

Legend:

CAA1 = CAA performing services

CAA2 = CAA requesting services

**DELEGATE AGENCY
AGREEMENT**

THIS AGREEMENT is entered into as of the [REDACTED], by and between the
CAA2 [REDACTED], a nonprofit corporation organized and
existing under the laws of [REDACTED], hereinafter referred to as CAA2, and, CAA1
[REDACTED], hereinafter referred to as CAA1.

RESOLUTION

WHEREAS, CAA2 is the recipient of State, Local, and Federal funds designed to assist low income families; and

WHEREAS, said grants provide funding for the operation of a CSBG Program, Energy Assistance Program, Temporary Emergency Food Assistance program, Emergency Food and Shelter program, a Weatherization program, Personal Support Services, and Long Term Care Ombudsman Program, and other local assistant programs as funded within the corporate fiscal year June 1 through May 31.

WHEREAS, CAA2 desires to continue to provide program services to the Community; and

WHEREAS, pursuant to said State, Federal and Local funding CAA2 is undertaking certain activities; and

WHEREAS, CAA2 desires to engage CAA1 to render certain assistance in such undertakings; and

NOW, THEREFORE, CAA2 and CAA1 do mutually agree as follows:

SECTION ONE
SERVICES TO BE RENDERED

CAA1 shall provide assistance to advance self sufficiency and reduce economic dependency in accordance with the rules and regulations of each funding source involved with the programs mentioned above. CAA1 shall, in such satisfactory and proper manner as determined by CAA2, perform services, achieve the program goals and conduct the activities as indicated in the attached **Scope of Services, Appendix A** and incorporated in this Agreement, to targeted residents, who are defined as low-income families and individuals whose income

does not exceed the current federal income poverty guidelines assigned to each grant and contract included in this agreement.

In that CAA1 will be the delegate agency, the executive director of CAA1 is authorized to sign as the executive director of CAA2 and likewise the fiscal officer of CAA1 is authorized to sign as the fiscal officer of CAA2.

SECTION TWO **OPERATING PERIOD**

This Agreement shall be effective the [REDACTED], and shall terminate on the [REDACTED], unless otherwise extended or as may be provided elsewhere in this Agreement. CAA1 assures that, pursuant to written authorization from CAA2, it has performed and will continue to perform services in substantial conformance with Appendix A **during the contract period**. Expenses incurred between [REDACTED] and [REDACTED], pursuant to the aforesaid written authorizations, shall be deemed to have been incurred as a part of, and not in addition to, the budget contained in **attached Appendix B** of this Agreement. Payments heretofore made by CAA2 to CAA1 as reimbursement for such expenses shall be deemed to be payments under this Agreement.

CAA1 shall complete performance under this Agreement **no-later-than** [REDACTED]. Any letter or agreement issued subsequent to the execution of this Agreement, which allows CAA1 to operate the referenced grants and contracts **beyond** [REDACTED], shall be considered a part of this Agreement, unless otherwise indicated.

SECTION THREE **PERFORMANCE STANDARDS AND MEASURES**

A. Rate of Service Delivery

1. CAA1 shall achieve, each month, a pro rata share of its proposed target of units of service to be delivered and/or clients to be served (direct and referral), as stated in **the attached Appendix C**, with the exception of seasonal program targets.
2. This criterion consists of a comparison of the number of services delivered (direct and referral) to the number of services planned. Relevant data shall be submitted to CAA2 by CAA1 through monthly Director's reports to each meeting of the CAA2 Board of Directors.

B. Expected Outcomes

1. CAA1 shall achieve at least eighty five percent (85%) of the planned services, either directly or through referral to other agencies, programs, or sources, unless otherwise justified.

2. Whenever a service is provided, CAA1 shall conduct and document follow-up activities to determine the outcome of the service.

SECTION FOUR
PROGRAM RECORDS AND REPORTING REQUIREMENTS

- A. CAA1 shall maintain adequate records on program operation, staffing, intake, and servicing, inclusive of but not limited to verification and retention of copies of documents representing the eligibility (i.e. pay stub, employer certification, proof of residency, etc.) of clients served during the period of this Agreement and in accordance with the requirements of each funding source.
- B. All reports shall include an assessment of CAA1 's program activities; program accomplishments; deviations from activities to have been performed and explanations thereof; specific problems (CAA1 or client) encountered, if any, in meeting objectives, along with any plans to remedy the problems; specific numbers, where possible, of residents and other persons in the community who were involved in the program; and collaborations with other organizations serving the target population, if any, and shall be submitted at the desired frequency as outlined in this Agreement.
- C. **Monthly Reports.** CAA1 shall submit monthly reports (programmatic and/or financial) to each funding source included in this agreement and as specified in each grant or contract. CAA1 shall submit a monthly program report to the CAA2 Board of Directors at regular meeting. In all instances, accomplishments as stated in the monthly report should be reflective of the number of staff persons assigned to a particular component and identify achievements relating to CAA1 's programs funded under this Agreement. Further, CAA1 shall submit a monthly financial narrative, an aged receivable report, agency balance sheet, and statement of financial position as information to the Board of Directors at each regular meeting or as otherwise requested.
- D. **Quarterly Reports.** CAA1 shall submit a quarterly progress report to each funding source as required by the specific grant or contract. CAA1 shall submit all financial reports on behalf of CAA2 as required by State and Federal law.
- E. **Annual Report.** CAA1 shall submit all annual financial reports on behalf of CAA2 as required by State and Federal Law.
- F. CAA2 will provide CAA1 with reasonable access to such documents as may be necessary to assure compliance with this agreement.

SECTION FIVE **MONITORING AND ASSESSMENT**

It is understood and agreed that, during the period covered by this Agreement, CAA2 shall monitor and assess CAA1 and will confer with the CAA1 's staff as CAA2 deems necessary. CAA1 agrees to cooperate with CAA2 and with any other organization or individual engaged by CAA2 for this purpose.

