

Memo from the desk of

Maureen Guilfoyle

To: Diane Cappiello

Cc: Greg Brennan, Manny Vieira

Re: NJDOE STEM Partnership Grant

Date: October 28th, 2016

Please approve a board resolution accepting the attached NJDOE STEM partnership grant in the amount of \$6,000 to be used to purchase materials for STEM curriculum instructional modules.

Please forward the board resolution to my office after the meeting.

Thanks. If you have any questions please call me at extension 6553.

STEM PARTNERSHIP MATERIAL RESOURCES

COOPERATIVE AGREEMENT

Fiscal Year 2017

STATE OF NEW JERSEY COOPERATIVE GRANT AGREEMENT BETWEEN

The Department of Education

AND

Union Township School District
(Grantee)

NJDOE GRANT AWARD NUMBER
Insert contract number here

CATALOG OF FEDERAL GRANT ASSISTANCE (CFDA) NUMBER
84.413A

I. COOPERATIVE AGREEMENT DESCRIPTION

Title of Cooperative Agreement: STEM Partnership

NJDOE Grant Award Number: «Contract #»

CFDA Number: 84.413A

Grantee

Organization Name: Union Township School District
Address:

Authorized Signatory:
Grant/Project Director:
Chief Fiscal Officer:

Grantor

Agency Name: Department of Education
Office of Career Readiness
Address: 100 Riverview Plaza
P.O. Box 500
Trenton, NJ 08625-0500

Source of Funding

<u>Fiscal Year</u>	<u>Amount</u>	<u>Account Number</u>	<u>Account Title</u>
FY 2017	\$6,000	12-100-034-5063-345-H300-6130-D042	Race to the Top

II. SCOPE OF AGREEMENT

This agreement, entered into by the above-named parties, for the time frame set forth in section III, below, sets out the specific programs, projects and activities in which the Grantee shall engage in return for funding as provided by the Department of Education, as set forth above, and shall fully incorporate and make part of this Agreement the following documents and any specific-mentioned attachments thereto:

- a) Grant Award - Attachment A (Grant Award Specifications)
- b) Grant Award - Attachment B (Program Activity Plan)
- c) Grant Award - Attachment C (Budget Forms D and Summary Budget)
- d) NJDOE Grant Agreement Terms and Conditions - Attachment E 1 & 2

III. TERM OF AGREEMENT

This agreement covers activities commencing on 09/01/16 and continuing through 11/30/16.

IV. GRANT SPECIFICATIONS

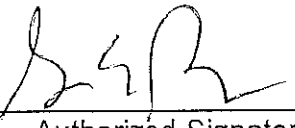
The Grantee agrees to perform the activities described in the specifications and proposal approved for funding by the Department of Education found in Attachment A in the manner and upon terms therein specified.

STEM PARTNERSHIP MATERIAL RESOURCES
Grant Award <<Contract #>>

V. GRANT AWARD AGREEMENT SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed.

Name of Grantee Union Township School District

By 
Authorized Signatory

Date 10/20/16

New Jersey Department of Education

By _____
Commissioner

Date _____

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

By _____
Chief Financial Officer

Date _____

STEM PARTNERSHIP MATERIAL RESOURCES
COOPERATIVE AGREEMENT AWARD SPECIFICATIONS

Grant Award Number: <<Contract #>>

Attachment A hereby provides Grant Award provisions and conditions between the State of New Jersey, Department of Education (*Department*) and Union Township School District (*Grantee*) as detailed below.

I. **Background and Intent**

In Spring 2015, the New Jersey Department of Education announced a Science, Technology, Engineering and Math (STÉM) Partnership Initiative, an opportunity created to develop partnerships among New Jersey districts around improving STEM teaching and learning in their schools. The STEM Partnership aims to provide teams of teachers and their administrators with access to technical assistance, tools and resources to build or expand upon STEM programming in their schools to inspire students to transformative academic achievement in science, technology, engineering and mathematics.

