.

C. Copies of audit reports must be submitted to the Agency.

D. The Grantee must assure the Agency that auditors satisfactorily comply with the Government Accountability Office's Government Auditing Standards (Yellow Book) for internal and external quality control review program requirements.

E. All grants must include the audit requirements as delineated in the Department of the Treasury Circular Letter, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

F. The following method has been designated in performing audits.

☐ State auditors

☐ Agency internal auditors

☐ CPA firm appointed by the Agency CPA

☐ firm appointed by the Grantee

☐ Other____________________________________

G. Grants which are basically procurement in nature and represent a contractor/vendor relationship shall not be subject to the audit requirements contained in Section XIV of this grant agreement.

II. Certification to Adequacy of Accounting System

A statement attesting to the adequacy of the Grantee's accounting system in accordance with standards set forth in the Section VIII, Financial Management System of this grant.

☐ Must be completed by the Chief Financial Officer

☐ Is not required

III. Budget Revision and Modification

All budget revisions and modifications must be approved in writing by (Name)__________, _____(Title)_______, hereby designated by the Agency as its Grant Approval Officer.

The following procedures will be required for budget revisions and modification:

A. For all grants refer to Section XV of the Grant Agreement.

B. Budget variance requests must be submitted in writing by the Grantee and must include an explanation of the reasons for the variance request.

As the Grantee is not allowed to incur expenditures over and above the limits set for budget variances, it is incumbent on the Grantee to request budget variance approval whenever it is anticipated that spending will exceed the limits.

IV. Program Income

Other program income, if any, as defined in Section XIII of the Grant Agreement, shall be treated by the Grantee in the following manner:

☐ Added to funds committed to the project by the Agency and be used to further eligible Project objectives; or

☐ Deducted from the total Project costs for the purpose of determining the net costs on which the Agency grant payments shall be based.

☐ Cost sharing or matching method (Using program income to meet cost-sharing or matching requirements)

☐ Not applicable.

V. Method of Payment

A. The Grantee will be paid on a reimbursement basis.

B. Where deemed applicable, the Agency may authorize advance payments to be made to the Grantee. These payments are not to exceed ___________ dollars or __________ percent of the Grant Amount.

C. Progress payments shall be made by the Agency on a (Mo/Qtr.) basis.

VI. Financial and Performance Reporting (See Section XIX of the Grant Agreement)

A. Interim expenditure reports shall be submitted on a (Mo/Qtr.) basis. These reports, certified by the Grantee's Chief Financial Officer, shall be submitted no later than
__________ days immediately following the end of the (Mo/Qtr.) period.

B. Interim performance reports shall be submitted on a (Mo/Qtr.) basis. These reports should be submitted no later than __________ days after the end of each reporting period.

C. Final reports should be submitted by the Grantee no later than 60 days after completion of the Term or Termination of the grant.

D. The Grantee's financial reports shall be prepared in a manner consistent with the Grantee's normal accounting records, which is:

☐ Cash Basis ☐ Accrual Basis ☐ Other (specify)

VII. Bonding and Insurance (See Section III of the Standard Grant Agreement)

It is the responsibility of the Grantee to ensure all insurance requirements consistent with the applicable business/not-for-profit entity are extended to include the purposes and intent of the Grant.

VIII. Interest

A. Charges for Unresolved Audit Findings

An interest charge on unallowable costs that are not repaid by the Grantee shall begin to accrue 30 days from the date the Grantee is notified of the debt. The interest shall continue to accrue while any appeal of the audit findings is underway. In the event the Grantee is successful in its appeal, the accrued interest will be eliminated.

B. Interest Earned on Advanced Payments

Grantees must deposit advances of State grants and State Aid payments in interest bearing accounts.

In accordance with the terms and conditions of the Grant Agreement, interest earned on advanced payments greater than $250 in a given calendar year shall be reported.

Attachment B

A GRANT BETWEEN

STATE OF NEW JERSEY

AGENCY ____

AND

____
(GRANTEE)

GRANT NUMBER____

APPROVED BUDGET

FOR THE PERIOD TO ____________ TO ____________
(Date) (Date)

Budget Categories	Federal	State	Other Funds	Total Budget
A. Personnel:				
Salaries	$__________	$ __________	$ __________	$ __________
Fringe Benefit	__________	__________	__________	__________
B. Consultants	__________	__________	__________	__________
C. Other Cost Categories: (specify)				
Audit	__________	__________	__________	__________
Total Direct Cost	__________	__________	__________	__________
Less Program Income	__________	__________	__________	__________
Total Direct Cost Funded By Agency	__________	__________	__________	__________
Indirect Cost	__________	__________	__________	__________
Total Costs Funded By Agency	$__________	$ __________	$ __________	$__________

Attachment C

A GRANT BETWEEN

STATE OF NEW JERSEY

AGENCY ____

AND

____
(GRANTEE)

GRANT NUMBER____

COMPARISON OF ACTUAL TO BUDGET EXPENSES

FOR THE PERIOD ENDING ____________________

Budget Categories	Total Budget	Actual (Mo./Qtr.)	Cumulative	Variance
A. Personnel:				
Salaries	$__________	$ __________	$ __________	$ __________
Fringe Benefit	__________	__________	__________	__________
B. Consultants	__________	__________	__________	__________
C. Other Cost Categories: (specify)				
Audit	__________	__________	__________	__________
Total Direct Cost	__________	__________	__________	__________
Less Program Income	__________	__________	__________	__________
Total Direct Cost Funded By Agency	__________	__________	__________	__________
Indirect Cost	__________	__________	__________	__________
Total Costs Funded By Agency	$__________	$ __________	$ __________	$__________

A GRANT BETWEEN

STATE OF NEW JERSEY

AGENCY ____

AND

____
(GRANTEE)

GRANT NUMBER____

PROGRAM SPECIFICATIONS

Briefly describe the grant, including: products/reports to be delivered, timeline, target population, and expected outcomes.