The Chairman of CAA2 's Board shall have the responsibility for monitoring and assessing CAA1 's performance and outcomes of the Agreement requirements as set forth in this Agreement, and in any applicable regulations. All such monitoring and assessments shall be conducted in accordance with the procedures and criteria outlined in each grant or contractual regulations.

In the exercise of this responsibility, the CAA2 Chairman may designate any other committee and/or board member to assist in carrying out this function. CAA1 shall provide all reasonable assistance and facilities for the convenience of the CAA2 monitoring and assessment unit and or team in executing the performance assessment process. CAA2 , through its authorized unit and or team, has the right, at all reasonable times, to inspect or otherwise monitor and assess the work performed, or being performed and the premises in which said work is being performed. If any inspection or monitoring and assessment is made of the premises or the program of CAA1 , all such inspections and monitoring and assessments shall be performed in such a manner as will not unduly delay the work of CAA1 ..

SECTION SIX **COSTS AND PAYMENT REQUIREMENTS**

For the performance of this Agreement during the period [REDACTED] through [REDACTED], CAA1 will be reimbursed by CAA2 in an amount not to exceed the sum total of all grants and contracts referenced in the agreement and for authorized expenses incurred pursuant to the budgets attached hereto as **Appendix B, as presented and/or as amended**, and made a part of this Agreement. CAA2 is not obligated to reimburse the CAA1 for any program costs that exceed these amounts. The total amount, however, is subject to adjustment by CAA2 if the period of operation is less than the period specified, or if a substantial change is made in the Scope of Services that affects this Agreement. CAA1 shall incur costs in performing hereunder in accordance with the cost categories and total cost set forth in the budget in **Appendix B, as presented and/or as amended**. Costs incurred shall only be as necessary to carry out the purposes and activities of the approved program. Expenses charged against program funds shall be incurred in accordance with Office of Management and Budget (OMB) Circular A-122, OMB Circular A-133 and any other directives.

CAA2 shall reimburse CAA1 for authorized expenditures incurred under this Agreement according to the following method:

1. CAA1 shall charge CAA2 an administrative fee equal to, but not to exceed CAA1 's interim, provisional and/or approved administrative cost agreement as issued by DHHS. A copy of the current administrative cost agreement is attached to this agreement as Exhibit I.
2. CAA1 shall pay CAA2 's contract/grant expenses including payroll and related taxes within the scope of applicable budgets.
3. CAA1 's administrative fee will be assessed monthly, based on a percentage of CAA2 's direct salaries to all direct salaries (CAA1 and CAA2).
4. As cash flow permits, expense reimbursements are authorized for CAA1 's administrative costs.
5. Payment in the form of advances may be made, at the discretion of CAA2 , on a monthly or periodic basis upon the submission of appropriate requisition forms.
6. No reimbursement or advance payment by CAA2 shall affect the allowableness of costs as determined by the required annual independent audit.
7. It is emphasized that the expenses to be reported shall be on the same accounting basis, (i.e., cash or accrued expenditure (accrual)), as utilized in CAA1 's accounting system.
8. Any overpayment resulting from early termination or remaining at the natural expiration of this Agreement or extension(s) hereto, shall be returned to CAA2 within sixty (60) days after the effective date of such termination or natural expiration of this Agreement or extension(s) hereto.
9. Unless otherwise required by Federal statutes, or as stated above, payments for proper expenses incurred by CAA1 will not be withheld unless CAA1 owes money to the United States and collection of the debt by withholding payments will not impair the accomplishment of the objectives of any program sponsored by the United States.

SECTION SEVEN
PROGRAM INCOME

- A. CAA1 is accountable to CAA2 for income generated by activities performed under this Agreement. All program income earned by CAA1 (on behalf of CAA2) during the operating period of this Agreement may be used for allowable costs to within the services in Appendix A.
- B. Program income means gross income earned by CAA1 from activities in which part or all of the cost is either borne as a direct cost by a grant or Agreement from CAA2 or counted as a direct cost towards meeting a cost sharing requirement of such grant or Agreement. It includes, but is not limited to the following:
1. Income from services fees;
 2. Proceeds from the sale of property or other assets with an acquisition cost of less than \$1,000;
 3. Usage or rental fees;
 4. Royalties on patents and copyrights;
 5. Other income as defined by USDHHS; and
 6. Interest income.
- C. Allowable Uses of Program Income:
1. Program income received may be used for any service which CAA1 will provide through the previously referenced grants and/or contracts.
 2. All program income must be used during the applicable grant and/or contract period in which it is earned. It must be used in one of the following ways: (a) added to funds committed to the program and used to further eligible program objectives; (b) used to finance the non-Federal share of the program, if any; and (c) on a regular basis deducted as a cash resource from total allowable program costs for the purposes of determining net allowable cost.
 3. Program income must be deposited into an appropriate bank account on a regular basis.

SECTION EIGHT
ACCOUNTING SYSTEM STANDARDS

The expenditures of all program funds must be accounted for in accordance with proper accounting methods. CAA1 shall establish and maintain a consistent system of accounting and fiscal management to assure adequate internal controls that must meet the following minimum standards:

1. Records must be maintained which identify adequately the source and application of funds for grant supported activities. These records shall, among other things, contain information pertaining to authorizations, obligations, unobligated balances, assets, liabilities, outlays and income.
2. Effective control over and accountability for all grant award funds, property and other assets must be developed and maintained. CAA1 shall adequately safeguard all such property and shall assure that it is used solely for authorized purposes.
3. Obligations may not be incurred in a program unless the budget or forecast plan includes an appropriation authorizing the obligation and an unobligated balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current year.
4. The CAA1 's executive director or designee shall either approve or disapprove the necessary disbursement for bills, invoices, or other claims against CAA1 when presented for payment.
5. CAA1 shall not pay a bill, invoice, salary, or other claim except by a check or draft from an official depository. However, a petty cash fund may be used to pay for infrequent, low-cost, and incidental expenses, if required.
6. Separate general ledger accounts shall be established and maintained and identified by the number assigned to the program.
7. The accounting system must be designed to show in detail CAA1 's assets, liabilities, net assets, and actual and budgeted revenues, and expenditures, as established in the budgets as originally adopted and subsequently amended.
8. Procedures must be implemented to minimize the time elapsing between the transfers of funds to CAA1 and reporting of expenses incurred, whenever cash is advanced by CAA2 .