The STEM Partnership offers instructional support and resources for STEM curriculum development and planning. The Partnership includes the following components:

- Professional development around high-quality STEM programs
- Technical assistance on the development of STEM curriculum modules at K-5, 6-8 and 9-12 grade bands
- A web-based portal for continued collaboration and further curriculum module development

This Materials Resource grant is being offered to encourage eligible STEM Partnership districts to implement the curriculum instructional modules developed collaboratively during the Partnership professional development by offering financial support for material resources needed to implement the modules effectively. The funding cannot be used for travel, salaries, or indirect costs. It is explicitly for the instructional materials and supplies needed to implement the curriculum designed in the summer STEM PD.

Through offering this competition, the New Jersey Department of Education is working towards its overarching goal of improving STEM instruction in the state. By the end of the grant cycle, participating Local Education Agencies (LEAs) will have developed at least nine novel curriculum modules for implementation beginning in Fall 2016. Implementation of these new modules will require new materials that may not be immediately available to districts, and this funding opportunity anticipates this need and intends to provide LEAs with resources to plan for employment of the new curriculum modules. As

educators effectively drive instructional change through deepening of their understanding of STEM, the expected result will be an increase in student mastery of standards-aligned learning objectives in Science, Technology and Mathematics.

II. **Project Activity Plan**

See Attachment B.

III. **Project Budget Forms and Summary Budget**

See Attachments C1-C2.

IV. **Audit Requirements**

A. Any audit required under Section XIII of the Department of Education Grant Terms and Conditions will be conducted on an organization-wide basis and on the Grantee's fiscal year. It is the Department's understanding that the Grantee's fiscal year ends on June 30.

Any changes in the Grantee's fiscal year must be reported immediately to the Department.

B. The following method has been designated in performing audits

- State auditor
- CPA firm appointed by the Department
- CPA firm appointed by the Grantee
(Audit may be performed as part of general grantee audit)
- Other

V. **Method of Payment**

Payment of grant funds is made through a reimbursement system. Reimbursement requests for any grant funds the local project has expended are made through the Electronic Web-Enabled Grant (EWEG) system. Requests may begin once the Cooperative Agreement is fully executed. Grantees must submit requests at least ten business days before the end of the month, but not later than the 15th of the month. You may include in your request funds that will be expended through the last calendar day of the month in which you are requesting the reimbursement. If the grantees' request is approved by the NJDOE program officer, the grantee should receive payment around the 8th-10th of the following month.

VI. **Financial and Grant Outcomes Reporting**

- A. Grant recipients are required to submit periodic project and fiscal progress reports through the EWEG system.
- B. The final reports shall discuss the activities and expenditures of the grant as of 11/30/2016.

C. Reporting date is:

Report	Reporting Period	Due Date
Final	09/01/16 – 11/30/16	01/10/17

- D. The due date for submission of the Final Budget Expenditure Report and the Final Program Performance Report is 01/10/17.
- E. Funds are expiring and reports submitted after the 01/10/17 due date could result in denial of reimbursement.

VII. **Eligible and Ineligible Costs**

- A. Grant funds may be used for the following:
 - Classroom materials and supplies;

Costs for activities not identified above must be approved on a case-by-case basis by the NJDOE.

- B. Funds may not be used for the following costs:
 - Indirect costs; and
 - Entertainment.

Date: _____

Page _____ of _____

PROGRAM ACTIVITY PLAN

Copy this page as needed and number in the space provided.