9. Procedures must be designed and carefully followed in determining the allowability and allocability of eligible costs in accordance with the applicable cost principles prescribed in OMB Circular A-110 and OMB Circular A-122.
10. Accounting records must be supported by source documentation, such as cancelled check, paid bills, payrolls, etc. Each entry in the accounting records shall refer to the document that supports the entry and documentation shall be filed in such a way that it can be readily located. All checks, payrolls, invoices, agreements, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.
11. The accounting system shall contain an adequate means of internal controls and full, accurate reporting of financial information to safeguard assets, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed management policies.
12. All checks or drafts on an official depository shall be signed by CAA1 's executive director and countersigned by the chairman of the CAA1 's Board. The official depository (bank) for CAA2 funds shall be the [REDACTED].
13. All accounting records, supporting documents, statistical records, and other records pertinent to this Agreement are to be kept readily available for examination and or inspection by CAA2 and State, Local, and Federal personnel (or other appropriate persons) authorized to examine grant and contract funds.
14. If any member of the Board or officer or employee shall conceal, falsify or refuse to deliver or divulge any books, records, or information with an attempt thereby to mislead the auditor or impede or interfere with the audit, this Agreement may be terminated and all funds received may be subject to repayment.
15. Obligations incurred by CAA1 shall be liquidated within **sixty (60)** days following the close of the fiscal year in which the obligations were incurred.

It is expressly agreed and understood that CAA1 will be in default under this Agreement if it fails to maintain a system of accounting and internal control in strict compliance with the standards or regulations required by CAA2 and its related funding sources.

SECTION NINE
PROGRAMMATIC CHANGES AND BUDGET REVISIONS

- A. CAA1 shall provide **written notification** to the Chairman of CAA2 Board **prior to or within 24 hours** of any changes in the following: key staff positions (i.e. Executive Director, Fiscal Officer, Coordinators); address, e-mail, and/or telephone number of CAA1 ; and name and/or address of the person to whom notices are to be sent.
- B. CAA1 shall request **prior written approval** from CAA2 Board of Directors in order to make changes to the program scope, objectives, or outcomes set forth in the attached **Appendix A**.
- C. Budget revisions
1. CAA1 shall request **prior written approval** from the CAA2 Treasurer in order to increase any cost category in the last approved budget by more than **five (5) % or \$10,000, whichever is lower**; except CAA1 need not receive prior written approval for an increase in any cost category in the last approved budget that is lower than \$1,000. An increase to a cost category must be off set by a decrease of equal value to another cost category.
 2. CAA1 shall provide **written notification** to the CAA2 Treasurer regarding all other increases in cost categories in the last approved budget that do not meet the standards set forth in the prior paragraph. An increase to a cost category must be off set by a decrease of equal value to another cost category. Such notification must be included with the request for reimbursement.
 3. CAA1 shall request **prior written approval** from the CAA2 Treasurer in order to purchase any item(s) of personal property (property of any kind except real property) with a **unit price of more than \$5,000**.
 4. CAA1 shall request **prior written approval** from CAA2 Treasurer for all consultant agreements which include a pay rate in excess of **\$100 per hour**.
 5. CAA1 shall provide **written notification** to the CAA2 Treasurer promptly whenever CAA1 projects that it will exceed its authorized budget set forth in the attached **Appendix B**.
- D. Within **thirty (30) days** from the date of receipt of a request for approval, the CAA2 Treasurer shall review the request and notify CAA1 of its decision. If the request for approval is still under consideration at the end of thirty (30) days, the CAA2 Treasurer shall inform CAA1 in writing as to when to expect the decision. The decision shall be effective only if incorporated in a written amendment to this Agreement.

Failure to agree on the terms of a change or a revision shall be a dispute concerning a question of fact within the meaning of SECTION EIGHTEEN DISPUTES.

SECTION TEN AUDIT PROVISIONS

It is mutually agreed by and between CAA2 and CAA1 that CAA1 shall make or cause to be made an independent annual audit of CAA1 's and CAA2 's financial statements for period ending May 31 covered under this Agreement in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. §§7501-7507) and revised Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", if applicable. CAA1 shall assure that CAA2 's draft independent audit will be submitted by the independent auditor to the Finance/Audit Committee prior to submission to applicable funding sources. Such audit must be submitted no later than 5 months from the end of the agency's fiscal year unless otherwise extended in writing by the funding sources.

At any time or times before final payment and three **(3) years thereafter**, CAA2 may have CAA1 's expenditure statements audited, at CAA2 's expense. Whenever an audit shows that an expenditure not allowable under this Agreement has been charged to this Agreement or that CAA1 has otherwise failed to discharge its obligation to account for the expenditure of grant funds, CAA2 shall disallow the expenditure of the funds and repayments shall be subject to the provisions of this agreement and/or Grant Regulations, which are incorporated into this Agreement by reference. Any expenditure disallowed by audit or other CAA2 or funding source review shall be subject to repayment by CAA1 to CAA2 .

SECTION ELEVEN PROCUREMENT

- A. CAA1 shall establish written procurement procedures in accordance with the "Procurement Standards" of OMB Circular A-110 and adhere to the standards set forth therein, however, the standards do not relieve CAA1 of its responsibilities arising under this Agreement.
- B. CAA1 is the responsible authority, without recourse to CAA2 or the funding source regarding the settlement and satisfaction of all agreement and administrative issues arising out of procurement entered into, in support of a grant or other agreement. This includes disputes, claims, and protests of award, source evaluation or other matters of an Agreement nature. Matters concerning violation of law are to be referred to such local, State and Federal authorities as may have proper jurisdiction.
- C. All procurement transactions, shall be conducted in a manner to provide, to the maximum extent practical, full and open competition. Except in exigent circumstances, CAA1

shall obtain, where practicable, at least three bids or proposals for all purchases, of goods or services of \$5000 or more bought from funds provided pursuant to this Agreement.