Applicant Agency: Union Township Program Title: STEM PARTNERSHIP MATERIAL RESOURCES Grant Award #: _____GOAL# 1 OBJECTIVE # 1: Identify and secure resources for use of the STEM curriculum modules

Implementation Activity	People Responsible for Conducting Activity	Documentation	Report Period (Δ)	
			Half	Final
1.1 (a) District completes Cooperative Agreement and associated forms; submits to Program Officer at NJDOE	District Business Administrator or Designee	Completed Cooperative Agreement		
1.1 (b) District identifies and selects appropriate materials and supplies for selected unit(s)	Identified district STEM contact and/or Business Administrator	Completed Budget Detail Form D		
1.1 (c) District purchases appropriate materials and supplies for selected unit(s)	Identified district STEM contact and/or Business Administrator	Purchase orders and/or invoices		
1.1 (d) District uploads Final Budget Report through EWEG system to draw down the reimbursement funds	District Business Administrator or Designee	Final Budget Report in EWEG		

BUDGET DETAIL FORM D
Supplies and Materials
 Function & Object Codes 100-600 and 200-600

Date:	_____
Page	_____ of _____

<p>PROGRAM TITLE: STEM PARTNERSHIP MATERIAL RESOURCES</p> <p>GRANT AWARD #:</p>	<p><input type="checkbox"/> <u>Check box if this is a subgrantee form and identify subgrantee below.</u></p>
<p>APPLICANT (LEAD) AGENCY:</p>	<p>SUBGRANTEE:</p>

NOTES: Copy this form. Refer to Part III, Constructing a Grant Application Budget, of the *Discretionary Grant Application* for instructions. Complete all columns. Use multiple lines for a single entry if necessary.

PROJECT GOAL/ OBJECTIVE/ ACTIVITY	FUNCTION & OBJECT CODE	ITEM DESCRIPTION	UNIT COST (UC)	QUANTITY (Q)	GRANT REQUEST AMOUNT (GR)
1:1	100-600	Supplies	1	1	\$6,000.00

Project Summary Budget

ATTACHMENT C2

Applicant (Lead) Agency _____ CO/Lead Agency Code ____ / ____

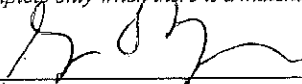
Program Title: _____ Grant Award #: _____

BUDGET CATEGORY	OBJ. CODE	GRANT FUNDS REQUESTED			TOTAL <i>Sum of Columns 1-3 (Column 4)</i>	ADMIN COST SUMMARY (Column 5)
		State Funds (Column 1)	Federal Funds (Column 2)	Other Funds (Column 3)		
INSTRUCTION						
Supplies & Materials	100-600		\$6,000.00		\$6,000.00	\$6,000.00
Other Objects	100-800					
SUBTOTAL - INSTRUCTION						
FACILITIES ACQUISITION & CONSTRUCTION SERVICES						
Instructional Equipment	400-731					
SUBTOTAL - FACILITIES						
TOTAL COST						

TOTAL AMOUNT OF MATCHING FUNDS COMMITTED TO THIS PROJECT*

\$ _____

**Complete only when there is a matching fund*



 Business Administrator/Chief Fiscal Office

 10/20/16
 Date

ATTACHMENTS E-1 & E-2
GRANT AGREEMENT TERMS AND CONDITIONS
DEPARTMENT OF EDUCATION

I. COMPLIANCE WITH APPLICABLE LAWS

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

The laws, ordinances and Administration of Grants Regulations with which the Grantee shall comply include, but are not limited to, the following: *OMB Circular A-21 - Cost Principles for Educational Institutions; OMB Circular A-87 - Cost Principles for State, Local and Tribal Governments; OMB Circular A-122 - Cost Principles for Non-Profit Organizations; OMB Circular A-133- Audits of State and Local Governments, Institutions of Higher Education and Other Non-Profit Institutions; State OMB Circular Letter 04-04 - Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid; OMB Circular A-102 - Grants and Cooperative Agreements with State and Local Governments, as codified in U.S. Education Department General Administrative Regulations (EDGAR) at 34 CFR, Part 80; OMB Circular A-110 - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations, as codified in EDGAR at 34 CFR, Part 74, Public School Contracts Law (NJSA 18A:18A-1 et. seq.) and Executive Order No. 189* Failure to comply with such laws, rules, or regulations shall be grounds for termination of this agreement.

II. INDEMNIFICATION/INSURANCE

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

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

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

Furthermore, the provisions of this indemnification clause shall in no way limit the obligations assumed by the Grantee under this Grant Agreement, nor shall they be construed to neither relieve the Grantee of any liability nor preclude the State of New Jersey from taking other actions available to it under any other provisions of this Grant Agreement or otherwise in law.

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

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

III. ASSIGNABILITY

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

IV. AVAILABILITY OF FUNDS

The parties hereto recognize that funding under this Grant Agreement is expressly dependent upon the availability to the Department of state, federal, and/or other funds appropriated by the State Legislature. Failure by any funding authority to appropriate monies sufficient to fund this Grant Agreement shall not be construed as a default under or breach of the Grant Agreement.

V. PROCUREMENT STANDARDS

The Grantee shall procure supplies, equipment and services with funds provided under this Grant Agreement in a manner consistent with N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law); and 34 CFR, Part 74, or 34 CFR, Part 80, and the Administration of Grants Regulations, whichever is applicable. The Department assumes no responsibility for contractual and administrative matters associated with the Grantee's procurement of such supplies, equipment, and services. No provider of supplies, equipment, and services to the Grantee shall be deemed a third party beneficiary of this Grant Agreement.

VI. PROPERTY MANAGEMENT STANDARDS

The Grantee shall use and dispose of property in a manner consistent with Administration of Grants Regulations, if such property has been furnished by the Department or acquired in whole or in part with federal or state funds or if the cost of such property was charged to a project supported by federal or state funds.

VII. METHOD OF PAYMENT

- A. The Department, in its sole discretion, may determine to make its initial payment to the Grantee upon the Grantee's delivery to the Department of a properly executed Grant Agreement. Such a payment in advance of costs actually incurred by the Grantee pursuant to the Grant Agreement, however, shall not exceed the dollar limits established on Page 1 of the Grant Agreement.
- B. The Department will make progress payments to the Grantee on a periodic basis, as set forth in the Grant Agreement. Such progress payments shall, in the sole discretion of the Department, be made in the form of reimbursement of expenditures actually either made and reported or in the form of a fixed amount determined by the Department.
- C. The Department will not reimburse the Grantee for any costs incurred either prior to the effective date of the Grant Agreement or after the termination or expiration date of the Grant Agreement, unless otherwise stated herein or agreed to in writing by the Department.
- D. The Department will not make final payment to the Grantee until all reports, unexpended program income and other deliverables required under the Grant Agreement have been submitted to the Department in acceptable form.
- E. The Department may reimburse the Grantee for costs incurred during the Grant Agreement period and in conformance with the program's specifications even if the Grant Agreement is not fully executed and dated at the time such costs are incurred. In order to receive such reimbursement the Grantee must have an approved program application or equivalent document dated and executed by the Department prior to its incurrence of cost. Payments for costs incurred under this Section VII. E. will be authorized pending the execution of a Department Grant Agreement.

VIII. MATCHING AND COST SHARING REQUIREMENTS

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

IX. PROGRAM INCOME

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

- A. All interest earned on funds advanced to the Grantee by the Department shall be remitted to the Department on a quarterly basis.
- B. Unless otherwise specified by the Department, the Grantee shall retain all royalties received as a result of copyrights and patents produced under this Grant Agreement.

- C. Unless otherwise specified by the Department, all income earned by grant activities must be used to offset grant approved costs.
- D. All program income shall be accounted for in the final financial report submitted by the Grantee.