- D. No employee, officer or agent of CAA1 shall participate in the selection, award or administration of an agreement to be paid in whole or in part with funds provided under this Agreement, when the employee, officer or agent or any member of his/her immediate family or his or her partner, or an organization with which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the organization, firm or other entity seeking or selected for such agreement. The term "immediate family" includes husband, wife, father, mother, brother, sister, son, daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, sister-in-law, and brother-in-law. The officers, employees and agents of CAA1 shall neither solicit nor accept gratuities, favors or anything of monetary value from CAA1, or parties to agreements. However, CAA1 may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.

SECTION TWELVE

PROPERTY MANAGEMENT

- A. CAA1's property management standards for expendable personal property shall include the following procedural requirements:
1. Property records shall be maintained accurately and provided for:
 - a. A description of the property;
 - b. Manufacturer's serial number or other identification number;
 - c. Acquisition data and cost;
 - d. Source of the property;
 - e. Percentage of Federal funds used in the acquisition of the property;
 - f. Location, use, and condition of the property; and
 - g. Ultimate disposition data including sales price or the method used to determine current fair market value if the CAA1 reimburses CAA2.
 2. Physical inventory of property shall be taken and the results reconciled with the property records at least once every two years to verify the existence, current utilization, and continued need for the property. (Appendix D)

3. A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft to the property. Any loss, damage, or theft of nonexpendable personal property shall be investigated and fully documented.
 4. Adequate maintenance procedures shall be implemented to keep the property in good condition.
 5. Proper sales procedures shall be established for unneeded property which includes provisions for price competitive auctions to the extent practicable.
- B. CAA1 shall adhere to all other terms and conditions set forth in OMB Circular A-110 at Property Standards. CAA1 shall submit to CAA2 a property inventory within **forty-five (45) days** after termination of this Agreement. However, should CAA1 be scheduled for funding renewal by at the end of operating period, the inventory should be submitted as part of the funding proposal.
- C. All property purchased with funds under this Agreement with a unit value of \$5,000 or more shall be labeled upon the termination of this Agreement and at the direction of CAA2, all property purchased with funds supplied by CAA2 shall be returned to CAA2.

SECTION THIRTEEN **RECORDS, INSPECTIONS AND RETENTION**

- A. CAA1 shall maintain time and attendance records for personnel receiving compensation under this Agreement. These records will be prepared per pay period and each person receiving compensation under this Agreement shall sign the document recording the time he/she has spent in performing services called for by this Agreement. He/she and his/her supervisor shall sign these time records and thereby attest to their accuracy.
- B. All program records, reports, books or other documents relating to this Agreement shall be available for inspection by CAA2, person or entity providing funding pursuant to the grant or Agreement referenced in the Resolution Section of this Agreement, by the Comptroller General of the United States and by such other persons or organizations as may be designated by CAA2 for a period of **three (3) years** from the date of submission of the final expenditure report and close-out under this Agreement. If any litigation claim or audit is started before the expiration of the **three (3) year** period the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken. Records for non-expendable equipment acquired with Agreement funds shall be retained for **three (3) years** after final disposition or replacement or transfer at the direction of CAA2.

SECTION FOURTEEN INSURANCE

CAA1 shall obtain, prior to this Agreement, and keep in force during the operating period of this Agreement, such Employer's Liability, Worker's Compensation, Public Liability and Property Damage insurance as shall protect CAA2 and CAA1 from claims for damages which may arise by reason of any act or omission of CAA1 and CAA2, its officers, agents, servants or any person (including independent contractors) directly or any person (including independent contractors) directly or indirectly employed by or acting on behalf of CAA1 or CAA2 in connection with the performance of this Agreement. CAA1 shall assure that appropriate insurance and/or bonds are purchased in CAA2's name as required by all contracts and/or grants.

CAA1 shall obtain the reference insurance in the name of CAA2. In the event of any other amendments or changes in coverage, CAA1 shall notify CAA2 of such amendment or change within **ten (10) business days** thereof. All insurance shall be written with responsible companies licensed by the State of [REDACTED].

SECTION FIFTEEN BONDING

CAA1 shall obtain and maintain, at all times during the term of this Agreement, a fidelity bond/employee dishonesty coverage covering the activities of each person authorized by CAA1 to sign or countersign checks, receive, handle or disburse monies provided under this Agreement. The bond shall be issued by an insurer duly licensed to transact business in the State of [REDACTED].

SECTION SIXTEEN CLOSE-OUT PROCEDURES

- A. CAA2 shall close-out this Agreement at the end of the operating period, unless otherwise extended.
- B. Upon termination or close-out of this Agreement, CAA2 shall provide an accounting of expenses incurred and accrued and funds received, expended, obligated and remaining under this Agreement to the CAA2 Board Treasurer and promptly pay outstanding obligations.
- C. Within **forty-five (45) days** after the expiration or termination of this Agreement, CAA1 shall submit all financial, performance, and other reports required as a condition of this Agreement. The CAA2 Board Treasurer may extend this deadline upon receipt of a justifiable written request by CAA1.
- D. CAA2 shall make prompt payment to CAA1 for allowable reimbursable costs.