X. FINANCIAL MANAGEMENT SYSTEM

- A. The Grantee shall maintain a financial management system that, at all times, provides the following:
 - 1. Accurate, current, and complete disclosure of all financial activities related to this Grant Agreement, in accordance with Generally Accepted Accounting Principles (GAAP).
 - 2. Records that clearly identify the source and application of all funds used for the purposes described in the approved grant application. These records shall, at a minimum, contain information pertaining to Grant Agreement awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and program income.
 - 3. Effective internal and accounting controls over all funds, property, and other assets. The Grantee shall have in place a system for safeguarding all such assets and shall assure that they are used solely for authorized purposes.
 - 4. A comparison of actual outlays with budgeted amounts. Financial information shall be correlated with performance and productivity data and shall result in unit cost formulation.
 - 5. Accounting records that are supported by source documentation.
 - 6. Procedures for determining the reasonableness and allowability of costs in a manner that is consistent with Administration of Grants Regulations.
- B. The Department may, at any time, require that the Grantee provide such other information as is deemed necessary by the Department to enable it to fully monitor the Grant Agreement.

XI. FINANCIAL AND PERFORMANCE REPORTING

- A. As used in this Grant Agreement, the term "Grant Agreement Budget" refers to the financial plan approved by the Department.
- B. The Grantee shall submit interim expenditure reports comparing actual expenditures with the Grant Agreement Budget. These reports shall be submitted on a periodic basis, as prescribed in this Grant Agreement.
- C. The Grantee shall submit [program] performance reports, as prescribed in this Grant Agreement.
- D. The Grantee shall submit a final financial report, as prescribed in the Grant Agreement, and Grant Agreement obligations will remain in force until all final reports are reviewed

and approved by the Department. In addition to the program income information required by Section IX. D. of this Attachment, the final financial report shall include:

1. Balance sheet showing assets, liabilities, and fund balances of individual funds that pertain to this Grant Agreement as well as all other funds of the Grantee.
 2. Operating statements that show sources of revenue and purposes of expenditures from each fund.
 3. Statement of changes in fund balances that identify additions to and deductions from the various funds and accounts for balance differences between successive balance sheet dates.
 4. A comparison of actual expenditures with the expenditures shown in the Grant Agreement Budget and a written performance report detailing the way in which expenditures advanced the purposes of this Grant Agreement.
- E. When the Grantee is required to submit an audit report, pursuant to Section XIII of this Attachment, the financial information required in subsections XI. D. 1, 2, and 3 above shall be included in the auditor's report. The information and report referenced in subsection D. 4. above, however, shall be submitted separately to the Department.
- F. Extensions to the reporting due dates prescribed in this Grant Agreement may be granted by the Department upon receipt of a written request from the Grantee.
- G. If reports are not submitted as required, the Department may, in its sole discretion, suspend payments under this Grant Agreement or any other Grant Agreement entered into between the Department and the Grantee.

XII. MONITORING OF PROGRAM PERFORMANCE

- A. The Grantee shall monitor the performance of all activities undertaken pursuant to this Grant Agreement to assure that time schedules are being met, projected work units are being accomplished and other performance goals, as defined in the approved application, attached hereto and made a part hereof which is part of the Grant Agreement, are being achieved.
- B. The Grantee shall inform the Department, in writing, of all conditions that may negatively affect or are negatively affecting program objectives or performance as soon as they are known. These conditions include but are not limited to circumstances and problems that prevent the meeting of time schedules and goals or preclude the attainment of project work units within established time periods. The disclosure shall be accompanied by a statement of the action taken or contemplated by the Grantee to correct the problems and the time frame within which corrective action will be taken.
- C. The Grantee shall inform the Department, in writing, of all favorable developments or circumstances which will enable the Grantee to meet time schedules and achieve goals sooner or more effectively than originally projected.
- D. The Department may, at any reasonable time, make site visits to:
1. Review program accomplishments and management and financial control systems; or
 2. Provide technical assistance.

XIII. AUDIT REQUIREMENTS

- A. The Grantee's operations under this Grant Agreement shall be audited, as specified in Attachment E-2 hereto, by the Department, by any other appropriate unit or agency of the State of New Jersey and/or by a private firm or firms retained or approved by the Department. Audits are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of this Grant Agreement and to verify that accounts and financial statements are accurate.
- B. The Grantee shall make available at its office at all times requested, all records retained pursuant to the requirements of Section XVIII of this Attachment, for examination, audit and/or reproduction by the Department, without conditions or restrictions of any type.
- C. Audits will be conducted based on the Grantee's fiscal year and in accordance with generally accepted auditing standards, including the standards published by the General Accounting Office's Standards for Audit of Government Organizations, Programs, Activities, and Functions.
- D. Audits will be conducted on an organization-wide basis to test the fiscal integrity of financial transactions, as well as compliance with the terms and conditions of this Grant Agreement and applicable federal and state statutes and regulations.
- E. The Grantee shall include in all subgrantee agreements, the requirement that the subgrantee shall make all of its records readily available to the Department for audit in accordance with the terms and conditions of this Section XIII.
- F. Audits will be conducted on a continuing basis or at scheduled intervals, as determined solely by the Department.
- G. All audit reports shall be promptly delivered to the Grantee for review. The Grantee shall cooperate with the Department to assure timely and appropriate resolution of audit findings and recommendations.
- H. When audits disclose overpayments to the Grantee, the Department may, at its option, either require the Grantee to repay the overpayment by the Department or deduct the amount of overpayment from monies due the Grantee under this Grant Agreement or under any other Grant Agreement between the Grantee and the Department. Any overpayments not repaid through actual repayment or by deduction within thirty (30) days of notice to the Grantee shall be charged simple interest at ten percent (10%) per annum. The thirty (30) day notice of repayment or deduction shall commence upon mailing of written notice to the Grantee.

XIV. GRANT AGREEMENT MODIFICATION/BUDGET REVISION CRITERIA AND PROCEDURES

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

1. Changes in the scope, objective, or schedule of the project or program;
 2. The need for additional funding;
 3. Changes to approved subgrants;
 4. Transfer of expenditures to an unbudgeted line item;
 5. Costs requiring prior approval pursuant to the Cost Principles section of Administration of Grants Regulations; or
 6. Budget category expenditure variances which cumulatively exceed 10 percent of the total Grant Agreement amount, per specific funding source.
- B. Any additions or deletions to the equipment purchases included in the approved application must have prior written approval from the Department.
- C. All requests for Grant Agreement modification/budget revisions must be received by the Department no later than 90 days prior to the expiration of the Grant Agreement period. Requests received less than 90 days prior to the expiration of the Grant Agreement period will not be considered by the Department.
- D. When requesting approval of a proposed Grant Agreement modification/budget revision, the Grantee shall show the change in budget line item categories and complete the budget modification request form prescribed by the Department.
- E. The Department may request changes in the scope of the services of the Grantee to be performed under this Grant Agreement. Such changes, including any increase or decrease in the amount of the Grantee's compensation, shall not be effective until incorporated in written amendments to this Grant Agreement.
- F. If the Grantee is making program expenditures or providing Grant Agreement services at a rate which, in the judgment of the Department, will result in substantial failure to expend the Grant Agreement amount or provide the full scope of Grant Agreement services, the Department may, upon thirty (30) days written notice to the Grantee, reduce the Grant Agreement amount and/or services associated with each program element to levels that more accurately reflect program expenditures during the Grant Agreement period. This reduction shall take into account the Grantee's fixed costs.

XV. GRANT AGREEMENT CLOSEOUT PROCEDURES

- A. For purposes of this Grant Agreement, "Date of Completion" shall mean the date when the Grant Agreement expires pursuant to its terms or is terminated in accordance with Section XVI of this Attachment.
- B. In accordance with the terms of this Grant Agreement, the Grantee shall submit the final financial report to the Department. Within the limits of the Grant Agreement amount, the Department may make upward or downward cost adjustments based on the information contained in the report. Grant Agreement obligations will remain in force until all final reports are reviewed and approved by the Department.
- C. The Grantee, along with the final financial report, will refund to the Department any unexpended funds or unobligated (unencumbered) cash advances.
- D. All outstanding obligations (encumbered funds) which have not been paid out as of the Date of Completion must be liquidated within ninety (90) days of the Date of Completion.