- E. CAA1 shall immediately refund to CAA2 any balance of unobligated cash advanced that is not authorized to be retained for use on other agreements.
- F. The close-out of this Agreement shall not affect the following: (1) CAA2 's authority to disallow costs and recover funds on the basis of a later audit or other review; (2) CAA1 's obligation to return any funds due as a result of later refunds, correction or other transactions; or (3) CAA1 's duty under SECTION THIRTEEN to retain and make records available to CAA2 , and various funding sources for review.
- G. It is understood and agreed that payment under this Agreement or any extension hereof, after [REDACTED] is contingent upon the execution by CAA1 of CAA2 's Final Release form for the final Program Year and the CAA1 's fulfillment of all of its obligations there under. CAA1 shall also submit to CAA2 explanations of all questioned costs under this Agreement for any program year **within sixty (60) days** of receipt of the questions raised about CAA1 's program by the auditors.
- H. In the event that CAA1 fails to satisfy these requirements, CAA2 shall have the right to do any of the following:
1. Withhold present or future payments, including reimbursed expenditures questioned by the auditors under previous Agreements for which CAA1 has not provided a satisfactory explanation, until the obligations are satisfied; and
 2. Terminate this Agreement in accordance with SECTION SEVENTEEN hereof.

SECTION SEVENTEEN
SUSPENSION AND TERMINATION PROCEDURES

CAA2 may, by written notice of default to CAA1 , suspend this Agreement in whole or in part; or terminate this Agreement for cause in whole or in part; or take any other remedies that may be legally available if for any reason CAA2 determines, in its sole discretion, that CAA1 materially fails to perform as required herein or fails to comply with the terms and conditions of this Agreement so as to endanger provision of the services to the community and does not correct such failure within a period of ten (10) days (or such longer period as CAA2 may authorize in writing) after receipt of written notice from CAA2 specifying such failure, any corrective action required of CAA1 and the effective date.

A. Suspension

1. Suspensions may be made effective immediately if a delayed effective date would be unreasonable considering CAA2 's responsibilities to protect CAA2 's and the funding sources' interest.

2. Suspensions shall remain in effect until CAA1 has taken corrective action satisfactory to CAA2 , or given satisfactory evidence that corrective action will be taken or until CAA2 terminates this Agreement.
3. After receipt of Notice of Suspension, and except as directed by CAA2 , CAA1 shall immediately proceed with the following obligations:
 - a. Stop work as specified in the notice.
 - b. Incur no further expenses or obligations.
4. New obligations incurred by CAA1 during the suspension period will be unallowable unless CAA2 expressly authorizes them in the notice of suspension or a subsequent amendment. Necessary and otherwise allowable costs which CAA1 could not reasonably avoid during the suspension period will be allowed if they result from obligations properly incurred by CAA1 before the effective date of the suspension and not in anticipation of suspension or termination. Appropriate adjustments to payments under the suspended Agreement will be made either by withholding subsequent payments or by not allowing CAA1 credit for disbursements made in payment of unauthorized obligations incurred during the suspension period.

B. Termination

1. A Notice of Termination shall state the reasons for the termination and the effective date prior to expiration of the operating period of this Agreement. After receipt of Notice of Termination, and except as directed by CAA2 , CAA1 shall immediately proceed with the following obligations:
 - a. Stop work as specified in the notice
 - b. Incur no further expenses or obligations.
2. A termination may be effective immediately when the failure to comply with the terms of this Agreement is so serious that immediate termination is in the best interests of CAA2 .
3. In the event CAA2 terminates this Agreement in whole or in part as provided in this Section, CAA1 shall be liable to CAA2 for any excess costs for similar services, provided that CAA1 shall continue the performance of this Agreement to the extent not terminated under the provisions of this Section.
4. In the event that grant funding under which this Agreement is made, is terminated or the amount of the grant reduced by funding sources, CAA2 shall there upon have the right to terminate or reduce the Agreement amount (based on direct salaries paid to personnel working on CAA2 's contracts and/or grants) of this

Agreement by giving CAA1 written notice of such termination and specifying the effective date at least 15 days prior to the effective date of the termination.

5. This Agreement may be terminated at the request of CAA1 upon written notification to CAA2 setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if CAA2 determines in the case of partial termination that the reduced or modified portion of this Agreement will not accomplish the purposes for which this Agreement was made, CAA2 may terminate this Agreement in its entirety.
6. If CAA1 is unable or unwilling to comply with additional conditions as may be lawfully applied by funding sources to the grants and/or contracts to CAA2 , CAA1 shall terminate this Agreement by giving reasonable written notice to CAA2 , signifying the effective date thereof. In the event, CAA2 may require CAA1 to ensure that adequate arrangements have been made for the transfer of the delegate activities to another entity suitable to CAA2 .
7. All property, reports, studies, surveys, plans and other documents and material prepared or assembled by CAA1 pursuant to this Agreement through the effective date of termination shall become the property of CAA2 . CAA1 shall be entitled to receive just and equitable compensation for any satisfactory work completed pursuant to this Agreement through the effective date of termination. Notwithstanding such provision, CAA1 shall not be relieved of liability to CAA2 for such damages sustained by CAA2 by virtue of any breach of this Agreement by CAA1 , and CAA2 may withhold any payments to CAA1 for the purpose of off-set until such time as the exact amount of damages due from CAA1 is determined.

SECTION EIGHTEEN DISPUTES

- A. If CAA1 has a dispute regarding a question of fact arising under this Agreement, CAA1 may submit a request for resolution to the CAA2 Board Chairman. The request must be in writing and must include the specific issue(s) that are in dispute, the relevant facts and documentation, and whether CAA1 wishes to meet informally with the CAA2 Board Chairman regarding the dispute. The CAA2 Board Chairman shall contact CAA1 regarding the date, time and place for the informal meeting. Within **thirty (30) days** from receipt of the request for resolution or the informal meeting, whichever is later, the CAA2 Board Chairman or his/her duly authorized representative shall issue a written decision and mail or otherwise furnish the decision to CAA1 . The decision of the CAA2 Board Chairman or his/her duly authorized representative shall be final unless CAA1 mails or otherwise furnishes a written appeal to the CAA2 Board Chairman within **fifteen (15) days** from the date the Delegate

received the decision requesting a hearing before the full Board of Directors. CAA1 's written appeal must include the issues CAA1 disputes from the decision of CAA2 Board Chairman or his/her duly authorized representative, and the relevant facts and documentation. The CAA2 Board Chairman shall contact CAA1 regarding the date, time and place for the meeting. Within **thirty (30) days** from receipt of the appeal or the meeting, whichever is later, the CAA2 Board Chairman or his/her duly authorized representative shall issue a written decision and mail or otherwise furnish it to CAA1 . The decision of the CAA2 Board of Directors shall be final and conclusive unless otherwise determined by a court of competent jurisdiction.