- E. Whether or not audits were conducted during the Grant Agreement term, a final financial and compliance audit may be initiated up to three years after the Grant Agreement completion date beginning with the date the Grantee submits the final reports established in this Grant Agreement.
- F. If either the final financial report or the final audit discloses an overpayment to the Grantee, the Department may, at its option, either require the Grantee to repay the overpayment by the Department or deduct the amount of overpayment from monies due the Grantee under this Grant Agreement or under any other Grant Agreement between the Grantee and the Department. Any overpayments not repaid through actual repayment or by deduction within thirty (30) days of notice to the Grantee shall be charged simple interest at ten percent (10%) per annum. The thirty (30) day notice of repayment or deduction shall commence upon mailing of written notice to the Grantee.
- G. The provisions of this Section XV. D., E. and F., shall survive the expiration or termination of this Grant Agreement.
- H. The Grantee shall provide, along with the final financial report, a written accounting of all property acquired with Grant Agreement funds or received from the Department, in accordance with the requirements set forth in Section VI. of this Attachment.

XVI. TERMINATION AND SUSPENSION

A. Definitions:

1. For purposes of this Grant Agreement, "Suspension" means the temporary cessation of all activities under this Grant Agreement, at the direction of the Department.
 2. For purposes of this Grant Agreement, "Termination" means discontinuation of this Grant Agreement, prior to the Date of Completion that results from action taken by the Department or the Grantee in accordance with the provisions contained herein.
- B. The Department may terminate this Grant Agreement for convenience, upon 60 days written advance notice to the Grantee, for any reason whatsoever, including lack of funding available to the Department. Upon receipt of a notice of Termination for convenience, the Grantee shall cease incurring additional obligations of Grant Agreement funds. However, the Department shall allow the Grantee to incur all necessary and proper costs which the Grantee cannot reasonably avoid during the Termination process, as long as these costs comply with Administration of Grants Regulations. The Grant Agreement Closeout procedures set forth in Section XV of this Attachment shall apply to a Termination for convenience.
- C. If the Grantee fails to fulfill or comply with any of the terms or conditions of this Grant Agreement, in whole or in part, the Department may place the Grantee in default status and take any or all of the following actions:
1. Suspend activities under the Grant Agreement, upon 30 days advance written notice by the Department, and withhold further payments, except for those

necessary and proper costs which the Grantee cannot reasonably avoid during the period of suspension and which comply with Administration of Grants Regulations. The notice of Suspension shall state the reason for the action, the effective date of the Suspension, the corrective action that must be taken and the time period during which the corrective action must be accomplished.

2. Terminate the Grant Agreement for cause, in whole or in part, upon 30 days advance written notice by the Department. The Notice of Termination shall state the reason for the action, the effective date of the Termination and the Grant Agreement Closeout procedures to be followed. As of the effective date of a Termination for cause, the Grantee shall immediately cease incurring additional obligations of Grant Agreement funds. The Grantee shall have no right to utilize Grant Agreement funds to pay any costs incurred after the effective date of a Termination for cause.
 3. Terminate the Grant Agreement for cause, in whole or in part, immediately effective upon notice, whenever the Department determines that the Grantee has jeopardized the safety and welfare of the public, materially failed to comply with the terms and conditions of the Grant Agreement, or whenever the fiscal or programmatic integrity of the Grant Agreement has been compromised. The notice of Termination pursuant to this provision shall state the reason for the action, the effective date of the Termination and Grant Agreement Closeout procedures to be followed. As of the effective date of such a Termination for cause, the Grantee shall immediately cease incurring additional obligations of Grant Agreement funds. The Grantee shall have no right to utilize Grant Agreement funds to pay any costs incurred after the effective date of the Termination.
 4. Invoke any other remedy or remedies that may be legally available.
- D. The Department and the Grantee may mutually terminate the Grant Agreement, in whole or in part, when both parties agree that its continuation will not produce beneficial results commensurate with the further expenditure of funds. The parties shall agree, in writing, upon the termination conditions. The Grant Agreement Closeout procedures set forth in Section XV of this Attachment shall apply to a mutual Termination.

XVII. ACCESS TO RECORDS

- A. The Grantee shall make available to the Department, any federal agency whose funds are expended in the course of this Grant Agreement and any of their duly authorized representatives, all accounting records, books, documents and other papers that are required to monitor and audit the Grantee's operations.
- B. When reasonable and practical to do so, the Department and federal agencies shall provide prior notice of all visits entailing inspections, audits and other reviews. However, the Department retains the right to make unannounced visits, inspections, and audits as deemed necessary.
- C. The Department reserves the right to review all the records of subgrantees. Therefore, all subgrants entered into by the Grantee shall include a provision whereby the subgrantee acknowledges its obligation to make all pertinent records available to the

Department, to any federal agency whose funds are expended in the course of this Grant Agreement and any of their duly authorized representatives.

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

XVIII. RECORD RETENTION

- A. Financial and statistical records, supporting documents, and all other records related, in any way, to this Grant Agreement shall be retained for a period of three years after the expiration or termination date of this Grant Agreement beginning with the date the Grantee submits the final reports established in this Grant Agreement, except as set forth below:
 - 1. If any litigation, claim, or audit is started before the expiration of the three year period, all records and supporting documents shall be retained until all such litigation, claims and audit findings are resolved.
 - 2. Records pertaining to nonexpendable property acquired with Grant Agreement funds shall be retained for three years after final disposition of such property.
- B. The retention period starts from the date of submission of the final financial report or, for Grant Agreements that are renewed annually, from the date of submission of the annual financial report.
- C. The Grantee shall transfer to the custody of the Department all records that the Department determines must be retained for a longer period than that which is provided for herein.
- D. The Grantee shall cause all subgrantees to comply with the terms of this Section XVIII.

XIX. SUBGRANTING/CONSULTANT AGREEMENTS

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

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

XX. PUBLIC NOTICES [also see attachment E-2]

When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded, pursuant to this Grant Agreement, in whole or in part with federal money, the Grantee shall, in accordance with P.L. 104-134, Section 507, state:

- A. the percentage of the total cost of the program or project to be financed with federal money; and
- B. the dollar amount of federal funds to be expended on the project or program.

XXI. INDEPENDENT GRANTEE

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

Attachment E-2

New Jersey Department of Education Grant Agreements

1. Section 8136 of the Department of Defense Appropriations Act (P.L. 100-463 states:

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

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

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

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

3. Recipients of federal and/or state grant funds are required to have an annual audit performed in accordance with the Single Audit Act, Federal OMB Circular A-133 and State Circular 04-04 (See section XIII, Attachment A, Grant agreement Terms and Conditions). The State of New Jersey policy regarding grant recipients is as follows:
 - a. Recipients that expend \$300,000 or more in federal and/or state funds within their fiscal year must have an annual organization-wide audit performed in accordance with the revised Single Audit Act, OMB Circular No. A-133.
 - b. Recipients that expend less than \$300,000 but \$100,000 or more in federal and/or state funds within their fiscal year must have either an annual financial audit performed in accordance with Government Auditing Standards or an annual program-specific audit performed in accordance with the revised Single Audit Act, OMB Circular No. A-133 Revised, Section 235.
 - c. Audit reports for recipients requiring an annual organization-wide audit as indicated in No. 1 above, must include the auditors comments on internal controls over state

grants and state aid, and compliance with material terms and conditions of state grant agreements, state aid programs, and applicable laws and regulations.

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

- (1) State Grantor Department
- (2) Program Title
- (3) State Account Number
- (4) Program Amount (funds received)
- (5) Program/Grant Grant agreement Period
- (6) Total Disbursements

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

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