- B. CAA1 shall proceed diligently with the performance of this Agreement in accordance with the CAA2 Board Chairman's decision pending a final decision from the CAA2 Board of Directors.
- C. This Disputes Section does not preclude consideration of law questions in connection with decisions provided for in this paragraph, provided that nothing in this Agreement shall be construed as making final the decision of any administrative official representative, or board on a question of law.

SECTION NINETEEN **GOVERNANCE AND CORPORATE VIABILITY**

- A. CAA1 must be in compliance with its bylaws. CAA1 must have by-laws that contain, as a minimum, clear provisions covering: (1) election procedures; (2) membership requirements; (3) voting rights; (4) duties, liabilities and limitations of Board members; (5) notification of meetings; (6) committees; (7) duties and responsibilities of officers; (8) selection and removal of officers and Board members; and (9) filling of vacancies.
- B. CAA1 shall ensure that the minutes are taken at each meeting of its Board and its Executive Committee. These minutes shall contain at least the following information: (1). a list of members present or absent from the meeting; (2).an identification of all motions duly acted upon during the meeting and the person offering the motion and the second, if any; (3) a brief description of the discussion of each such motion; (4) a statement of the exact motion as passed or defeated; and (5) an identification of any other pertinent matters considered.

The minutes, inclusive of a copy of proper notice, of each meeting of the Board or Committee shall be approved or amended, at the next subsequent meeting of such Board and shall be available to CAA2 Board Members. Said minutes shall bear the signature of the Secretary of the Board, certifying their accuracy.

- C. CAA1 shall be financially viable at all times during the life of this agreement and any subsequent extensions/renewals.

SECTION TWENTY
COVENANT AGAINST CONTINGENT FEES

CAA1 warrants that no person or selling agency or other organization has been employed or retained to solicit or secure this Agreement by an agreement or understanding which includes a commission, percentage, brokerage or contingent fee. For breach or violation of this Section, CAA2 shall have the right to annul this Agreement without liability, or in its discretion, to deduct from the compensation, or otherwise recover, the full amount of such commission, percentage brokerage or contingent fee.

SECTION TWENTY-ONE
CONFLICT OF INTEREST

CAA1, its directors, officers, members, partners, or employees or agents represent and warrant that they do not hold nor shall they acquire any interest, directly or indirectly, which would or may create the potential for a conflict of interest in any manner or interfere with CAA1's performance of the services herein described.

CAA1's employees, members of their immediate family, members of any board or policy making body of CAA1, and members of their immediate family are prohibited from accepting gifts, money gratuities or favors:

1. from persons receiving benefits or services under any program financed in whole or in part with funds payable under this Agreement;
2. from any persons or agency performing services or potential services under this Agreement; and
3. from persons who are otherwise in a position to benefit from the actions of any employee or board member.

SECTION TWENTY-TWO
NEPOTISM

CAA1 is prohibited from employing a person whose employment is supported by CAA2 funds or by contribution of the non-federal share in the event that the person would:

1. Hold a job while he/she or a member of his/her immediate family serves on a board or committee of CAA1 if that board or committee has authority to order personnel actions affecting his/her job;

2. Hold a job over which a member of his/her immediate family exercises supervisory authority; or
3. Hold a job while either he/she or a member of his/her immediate family **serves on** a board or committee which, either by rule or by practice, regularly nominates, recommends, or screens candidates for the agency or program. Immediate family shall include any of the following persons:

Husband	Wife
Father	Father-in-law
Mother	Mother-in-law
Brother	Brother-in-law
Sister	Sister-in-law
Son	Son-in-law
Daughter	Daughter-in-law

SECTION TWENTY-THREE **POLITICAL ACTIVITY PROHIBITED**

None of the funds, material, property or services contributed by CAA2 or CAA1 under this Agreement shall be used in the performance of this Agreement for any partisan political activity, or to further the election or defeat of any candidate for public office. CAA1 shall ensure that it will comply with the Hatch Act (42 U.S.C. 9918(b) (1) and 5 U.S.C. 1501 et seq.).

SECTION TWENTY-FOUR **RELIGIOUS ACTIVITY PROHIBITED**

There shall be no religious worship, instruction or proselytization as part of or in connection with the performance of this Agreement.

SECTION TWENTY-FIVE **ASSIGNMENT OF INTEREST**

CAA1 shall not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written approval of CAA2, provided, however, that claims for money due or to become due to CAA1 from CAA2 under this Agreement may be assigned to a bank, trust company, or other financial institutions or to a Trustee in Bankruptcy, without such approval. Written notice of any such assignment or transfer shall be furnished promptly to CAA2. Any breach hereof shall be void and vest no right against CAA2 in a third party.

SECTION TWENTY-SIX

SUB-AGREEMENTS

CAA1 shall not enter into any Sub-Agreement for any of the work contemplated under this Agreement and which is described in the attached Scope of Services Appendix A **without prior written approval** by the CAA2 Board Chairman.

SECTION TWENTY-SEVEN **OWNERSHIP AND CONFIDENTIALITY OF WORK PRODUCT**

The making of payments, including partial payments, by CAA2 to CAA1 under this Agreement shall vest in CAA2 the title and right to take possession of all reports, studies surveys, plans, memoranda, and other papers, documents, and material prepared or assembled by CAA1 under this Agreement up to the time of such payment, and CAA2 shall have the right to use or allow others to use the same for any purpose without other or further compensation to CAA1 or to any other person. CAA1 shall maintain confidential client and applicant files and shall provide access to these files only to persons properly authorized. CAA1 shall observe and abide by all applicable State and Federal statutes and regulations regarding use or disclosure of information including, but not limited to, information concerning applicants for and recipients of Agreement services. CAA1 agrees further that none of the above listed materials prepared or assembled pursuant to this Agreement shall be made available to any individual or organization except as expressly authorized by CAA2 .

SECTION TWENTY-EIGHT **PUBLICATION AND PUBLICITY**

CAA1 , within the limits imposed by SECTION TWENTY-SEVEN above, may publish results of its function and participation in the approved program without review by CAA2 provided that such publication acknowledges that the program is supported by funds granted through CAA2 .

SECTION TWENTY-NINE **COPYRIGHTS AND PATENTS**

If this Agreement results in a book or other copyrightable material, CAA2 and the funding agency reserve a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrighted material and all material that can be copyrighted resulting from this Agreement.

Any discovery or invention arising out of or developed in the course of work aided by this Agreement shall be promptly and fully reported to CAA2 and the funding agency for determination as to whether patent production on such invention or discovery shall be sought and how the rights in the invention or discovery, including rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.

SECTION THIRTY
COMPLIANCE AND ASSURANCES

- A. CAA1 shall ensure that all funds awarded pursuant to this Agreement shall be expended for the purposes and activities set forth in each CAA2 grant and/or contract and applicable regulations.
- B. CAA1 shall make available information, documents, books, papers, records, correspondence, and any other materials relating to the program under this Agreement, pursuant to the Freedom of Information Act, 5 U.S.C. § 552. However, CAA1 is not required to disclose those types of information or documents that are exempt from disclosure.
- C. CAA1 certifies that neither it nor its principles: 1) are presently debarred, suspended, proposed debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participation in this transaction by any Federal department or agency as provided on the website for the federal government's Excluded Party List System: www.epls.gov; 2) have not within a three-year period preceding the proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or contract under a public transaction' violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; 3) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in 20 above; and 4) have not with in the preceding three (3) years had one or more public transactions (Federal, State, or local) terminated for cause or default. See 2 CFR Part 180 (OMB Guidance for Governmentwide Debarment and Suspension (Nonprocurement)), 2 C.F.R. Part 376 (DHHS Implementation of OMB Guidance on Nonprocurement Debarment and Suspension) and 72 Fed. Reg. 35349 (June 28, 2007) (Government wide Debarment and Suspension) (USDHHS).
- D. CAA1 who receives amounts in excess of \$100,000 in Federal funds agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, 42 U.S.C. § 7401 et seq. and the Federal Water Pollution Control Act, as amended 33 U.S.C. §§ 1251 et seq.
- E. CAA1 who applied for an award of more than \$100,000 agrees to file a certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer of employee of any Federal agency, a member of Congress, or an employee of a member of Congress in connection with obtaining any Federal Agreement, grant or any other award covered by 31 U.S.C. § 1352 (Byrd Anti-Lobbying Amendment). See also 45 C.F.R. Part 93 (New Restrictions on Lobbying) (USDHHS).

- F. CAA1 agrees to comply with the Drug-Free Workplace Act of 1988, 41 U.S.C. §§ 701 et seq., as amended and the regulations at 45 C.F.R. Part 82. Pursuant to those laws and regulations, CAA1 agrees maintain a drug-free workplace, publish a drug-free workplace statement, establish a drug-free awareness program for all employees, take action concerning employees who are convicted of violating drug statutes in the workplace, and identify all known workplaces under your Federal awards
- G. CAA1 agrees to comply with the Human Rights Act of 1977, as amended. CAA1 will not discriminate on the basis of race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, matriculation, political affiliation, genetic information, disability, source of income, or place of residence or business in employment, in places of public accommodation, resort or amusement, in educational institutions, in public service, and in housing and commercial space accommodations.
- H. CAA1 agrees to comply with all Federal, State and Local laws applicable to organizations that conduct business in the targeted communities.

SECTION THIRTY-ONE
DOCUMENTS, LAWS, AND REGULATIONS
INCORPORATED BY REFERENCE

This Agreement is subject to all of the applicable regulations, guidelines, or other actions which may be adopted by the various funding sources of CAA2 . Also, the Agreement incorporates all laws applicable to non-profit organizations that conduct business in the State of [REDACTED].

SECTION THIRTY-TWO
RELATIONSHIP OF THE PARTIES

CAA1 's relationship to CAA2 for all purposes hereunder is that of an independent party and nothing herein and no circumstances created hereunder shall be construed to imply or create any other relationship between CAA1 and CAA2 for any purpose whatsoever.

To assure effective communication between CAA2 and CAA1 , the Chairman of the CAA2 Board shall be the primary contact between the administrative staff of CAA1 and the CAA2 Board. Any inquiry from other Board members should be channeled through the Chairman.

CAA1 shall have the right to implement this agreement without interference except as provided in this agreement. CAA1 shall assure the implementation of the will of the majority of the CAA2 Board, not individual members.

SECTION THIRTY-THREE
LIMITATION OF LIABILITY AND NON-LIABILITY OF CAA2

CAA1 hereby expressly agrees and covenants that, to the extent possible, it will hold and save harmless and indemnify CAA2, its officers, directors, agents, members, partners, servants and employees from liability of any nature or of any kind, in connection with the services to be performed hereunder, arising out of any act or omission of CAA1, its officers, directors, agents, members, partners, servants, employees, or of any employees of agents of CAA1.

All personnel of CAA1 shall be within the employ of CAA1 who alone shall be responsible for their work, direction and compensation. This Agreement does not impose any liability or duty on CAA2 for the acts, omissions, liabilities or obligations of CAA1 or its subgrantees or any person, firm, company, agency, association, corporation, or organization engaged by them as expert, consultant, independent contractors, specialist, trainee, employee, servant, or agent, or for taxes of any nature including, but not limited to unemployment insurance, worker's compensation, disability benefits, or social security, or except as specifically provided in this Agreement to any persons, firm or corporation. Without limiting the foregoing and to the extent possible, CAA2 shall not be liable for any payment made or obligation incurred in connection with the suspension or termination of any employee or vendor by CAA1.

SECTION THIRTY-FIVE
CHOICE OF LAW

CAA2 and CAA1 mutually agree and so designate the Courts of █████ County as the appropriate forum for litigation of any matter or dispute arising from the terms and conditions of this Agreement. It is further agreed █████ County shall maintain jurisdiction over CAA2 and CAA1 in any such action that arises from this Agreement.

SECTION THIRTY-SIX
WAIVER AND SEVERABILITY

The waiver of any breach of this Agreement shall not constitute a waiver of any subsequent breach thereof, or a waiver of the terms of this Agreement. This Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the enforceability of any other provision thereof.

SECTION THIRTY-SEVEN
MODIFICATIONS AND AMENDMENTS

CAA2 may, at any time, by written notice make changes in this Agreement that are prospective in nature. If such changes cause an increase or decrease in the cost of performance, or in the time required for performance, an equitable adjustment shall be made and the

Agreement modified in writing accordingly. Claims for adjustment by CAA1 must be asserted in writing and an amount stated within ten days from the date of the written notice of the change. If CAA2 determines that the facts justify such action during the operating period of the performance, such equitable adjustments may be made by CAA2 any time prior to the date of final payment under this Agreement. Failure to agree on the terms of any equitable adjustment shall be a dispute concerning a question of fact within the meaning of the SECTION EIGHTEEN DISPUTES.

Modifications in the Scope of Services of this Agreement that are mutually agreed upon by CAA1 and CAA2 shall be effective only if incorporated in written amendments to this Agreement.

SECTION THIRTY-EIGHT
PERSONS AUTHORIZED TO REPRESENT CAA2

CAA2 shall be represented in all dealings between the parties to this Agreement by its Chairman of the Board or by such other members of the staff of CAA2 as he may appoint.

IN WITNESS WHEREOF, CAA2 and CAA1 have executed this Agreement as of the date first above written.

CAA1

[Redacted Signature]

[Redacted Name], Chairman

Certified True and Correct:

[Redacted Signature]

[Redacted Name], Secretary

[Redacted Date]

DATE

SEAL

CAA2

[Redacted Signature]

[Redacted Name], Chairman

Certified True and Correct:

[Redacted Signature]

[Redacted Date]

DATE

SEAL

APPENDIX A
SCOPE OF SERVICE

Weatherization:

Dept. of Energy contract through [REDACTED] Environment and Facilities Authority
 Dept. of Health and Human Services contract through same
 [REDACTED] Power contract through same
 [REDACTED] Gas Light contract through same
 and other funds as may become available for CAA2

Community Services Block Grant:

CSBG contract through [REDACTED] Dept of Human Resources
 Commodity Distribution contract through same
 Emergency Food and Shelter contract through Natl EFS Board
 and other funds as may become available for CAA2

Energy Assistance Program:

EAP contract through [REDACTED] Dept. of Human Resources
 Regulated Marketer contract through same
 HEAT contract through same
 Cooling contract through same
 and other funds as may become available for CAA2

Long Term Care Ombudsman:

LTCO contract through [REDACTED] Regional Development Commission
 State Supplemental contract through same
 Activity contract through same
 Elder Abuse contract through same
 SSBG contract through same
 Community Based Services contract through same
 and other funds as may become available for CAA2

Personal Support Services

Community Care Service Prog. agreement through [REDACTED]
 Source agreement through same
 and other funds as may become available for CAA2

Third Party Operator, 5311 program

[REDACTED] County contract through County Commission
 [REDACTED] County contract through County Commission
 [REDACTED] County contract through County Commission
 [REDACTED] County contract through County Commission
 and other funds as may become available for CAA2

APPENDIX B
BUDGETS

(As of [REDACTED])

Weatherization

DOE	\$78,203	
HHS	\$76,569	
[REDACTED] Power	\$35,000	
[REDACTED] Gas Light	\$21,000	

Community Services Block Grant

CSBG	\$366,930	
Community Distribution	\$ 8,195	
EFS	\$-0-	(as available)

Energy Assistance

EAP	\$437,363	
Regulated Marketer	\$ 4,500	
HEAT	\$ 13,768	
Cooling	\$ -0-	(as available)

Long Term Care Ombudsman

LTCO	\$ 64,652	
State Supplemental	\$ 53,678	
Activity	\$ 17,638	
Elder Abuse	\$ 5,766	
SSBG	\$ 1,851	
Community Services	\$ 11,767	

Personal Support Services

CCSP estimate (performance based)	\$205,500	
Source estimate (performance based)	\$ 72,800	

Third Party Operator

[REDACTED]	\$ 45,180	
[REDACTED]	\$ 14,700	
[REDACTED]	\$ 26,184	
[REDACTED]	\$112,488	
[REDACTED]	\$ 26,040	

APPENDIX C
PROGRAM GOALS

Weatherization (estimate)

DOE	28 houses
HHS	27 houses
Power	9 houses
Gas Light	5 houses

Community Services Block Grant

CSBG	3,800 unduplicated individuals
Commodities Distribution	5,742 unduplicated households
EFS	

Energy Assistance

EAP	1,600 households
Regulated Marketer	as referred
HEAT	50 households
Cooling Assistance	

Long Term Care Ombudsman

Complaints processed	800 complaints
Information/Assistance	325 requests
Outreach/Education	18 requests
In-service Ed	17 training sessions
Routine Visits	1,026 non complaint visits to facilities
Residents' Council	20 meetings to be attended
Family Councils	1 meeting to be attended
Pre-survey visits	as referred

Personal Support Services

Provide personal support	as referred
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Third Party Operator

Monthly programmatic reports	12 per county
Monthly reimbursement requests	13 per county (December – prelim & final)

APPENDIX D
INVENTORY

As attached:

EXHIBIT I
INDIRECT COST RATE AGREEMENT

As attached: