



Northern Border  
Regional Commission



# Investment Awards: Grant Administration, Compliance and Monitoring Manual

*Updated December 2020*

[www.nbrc.gov](http://www.nbrc.gov) (All necessary forms and information can be found at NBRC's website)

About Northern Border Regional Commission _____	1
Overview _____	1
Northern Border Regional Commission Programs _____	3
Award Process and Project Initiation _____	4
Grant Agreement _____	4
Obligation of Federal Funds _____	4
Notice To Proceed _____	5
Overview of LDDs _____	7
Scope of Administration Contracts _____	8
Contract with Grantee _____	8
Payments _____	8
Timing of Payments _____	8
Documentation for Payments _____	9
Where does the SF270 Go? _____	10
How long does it take to get funds? _____	10
Procurement _____	11
Code of Conduct _____	11
Solicitation _____	11
Competition _____	11
Minority/Women Businesses _____	12
Bonding _____	12
Methods of Purchasing _____	13
Micro-purchases _____	13
Small Purchase Procedures _____	13
Competitive Sealed Bids _____	13
Competitive Proposals _____	14
Noncompetitive Proposals/Sole Source _____	14
Contract Award _____	14
Contract Administration _____	14
Property _____	15
Types of Property _____	15
Equipment _____	15
Real Property _____	16
Performance Period _____	17
Budget Modifications _____	17
Change in Scope _____	17
Quarterly Reports _____	18
Financial Reports _____	19
Final Close Out Reporting _____	20
Project Oversight _____	21
Records Retention and Access _____	22
Monitoring _____	22
Site Visits _____	23
Enforcement of Compliance _____	23
Dispute and Appeals _____	23
Place of Record _____	24
Website _____	24
Contacts _____	24

Appendix A	26
Appendix B	27
Appendix C	28
Appendix D	29
Appendix E	30
Appendix F	32
Appendix G	33
Glossary of Terms	35
Acknowledgement of Receipt Form	38

# About Northern Border Regional Commission

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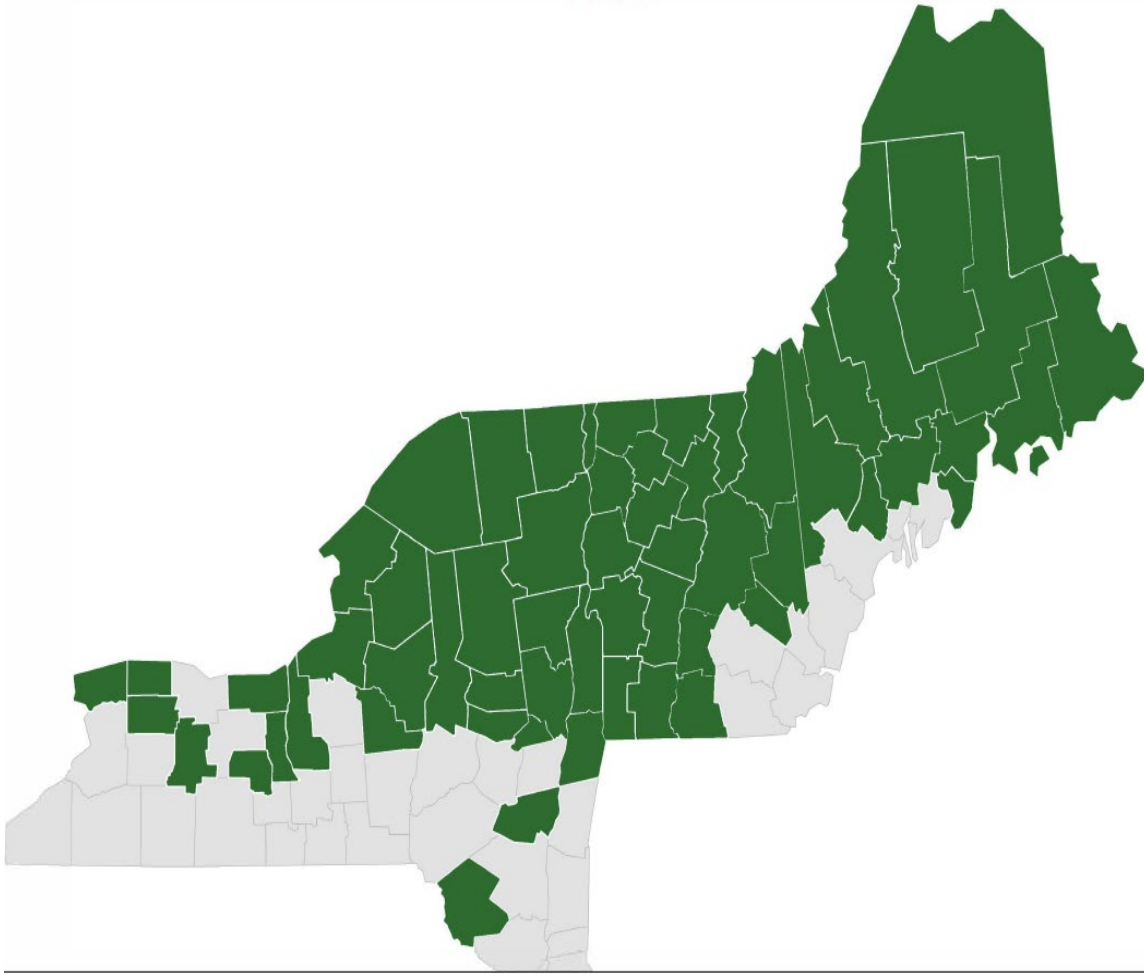
## Overview

Northern Border Regional Commission (NBRC) is one of six Federal-State partnerships created to improve the economic vitality of a region sharing common attributes. NBRC was modeled after the Appalachian Regional Commission. Authorized by Congress in 2008 (PUB.L. 110–246, Sec. 14217) and first appropriated funds by Congress in 2010, NBRC was reauthorized in December 2018.

The NBRC is a partnership between the federal government and the states of Maine, New Hampshire, New York and Vermont. NBRC targets resources to promote economic growth strategies and projects within its member states. The Commission is composed of a Federal Co-Chair appointed by the President and confirmed by the United States Senate, and the Governors of each state.

By investing in projects that address shared regional challenges and common opportunities, the NBRC plays a critical role in helping rural communities retool their economies for the future. The Northern Border region is poised for economic revitalization if it can modernize its infrastructure, invest in business and workforce development, and build its capacity for community economic development. The NBRC is uniquely positioned to make these pivotal improvements possible.

## Northern Border Regional Commission Region 2020



### Counties in the Northern Border Region

Maine - Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox, Oxford, Penobscot, Piscataquis, Somerset, Waldo, and Washington

New Hampshire -Belknap, Carroll, Cheshire, Coos, Grafton and Sullivan

New York - Cayuga, Clinton, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Montgomery, Niagara, Oneida, Orleans, Oswego, Rensselaer, St. Lawrence, Saratoga, Schenectady, Seneca, Sullivan, Warren, Washington, Wayne and Yates counties

Vermont – All Counties

# Northern Border Regional Commission Programs

This manual is applicable to the following Northern Border Regional Commission programs. Where there are discrepancies or differences, those will be noted or specifically called out for the various programs.

- State Economic and Infrastructure Development Grant:

The Economic and Infrastructure Development grants were authorized by Congress to provide funding to States and local governments and nonprofit organizations in order to build the foundation for economic opportunities with the region.

- Regional Forest Economy Partnership Grant:

The Regional Forest Economy Partnership grant was developed through a directive beginning in 2018 by Congress to address areas most impacted by the decline in the forest industry. From this directive, the Commission designed a program that would have multi-state (regional) impact on the economy within the NBRC region.

- EDA Collaboration Grant:

Beginning in 2019 Congress directed the Department of Commerce, Economic Development Administration (EDA), to collaborate with NBRC to increase the impacts made by its grant programs. The unique partnership between NBRC and EDA has allowed additional projects to be funded through both of NBRC's grant programs.

- USDA Rural Development Grant:

USDA Rural Development grants were authorized by Congress to provide funding to States, local governments and nonprofit organizations to help revitalize rural communities in the Northern Border region. USDA RD projects are encouraged to review Appendix H before reviewing the entire manual.

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# Award Process and Project Initiation

## Grant Agreement

### Step 1

Every successful grantee will receive a grant agreement between the Northern Border Regional Commission and the grantee. The grant agreement will contain among other things, the following:

- ♦ The NBRC Grant agreement Number: This number must be included in all documentation and emails that are sent to the States or NBRC offices. (e.g. NBRC16GME01)
- ♦ Contact information: for both the grantee and NBRC. It is imperative to notify NBRC if this information changes, send changes to [admin@nbrc.gov](mailto:admin@nbrc.gov) using form OMB#4040-0010. ([www.nbrc.gov](http://www.nbrc.gov))
- ♦ Period of Performance: this is the start and end date of the project to be completed for the grant agreement between grantee and NBRC.
- ♦ The grant amount: The grant amount cannot be increased for any reason. Overruns on projects are the responsibility of the grantee.
- ♦ Required match: This is the amount of other funds that must be documented during the project period.
- ♦ Indirect Cost Rate: This is the approved rate that has been agreed upon by the grantee and their Federal Cognizant Agency for indirect costs. Any and all invoices must use this rate for their invoices when specific services as outlined are performed by the grantee. This is NOT a rate to be used by any subcontractor or consultant.
- ♦ Budget: Line items of expenditures. These line items may not be changed by the recipient without prior written approval by NBRC unless those changes are no greater than 10% of the total budget (2 CFR 200.308)
- ♦ Grant Provisions: the laws and agreements that a grantee is required to follow as part of the contract with a federal awarding agency.
- ♦ Construction: The contract will state if the project is Construction or non-Construction. This is important because there are additional reporting requirements for construction projects.
- ♦ Real Estate and/or Equipment: The contract will state if the project will consist of real estate or equipment purchases. This will include the purchase of easements on property. This is important to know as there are additional reporting requirements.
- ♦ Sub-recipients: This will include an outline of those funds that will be sub-awarded to organizations or entities that are not the recipient. Unless sub-recipient agreements are part of the project, all other contractual relationships (other than LDD administration) must be obtained through federal procurement procedures.

## Obligation of Federal Funds

### Step 2

As with any federal program 'obligating' the funds is important. Why? Because without specifically allocating the funds to a project/entity it appears that those funds are not dedicated to any source and are available for use,

potentially in other areas of the government. The federal fiscal year begins on October 1 of each year. It is the goal of NBRC to ensure that all project funds are obligated prior to this date. In order to obligate the funds to a specific project the following items are needed (by September 1):

- ✦ The grant agreement must be signed by both parties and on file in the NBRC office.
- ✦ NBRC office must have on file the SF3881 Automated Clearing House (ACH) Enrollment Form.

Yes, it's that easy. These are the ONLY two documents that are needed to obligate the funds to your project. But they must be received by September 1, or the grantee risks losing the funds to other more responsive applicants.

## Notice To Proceed

### Step 3

All grantees must receive a Notice to Proceed before they can begin ANY work that is part of the NBRC project. There are several items (two of which will have already been submitted to obligate your funds) that are required to receive a Notice to Proceed. No payments will be made for work conducted prior to receiving a Notice to Proceed. No match will be counted that takes place prior to receiving a Notice to Proceed. The date of the Notice to Proceed is very important. There may be cases where a grantee has requested to start prior to October 1, and the items below need to be in place in order to receive a Notice to Proceed prior to October 1. The following items MUST be in place before a Notice to Proceed will be issued:

- ✦ The grant agreement must be signed by both parties and on file in the NBRC office.
- ✦ NBRC office must have on file the SF3881 Automated Clearing House (ACH) Enrollment Form.
- ✦ All match listed in the grant agreement must be committed (using NBRC Form 1002) listing committed match. Committed match may include the following:
  - Grantee is providing match: Letter from the appropriate authority stating that the entity will provide the match. Letter is required to have the following elements: 1. states the amount of the commitment, 2. contains the dates that the commitment will cover, consistent with the period of performance in the grant agreement. Please note: If the funds will be used for paying staff within the grantee's organization, the letter should also state the following: 1. the # of hours staff are anticipated to work on the project, 2. the pay of those staff, and 3. the indirect cost rate that will be used, consistent with the grant agreement (if applicable).
  - Municipal lending: Requires proof of authorization to spend. This may be different for different states, but may take the form of city council approval, a Town or City manager who has been authorized for all these transactions, or demonstration of town meeting approval. It is the grantee's obligation to ensure that they have the appropriate authority to loan funds for the project, but there must be some sort of authorization documented. In the case of town meeting, this may mean that a Notice to Proceed is not issued until after that time - meaning that no part of the scope can be completed until such time.
  - Letter of cash commitment from another source other than the grantee. A letter is required to have the following elements: 1. states the amount of the commitment, and 2. contains a date that the award was made. A letter of submission (or 'application received' or 'pending') is NOT a letter of commitment.
  - In-Kind Services Provide a written plan of how the volunteer in-kind donation will be calculated. (Ex: 4 meetings a year, taking place quarterly, which are expected to last 1.5 hours, with 5 volunteers participating [4X1.5X5 = 30 hours x 24.14 = \$723.60]. The volunteer rate may be used as match and should be consistent with the national average [www.independentsector.org/volunteer](http://www.independentsector.org/volunteer) time. Volunteers may not be: a) counted for the same activity in a different project (counted twice), or b) be federal employees. Additionally,

their time must be recorded and be submitted for payments. You may not include any Indirect Cost Rate in addition to the \$24.14. Note: the rate calculated at the time of the grant agreement will be the rate for the remaining project period until project completion. While the national rates may fluctuate, it is not feasible to renegotiate these rates during the project period.

- Municipal Force Accounts may be used. Recipients must document that they have the staff and experience. Force account work is limited to work that the municipality can demonstrate is within the technical skill and managerial ability of the recipient and its forces. The recipient must provide an accounting of time and costs, and provide appropriate documentation of indirect costs, if used. Both staff salaries, and cost of mobilization and fees for vehicles may be counted as match when those cost are appropriately documented.
- Land or other donated real property or equipment: NOTE: land transfers may not take place until after the Notice to Proceed had been issued. A Letter of Intent from the current property owner will suffice, and should include: (1) that they will provide the land to the project; (2) the sale and 'appraised' value of the land; (3) anticipated date of transaction; and (4) identifying the property. Even if the property is being donated, a professional appraisal is required. NOTE: A municipal assessment is NOT an appraisal. An appraisal of the property must have been completed within the past 18 months, or an appraisal must be made prior to issuing a Notice to Proceed if the project is being donated. RE: equipment. The entity that is donating equipment must provide a letter with the following elements: (1) date that the equipment will be transferred to the grantee; (2) market value of the equipment; (3) description of the equipment.
- Cost sharing or matching requirements may be met by other Federal grants where authorized, up to 80% of the total project cost.
- Neither costs, nor the value of third party in-kind contributions, may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been, or will be, counted towards satisfying a cost sharing or matching requirement of *another* Federal grant agreement, a Federal procurement contract, *or* any other award of Federal funds.
- Cost financed by 'program income' shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the grant agreement. NBRC has opted to regard program income through the deductive method as outlined in 2 CFR 200.307(e)(1).
- Costs and third-party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of the recipients and sub recipients. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability or regular personnel costs.
- All match must be *committed* by September 30, of the year following the award year. This date allows for extraordinary situations that may occur. Grantee should be communicating with all entities, the LDD, State Program Managers and NBRC staff so that this deadline is met. If this date cannot be met, funds will be transferred to other projects that are ready to move forward toward completion.
- ✦ The grantee must have at least 75% of any previous projects completed by June 30, 2020.
- ✦ There will be no third-party grant administration for NBRC grants. NBRC is directed by Congress to build the capacity of its Local Development Districts. These entities are available to grantees for administrative assistance. It is NBRC's policy to sole source work to the LDDs in order to meet its legislative mandate to, "enhance the capacity of, and provide support for, local development districts in its region." State agencies are exempt from this administration requirement.

- ♦ Lastly, there may be required items specific to the award that are listed within the Grant Agreement. (Check the Grant Agreement, all requirements are listed there).

# Role of the Local Development District

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## Overview of LDDs

The NBRC Federal-State partnership is aided by a group of regional organizations called Local Development Districts (LDDs) that assist the NBRC in its outreach activities and administer NBRC investments for grantees. LDDs provide feedback to the Commission on its current programs and assist in identifying future areas of focus for the Commission. LDDs are either an already existing federally designated Economic Development District, as certified by the US Economic Development Administration, or an organization similar in nature to a regional planning commission.

LDDs are knowledgeable about other Federal and State programs that help fund economic and community development projects. They are also aware of local concerns, as most engage in regional economic development planning of varying degrees. All are certified by the NBRC as being proficient in administering Commission funds for grantees.

In order to compensate the LDDs for that administrative work, grant administrative fees will be paid from the awarded funds. The formula for determining project administration fees is 5% of the first \$100,000 awarded and 1% of all dollars in excess of \$100,000. For example, a \$250,000 award would include \$6,500 in LDD project administration fees, thereby making \$243,500 available for the purpose of the award.

### Benefits of a Local Development District

- ♦ Regional collaboration and partnership with other LDDs and a Federal Agency.
- ♦ Opportunity to assist NBRC in developing future programs that benefit the region.
- ♦ LDDs will be the designated grant administrators for the NBRC investments that are awarded within their region.
- ♦ Receive funding from NBRC through the development of a 'scope of service' that may include: review and certification that projects are legitimate and meet the parameters of the NBRC infrastructure program, assist applicants to write grants, and assist NBRC with analysis of local and regional issues.

### Obligations of a Local Development District

Federal legislation states that the Northern Border Regional Commission, “shall enhance the capacity of, and provide support for, local development districts (LDD) in its region.” It outlines obligations that LDDs have once they are designated. 40 U.S.C., §15505 (c):

- ♦ “Operate as a lead organization serving multi-county areas in the region at the local level”; and,
- ♦ “Assist the Commission in outreach activities for local governments, community development groups, the business community, and the public”; and,
- ♦ “Serve as a liaison between State and local governments, nonprofit organizations, educational institutions, the business community, and citizens”; and,

- ♦ “Assist those described above to identify, assess, and facilitate projects and programs to promote economic development of the region.”
- ♦ LDDs shall attend an annual training session provided by Northern Border Regional Commission staff.

## Scope of Administration Contracts

LDDs shall have the following scope of services pertaining to the Grant Administration:

- ♦ Quarterly Reporting: Ensure that the grantee files quarterly reports on time, and with enough information to provide a meaningful outline of the project’s status.
- ♦ Payment Requests: Provide guidance to grantees on filing payment requests, while ensuring that payment requests are accurate, within approved budget, and contain all the necessary documentation to provide evidence of match and payments that are expected to be paid by NBRC. (check the math!!)
- ♦ Final Reporting: Ensure that the grantee has filed their final report and financial report in a timely manner after the project is complete.
- ♦ General Assistance: Be available to provide guidance to the grantee with other issues such as their responsibilities regarding procurement of goods and services, and contractors. Have a general knowledge base about federal grant programs, specifically NBRC. (NOTE: LDDs are not expected to conduct bid processes and assess bid documents for completion, interview potential consultants, or undertake other procurement processes. If a grantee wishes to engage the LDD in these processes, they may enter into a separate Grant Management contract with the LDD.)

## Contract with Grantee

All grantees are required to contract with a Local Development District (LDD) unless they are a State entity.

LDDs will be reimbursed based on the amount of work that they perform. Like any other part of the grantee's project the LDD will invoice the grantee for their services to be included in the Request for Payment. No lump sum will be used. Payments will be made based on the hours worked. The LDD’s indirect cost rate (as determined by their Federal Cognizant Agency) may be added to salary and fringe.

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## Payments

### Timing of Payments

Grantee may submit payments on their own schedule following these basic rules:

- ♦ Period Covered by The Request: All time periods from the start of the project to close out must be accounted for and not overlap. What does this mean? For example, if there is no work on a project from the project start date of Oct 1 until December 1, but the grantee has work that has been completed in December that they would like to submit a payment for, the payment date should clearly state *October 1 to December 31* in section #8 (Period Covered by this Request) on the Payment Request.

- ♦ No Overlapping Time Periods: NBRC will not process more than one request for any specific time period. Do not submit a payment for construction contractors from February 1 - February 28 for one amount, and another payment for administration from February 1 - February 28. They will NOT be processed this way. *It is the grantee's responsibility* to ensure that their records are kept in a manner that they can appropriately document their costs when funds are needed for the month.
- ♦ No skipped Time Periods: Do not skip time periods. If a previous request period ended March 30, do not submit a subsequent payment request that begins May 30. For example: No work – for which you require payments – was completed in April or May, but it was in June. List the 'Period Covered by This Request' #8 on the Payment form as *April 1 to June 30*.
- ♦ Monthly Dates: Payment should use whole months. Do not submit a payment for April 5 to April 28 and then another for April 29 to May 15. This is too difficult to track and makes record keeping for both NBRC and the grantee cumbersome.

## Documentation for Payments

Grantee must provide supporting documentation for both requested NBRC funds and match that they have committed to for the project. In most cases, the match will be proportional to the amount being requested from NBRC. For example, if a project requires the grantee to have a 40% match and a payment is submitted documenting \$70,000 in expenses, the payment shall be \$42,000, or 60% of the project expenses that month. Documentation includes anything that is necessary to demonstrate that the funds were spent, costs were incurred, or work was completed. An estimate is not an invoice. There may be a wide variety of ways to demonstrate costs, but some examples include:

- Application and Certification for Payment (AIA Document G702) or other equivalent.
- Receipts for purchase of goods and supplies.
- Payroll records for staff time (or simple spreadsheet outlining hours worked, wages, etc.)
- Sign in sheet for volunteers with attached math demonstrating hours volunteered and the process used to arrive at match amount.
- Invoices from selected contractors and/or purchases.

*NOTE: None of the documentation to demonstrate work completed should be created for the express purpose of meeting any NBRC requirements. All documentation should be standard record-keeping that the grantee conducts on a regular basis following best practices and accounting of their work.*

Match must be demonstrated in a manner consistent with the demonstration of costs for which the grantee is requesting payment from NBRC. Why do we have to demonstrate match? When a grantee signs a grant agreement that they will provide a specific amount of match, that match must be recorded as being met.

In the Grant Agreement, match is outlined based on the project costs that the grantee themselves has outlined. Unless it is otherwise stated in the file, generally, the payment will be made based on the ratio of match to NBRC funds. See example above. In those instances where the match is not anticipated to correspond with other expenditures this should be documented at the beginning of the project.

## The Math!

Requests for payment are required to be made using the SF270 Request for Payment. Total program outlays to date are the total amount of funds that have been spent or documented as match for the entire project, not just that

reporting period. You must document all costs for the time period. If the total in line a. is \$15,000 as your first request, you must document \$15,000 worth of expense and/or match. If the amount of line a. is \$65,000 as your second request, you must document your expenses of \$50,000 (difference between \$65,000 and \$15,000 from the first payment request). In *Federal share now requested* (line i), please note that this is the amount that you are asking NBRC to reimburse, and that you are required to demonstrate your match as well as this amount. You must document all the Non-Federal share of the amount on-line f: this is your total match. Some people get tripped up here. Providing a coversheet for the time period of the payment is helpful. Here is an example, and an example of a completed form can be found in Appendix C:

*Request for Payment #1 requested and received \$10,000 from NBRC and you documented \$15,000 in program outlays. \$5,000 of the \$15,000 was match. Your second Request for Payment contains \$40,000 worth of expenses and \$10,000 in documented in-kind match and your match required per your grant agreement is 20%.*

*Documentation from this example would include the receipts that made up the \$50,000; \$40,000 in expenses plus the documentation of match amount of \$10,000.*

*Given that 80% of the total project costs to date for payment #1 & #2 is \$65,000 is \$52,000, the entire amount requested of \$40,000 could be paid. (If, however, in a different scenario the match was only \$10,000 total instead of \$15,000, the total project amount would be \$60,000. Because 80% of \$60,000 is \$48,000 and the grantee has previously received \$10,000, the only amount that could be reimbursed would be \$38,000 even though the expenses were \$40,000 - unless there is documentation in the file that the match is not expected to be 'in-sync' with the project).*

## Where does the SF270 Go?

Request for Payment should be emailed to [admin@nbrc.gov](mailto:admin@nbrc.gov) with the NBRC grant number and grantee name in the subject line of the e-mail. Once NBRC receives the request it will be processed, and a staff member will follow up with the grantee if necessary. If there are no issues, the request will be forwarded on for the payment to be electronically transferred to the grantee's bank account using the ACH information you provide. When the request is processed, the recipient will receive an email acknowledging the request. After this email the grantee can expect to receive payment within 10 business days.

a. Total program Outlays to Date	\$65,000	This is your total project cost. (10K + 5K) + (40K+10K) = 65K
b. Less: Cumulative program Income		you should never have program income unless this is expressly documented in your grant agreement
c. Net program outlays		should always be the same as line a
d. net cash outlays for advance period		\$0 - NBRC Does not advance funds
e. Total	\$65,000	Should equal line a.
f. Non-Federal share of amount on line e.	\$15,000	Your documented match of \$5K (Pay Req #1) + \$10K (Pay Req #2)
g. Federal share of amount of line e.	\$50,000	Should always be line e minus line f.
h. Federal payments previously received	\$10,000	PLEASE put the amount that has been requested previously even if you have not actually received the payment yet from the previous request
i. Federal share now requested	\$40,000	This is the amount you are seeking from NBRC for Pay Req #2.

# How long does it take to get funds?

All projects should be able to pay their bills within a month of receiving them without anticipating that NBRC will cover costs immediately. Assume for planning purposes that NBRC funds may be received a month after sending in a Payment request. If you have cashflow issues or are closing on property you should contact NBRC staff (via phone).

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## Procurement

Procurement action involve the purchase of goods and services needed to support the grant award. Government-wide regulations contained in 2 CFR 200. 317-326 govern procurement actions. These regulations allow grantees to follow their own procurement procedures so long as they meet the minimum standards identified within 2 CFR 200. It is the responsibility of the grantee to review and understand these applicable procurement requirements. While Local Development Districts are available to assist with procurement; the grantee is responsible for ensuring that the process is conducted properly.

NBRC reserves the right to review the procurement procedures of the grantee at any time during the application review process or during performance of the grant in accordance with 2 CFR 200.324.

## Code of Conduct

Grantees must have a written code of conduct that governs the behavior of their officers, employees, and agents who are involved in the selection, award, and administration of contracts. This code must, at a minimum, provide that these individuals refrain from participating in such actions if they have a real or apparent conflict of interest. Such a conflict of interest would arise if the individual or any member of his or her immediate family has a financial or other interest in any firm considered for a contract. Further, these individuals must neither solicit nor accept anything of value from a prospective or incumbent contractor. Additional information about the code of conduct is contained inf 2 CFR 200,318 (c).

## Solicitation

Grantees must ensure that all solicitations (invitations for bids/quotes and requests for proposals) contain a clear and accurate description of the product or service being procured, identify all requirements that the offeror must fulfill, and all factors that will be used in evaluating bids or proposals.

## Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of 2 CFR 200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (1) Placing unreasonable requirements on firms for them to qualify to do business.
- (2) Requiring unnecessary experience.
- (3) Noncompetitive pricing practices between firms or between affiliated companies.

- (4) Noncompetitive contracts to consultants that are on retainer contracts.
- (5) Organizational conflicts of interest.
- (6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement,
- (7) Any arbitrary action in the procurement process.

The grantee must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, *although this does not preempt state licensing laws* and does not prohibit requirements that contractors must be able to perform in particular locations.

The grantee must ensure that all prequalified lists of persons, firms, or products used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.

## Minority/Women Businesses

The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises.
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises.
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
6. Requiring the prime contractor, if subcontracts are to be allowed, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

## Bonding

Northern Border Regional Commission has the minimum requirements as follows:

1. A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
2. A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
3. A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

It is the responsibility of the Grantee to understand government procurement procedures. The LDD's role is to assist with knowing the process, but they are not hired to conduct the process for the Grantee. All records of how solicitations were made, and the process and criteria used to obtain services and contracts shall be part of the records of the project and kept in accordance with other Record Retention rules.

## Methods of Purchasing

In accordance with 2 CFR 200.320, there are five methods that are permitted to be used in purchasing goods and services under a grant. If any policy or procedure applicable to the grantee under state or local law, or enforceable procedure, precludes, limits, or restricts the use of one or more of these methods, the grantee must follow the more stringent requirement.

### Micro-purchases

*Purchases by micro-purchase is the acquisition of suppliers or services when the aggregate dollar value of the transaction does not exceed \$10,000 (pursuant to OMB Memorandum 18-18, 6/20/2018).* If the grantee's own purchasing procedures establish a lower dollar limit than that established by the federal government, the lower limit must be followed. Micro-purchases may be awarded without soliciting competitive quotations if the grantee considers the price to be reasonable. Soliciting quotations from multiple sources should be considered best practice.

### Small Purchase Procedures

Purchases under this procedure involve solicitation of an adequate number of qualified sources when the size of the transaction is not expected to exceed the federal government's "simplified acquisitions threshold" (currently \$250,000). Once again, if the grantee's own procurement procedures establish a lower threshold, that must be followed. As noted above, the solicitation is expected to identify the features of the good or service being procured so that offers can be assessed based on their comparability. This method is almost exclusively used when there is a specific item, like equipment, that needs to be purchased.

### Competitive Sealed Bids

Through this procedure, bids publicly solicited through formal advertising and a firm fixed price contract is awarded to the lowest responsive and responsible bidder. This is the preferred method for construction, generally referred to as a Request for Proposal. For sealed bidding to be feasible, the following conditions should be present:

1. A complete, adequate, and realistic specification or purchase description is available.
2. Two or more responsible bidders are willing and able to compete effectively for the business.
3. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally based on price.

If sealed bids are used, the following requirements apply:

1. Bids must be solicited from an adequate number of known suppliers, providing them enough response time prior to the date set for opening the bids. For local, and tribal governments, the invitation for bids must be publicly advertised.

2. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services for the bidder to properly respond.
3. All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly.
4. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of,
5. Any or all bids may be rejected if there is a sound documented reason.

What happens when there are limited or no bidders on a project? The grantee should consider re-bidding the project and expand the advertising area to capture a wider audience. If this still produces limited responsive bidders, the grantee may request authority from NBRC to award a contract on a sole source basis. If there were still no bidders, the grantee should consider breaking down the project into segments that would attract specific trades and contractors. In any case, the grantee should fully document their attempts to provide open competition. However, this procedure can present management and oversight challenges for the grantee and should only be used if no other solution is present.

## Competitive Proposals

*Procurement by competitive qualifications, typically referred to as a Request for Qualifications (RFQ).* The technique of competitive qualifications is normally conducted with more than one source submitting an offer, and either a fixed price or cost-payment type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids, such as consultants, that could produce different results. Examples include teachers or training experts for job development, engineers, architects, website development, meeting facilitation, or research experts. If this method is used, the following requirements apply:

1. Requests for qualifications must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
2. Proposals must be solicited from an adequate number of qualified sources.
3. The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.
5. The grantee may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E or other professional services. It cannot be used to purchase other types of services though A/E firms that should instead be using another form of procurement.

## Noncompetitive Proposals/Sole Source

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source. This is rare and must be documented.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. This would be an extreme case such as a natural disaster and highly unlikely to be used by NBRC.
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity.
4. After solicitation of several sources, competition is determined inadequate.

If procurement is obtained through sole source without the express written authorization from NBRC, the grantee risks termination of its award.

Contracts for administration of grants using Local Development Districts are the only authorized sole source procurement that NBRC has currently authorized.

## Contract Award

In addition to inclusion of clauses that define a sound complete and enforceable agreement, the grantee will ensure that the contract contains in text or adopts by reference the clauses contained in 2 CFR 200, Appendix II, which are expressly laid out in the recipient's grant agreement.

## Contract Administration

The grantee is responsible for exercising oversight to ensure that the contractor complies with the terms and conditions of the contract and delivers in accordance with the established schedule. Grantee oversight can include, but not be limited to, review of invoices and back-up documentation, conduct of site visits, and withholding of payment corrective action.

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## Property

Title to supplies, equipment, and real property acquired under a grant vest with the grantee that purchased it. However, NBRC retains a residual financial interest in grant acquired property under certain circumstances.

### Types of Property

Federal regulations contained in 2 CFR 200.310.316 address the treatment of real property, equipment, supplies, and intangible property (such as copyrights and patents) purchased with grant funds. However, because of the activities financed by NBRC grants, most of its grantees will deal primarily with equipment and real property.

## Equipment

For grant budgeting purposes, equipment is defined as items of tangible property having a useful life of more than one year and a unit acquisition cost exceeding \$5,000. In accordance with federal cost principles at 2 CFR 200.439, purchase of such items requires NBRC prior approval, which will generally be provided as part of the approval of the grant award budget. All other equipment is considered *supplies* and should be listed as such in the grantee's budget. Personal computers are now generally accepted as *supplies*. Requirements of equipment management are contained in 2 CFR 200.313 (d) and include property records containing specific data elements; a periodic inventory every two years; control procedures to prevent loss, damage or theft; maintenance procedures to

keep the equipment in good working condition; and disposition procedures that provide for competition and will result in the highest possible return. These disposition procedures are outlined in 2 CFR 200.313 (e) and involve seeking NBRC instructions. The procedures include the need to determine the fair market value of any equipment that will be disposed. One method of such a calculation is the construction of a depreciation schedule that reduces the value on a straight-line basis over the useful life of the equipment. Other reasonable methods of determining fair market value may also be used, such as reliance of catalog prices or classified advertising. Items of equipment with a per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to NBRC

NBRC shall issue an inventory tag to be placed on the equipment (when it has the capacity to do so). The grantee in some situations may provide NBRC with their inventory number if appropriate.

At project close-out, the grantee shall create a depreciation schedule for the equipment that has been purchased if its fair market value exceeds \$5,000. The grantee shall also provide NBRC with a list of the equipment and identifiable info (pictures are also appreciated).

Equipment shall contain a 'conditional title' when appropriate and the grantee must not encumber the equipment without written permission from NBRC. Equipment must be used for the purpose and scope of the grant outlined in the grant agreement until the equipment is fully depreciated, or funds will be required to be returned to NBRC.

*Ex: A commercial grade lathe is purchased in order to conduct job training in a technical environment. The lathe cost (three quotes required, see simplified acquisition in Procurement above) \$20,000, and a depreciation schedule has been outlined for the 5-year life of the equipment. At the end of year two, the training program is terminated because of unforeseen new business opportunities that provided work for those being trained. The depreciation schedule indicates that there is still \$12,000 value in the equipment. NBRC participated in 80% of the purchase. It would be anticipated that NBRC would be repaid 80% of the \$12,000 or \$9,600, unless the grant agreement is otherwise revised to continue use of the equipment with a change of scope.*

Equipment is required to be inventoried every two years. NBRC tracks this through grantee-provided documentation: Standard Form 428-S. see Appendix D.

Insurance is required for the equipment, as would customarily be warranted, to protect the interest of the grantee.

## Real Property

Real property may be acquired only when authorized by NBRC and when outlined in the budget of the grant agreement. Real property means land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment. Like equipment, real property must be used for its original intent. NBRC has established 20 years as the timeline during which a federal interest remains on the property. During this period, the grantee may not encumber or otherwise dispose of the property. In addition, such real property is subject to the requirements of 2 CFR 200.311 with respect to use and disposition. It may not be conveyed, transferred, assigned, mortgaged, leased or in any other manner encumbered by the grantee except as authorized in writing by NBRC.

To protect the Federal interest in real property that has been constructed or has undergone major renovation with NBRC funds, the grantee must record a Notice of Federal Interest (NFI) in the appropriate official records of the jurisdiction in which the property is located. Recordation must occur when construction or renovation begin. Fees

charged for recording or modifying the NFI may be charged to the grant. A copy of the NFI must be provided to NBRC. Appendix E provides an example of language for the NFI.

NBRC will conduct an annual inventory of real property.

Upon completion of the construction or renovation, the grantee must, at a minimum, provide for the same level of insurance coverage as it maintains for other property it owns; or, if it does not own property, adequate to cover the dollar amount of the Federal investment.

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## Changes in a Project

The approved grant agreement and budget establishes the planned parameters of award performance. However, the award provisions are often based upon estimates and projects that may need to be modified once performance begins. Such modifications may involve the time for performances, the scope of the project, and the funding provided. Grantees are cautioned against moving forward with changes covered by this section without the requisite NBRC approval. Such actions may trigger enforcement measures authorized by 2 CFR 200.207 or 2 CFR 200.338.

### Performance Period

If a project cannot be completed within the approved period of performance, an extension of time may be requested. Requests MUST be made no later than 4 months prior to the end of Period of Performance listed in the grant agreement and be sent to email to [admin@nbrc.gov](mailto:admin@nbrc.gov). Please note your NBRC Grant Agreement number and name in the subject line of the e-mail. The request must include the reason for the extension and the proposed revision to Period of Performance. If an extension is not approved, or if more than one extension is granted, and the grantee is unable to complete the project within the timeframe outlined, the grantee risks being excluded from applying for future investment grant rounds.

### Budget Modifications

No increases to the NBRC award will be made. Any cost overruns are the responsibility of the grantee. In accordance with 2 CFR 200.308 (f), when the federal share of the project costs exceed \$250,000, NBRC exercises its option to limit cumulative transfers between direct costs categories (line items) or grant programs, functions, or activities to ten (10) percent of the budget as last approved by NBRC. In accordance with 2 CFR 200.207, NBRC may exercise this option in cases where the federal share of the project is less than \$250,000. As noted above and consistent with 2 CFR 200.308(c) 91) (i), budget changes that involve revision of the scope of work or objectives of the project (regardless of the grant amount) require NBRC prior approval.

To request a budget modification, submit the revised budget and a narrative justification to [admin@nbrc.gov](mailto:admin@nbrc.gov) and copy the state project manager and the local development district. Grantees are cautioned against moving forward without prior approval of changes. Such action may trigger enforcement steps by NBRC, such as those permitted under 2 CFR 200.207 (imposition of special conditions), and 2 CFR 200.338 (suspension or termination of award).

### Change in Scope

The grant agreement establishes the scope of the project. NBRC has a high degree of flexibility in operating the grant program. In order to maintain that flexibility, it is imperative that projects are implemented in a timely manner

and within the approved scope of work that the funds were intended to support. When circumstances arise that interfere with the grantee fulfilling the approved scope, a change in scope may be requested. This is a formal process under which the grantee must submit a narrative detailing the proposed scope change and any associated budget modifications. The narrative must explain the rationale for adding, modifying or deleting an activity and explain how such revisions will affect the expected outcomes of the project. The request must be sent to [admin@nbro.gov](mailto:admin@nbro.gov) with a copy to the state program manager and the local development district.

## Reporting

### Quarterly Reports

Every recipient is required to provide quarterly reports. Reports are due along the following schedule, from Oct 1 of the award year through to the close out of the project:

Reporting Period:	October 1 - December 31:	Report Due January 31
Reporting Period:	January 1 - March 30:	Report Due April 30
Reporting Period:	April 1 - June 30:	Report Due July 31
Reporting Period:	July 1 - September 30:	Report Due October 30

Reports are due regardless of the amount of work that has been completed. *These are not an optional task for grantees.* Reports must be sent to [admin@nbro.gov](mailto:admin@nbro.gov) with the Grant Agreement number in the subject line of the email. The Performance Progress Report Standard Form-PPR must be used for all reports.

A summary of procurement procedures used, and contracts secured should be part of the narrative in the Quarterly Reports.

Print Form

#### PERFORMANCE PROGRESS REPORT SF-PPR

1. Federal Agency and Organization Element to Which Report is Submitted Northern Border Regional Commission		2. Federal Grant or Other Identifying Number Assigned by Federal Agency From your Grant Agreement ex: NBRG17GVT14		Page	of Pages
4. Recipient Organization (Name and complete address including zip code) Your Organization's Name and Address		3a. DUNS Number Your Organization's DUNS #		3b. EIN	
6. Project/Grant Period Start Date: (Month, Day, Year)      End Date: (Month, Day, Year)		7. Reporting Period End Date (Month, Day, Year)		8. Final Report? <input type="checkbox"/> Yes <input type="checkbox"/> No	
The Start Date on Your Agreement      The End Date on your Agreement		Dec 31 or March 30, or June 30 or Sept 30 (these are the		9. Report Frequency <input type="checkbox"/> annual <input type="checkbox"/> semi-annual <input checked="" type="checkbox"/> quarterly <input type="checkbox"/> other (If other, describe: _____)	
10. Performance Narrative (attach performance narrative as instructed by the awarding Federal Agency) Provide the following: What work has been completed that quarter? If none state none. How are you meeting the goals and objectives stated in your application/Grant Agreement? Are there any problems that have kept the project from moving forward on the time line indicated in the application/Grant Agreement?					
11. Other Attachments (attach other documents as needed or as instructed by the awarding Federal Agency)					
12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.					
12a. Typed or Printed Name and Title of Authorized Certifying Official				12c. Telephone (area code, number and extension)	
				12d. Email Address	
12b. Signature of Authorized Certifying Official				12e. Date Report Submitted (Month, Day, Year)	
				13. Agency use only	

PPR, Page 1

OMB Approval Number: 0970-0334  
Expiration Date: 6/30/2009

# Financial Reports

Financial reports *are NOT* Requests for Payment. They are reports on the financial status of the project using Standard Form 425. These reports are due annually and at project close out and may be accompanied by the quarterly progress report. The financial report is due on October 30 for each federal fiscal year (October 1 to September 30) and 45 days after the close of the project - even if the close out of the project takes place only a month or two after the October 30th date. (EX: if your project runs from Oct 1, 2016 to December 30, 2018, you would file a financial report for the time period October 1, 2017, - September 30, 2018, which is due on October 30, and an additional financial report that covers the period October 1, 2018, - December 31, 2018, due February 15, 2019.)

EX Pg1: a. Is the amount of NBRC funds received during the reporting period? b. Of (a.) what funds have been distributed? Given that this is a reimbursable program it should be equal to (b.). d. is the total award in your Grant Agreement. e. Of (d.) what NBRC funds have been spent as of the end of the reporting period. f. is equal to (e.) - (d.). g is equal to (d.). h. should always be 0. i. is the match amount you have committed to in your Grant Agreement. j. is of (i.) what has been demonstrated as of the end of the reporting period. There should never be program income (unless extenuating circumstances as outlined in your Grant Agreement.

View Burden Statement		Federal Financial Report (Follow form Instructions)		OMB Number: 4040-0014 Expiration Date: 01/31/2019	
1. Federal Agency and Organizational Element to Which Report is Submitted Northern Border Regional Commission		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) NBRC17GVT14 (from Grant Agreeem			
3. Recipient Organization (Name and complete address including Zip code) Recipient Organization Name: Your Name					
Street1: Your address					
Street2:					
City: Your City etc. County:					
State: Province:					
Country: USA: UNITED STATES ZIP / Postal Code:					
4a. DUNS Number Your org DUNS		4b. EIN Your Org. EIN		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) N/A	
6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Final		7. Basis of Accounting <input type="checkbox"/> Cash <input type="checkbox"/> Accrual		8. Project/Grant Period From: 10/01/2016 To: 09/30/2018	
				9. Reporting Period End Date 09/30/2017	
10. Transactions (Use lines a-c for single or multiple grant reporting)					Cumulative
Federal Cash (To report multiple grants, also use FFR attachment):					
a. Cash Receipts					400,000.00
b. Cash Disbursements					400,000.00
c. Cash on Hand (line a minus b)					0.00
(Use lines d-o for single grant reporting)					
Federal Expenditures and Unobligated Balance:					
d. Total Federal funds authorized					500,000.00
e. Federal share of expenditures					400,000.00
f. Federal share of unliquidated obligations					100,000.00
g. Total Federal share (sum of lines e and f)					500,000.00
h. Unobligated balance of Federal Funds (line d minus g)					0.00
Recipient Share:					
i. Total recipient share required					250,000.00
j. Recipient share of expenditures					200,000.00
k. Remaining recipient share to be provided (line i minus j)					50,000.00
Program Income:					
l. Total Federal program income earned					0.00
m. Program Income expended in accordance with the deduction alternative					0.00
n. Program Income expended in accordance with the addition alternative					0.00
o. Unexpended program income (line l minus line m or line n)					0.00

11. Indirect Expense						
a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
Salary	0.10	10/01/2016	09/30/2017	20,000.00	2,000.00	1,333.33
g. Totals:				20,000.00	2,000.00	1,333.33

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, section 1001)

a. Name and Title of Authorized Certifying Official

Prefix: First Name: Middle Name: Last Name: Suffix: Title:

b. Signature of Authorized Certifying Official

c. Telephone (Area code, number and extension)

d. Email Address

e. Date Report Submitted

14. Agency use only:

Standard Form 425

Ex Pg2: Only fill in #11 if you have an approved indirect cost rate in your Grant Agreement, otherwise leave blank. b. is from your Grant Agreement. d. is equal to the portion of (e.) + (j.) on page 1, that you charged indirect cost to. e. equals (b. X d.) f. equals the portion of (e.) that is NBRC's share. Using the example on page 1 that would be 66%. The remainder of the form is self-explanatory.

## Final Close Out Reporting

Close out documents are required to be delivered to NBRC within 45 days after completion of the project. There are five items that are required for project close out:

- ♦ Final Invoice (if all funds are not going to be used for the project, a letter requesting that the remainder (include exact dollar amount) be de-obligated from the project.
- ♦ Final Report: Every grantee is required to provide a final report. Reports are due 45 days after the close of the project. Use the *Performance Progress Report SF-PPR*. A final report should provide a narrative of the entire project, from inception to completion.
- ♦ Final Financial Report (SF425).
- ♦ The GPRA Form: The Government Performance and Results Act (GPRA) is a United States law enacted in 1993. It is one of a series of laws designed to improve government performance management. The GPRA requires agencies to engage in performance management tasks such as setting goals, measuring results, and reporting their progress. NBRC is required to establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity, and to provide a basis for comparing actual program results with the established performance goals. NBRC is working on overarching performance measure for all grantees. However, given the uniqueness of many projects, and the broad spectrum of projects that can be funded under NBRC legislation, one size does not necessarily fit all. As such, applicants are asked to identify performance measurements themselves. Your Grant Agreement outlines the Performance Measures that you determined were applicable to your project. These Performance Measures will be reported to NBRC at the close of the project, and again three years after project close out, to determine if the investment achieved the anticipated

outcomes. Please keep these Performance Measures in mind during the project implementation period in order to accurately report at project close out.

♦ Project Video: A three-minute video of some aspect of the completed project is required for project close out. This can be any form that is easiest for the recipient, which tells the story of the project. A sample of an appropriate release form that should be filed with NBRC with the video is found in Appendix A.

While the limited staff of NBRC cannot conduct site visits for all projects during the projects, every effort will be made to visit the project during close out. Appendix B provides a checklist that may be used during these close out site visits. This checklist should be reviewed prior to the start of every project to ensure that various documents are available and to assist with set up of the project file. All files shall be made available to NBRC, State or LDD staff when an inquiry is made.

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# Project Oversight

Northern Border Regional Commission (NBRC) seeks to exercise responsible stewardship of Federal Funds in a manner that is transparent and accountable to the public. This approach builds trust in future appropriations and demonstrates the success of the collaborative effort of the Federal Government and the States of Maine, New Hampshire, New York and Vermont. Oversight of programs and projects is important to ensure that grant agreements are carried out in the manner anticipated, to deter fraud and abuse, and to recommend future policies to promote efficiency with limited dollars. Equally important is the need to tell the successful stories of communities throughout the region and how funds have leveraged investment, public support and innovation. NBRC staff will respond to any and all indications of fraud, waste and/or abuse and will rely on applicable laws and regulations and, if necessary legal counsel, to determine appropriate response actions and remedies.

Grantees are responsible for managing federal funds in compliance with applicable laws, regulations and the terms and conditions of their NBRC grant agreement. It is the grantee's responsibility to become familiar with the requisite obligations that they assume by seeking and accepting public dollars. Nevertheless, mistakes may occur as a result of misunderstandings. These may frequently be resolved without the need for formal corrective actions. NBRC staff will work with grantees to ensure that instances of noncompliance are isolated and unintentional. However, there may be instances where, in the judgement of the NBRC, a formal corrective action plan is warranted. The objective is to bring the grantee into compliance and to minimize disruption to the federally funded project, if possible.

Grantees should be alert to conditions that may represent noncompliance. These include by are not limited to:

Level I - Failure to follow required administrative procedures

Level-I compliance issues include, but are not limited to the following:

- Lack of documentation necessary to justify expenses for payment
- Improperly completing forms and grant agreements
- Incomplete or late quarterly reports
- Incomplete project files
- Consistently missing signatures and dates on documents, or other lack of attention to detail that demonstrates capacity and/or professional limitations
- Failure to notify NBRC when there is a change in key contact information

### Level-II Failure to follow federal statutes, rules, policies and/or the NBRC Grant agreement

Level-II compliance issues include, but are not limited to the following:

- Lack of communication with NBRC and/or the contracted LDD
- Use of funds outside the scope of services outlined within the NBRC grant agreement
- Failure to meet the match outlined within the NBRC grant agreement
- Use of funds, equipment or other resources purchased with NBRC funds to obtain income when not expressly written into the NBRC grant agreement
- Not completing the project within the project timeline as described in the NBRC grant agreement unless a formal written extension has been granted
- Purchase of equipment and/or real property when not explicitly outlined within the NBRC grant agreement
- Incomplete, or failure to attain, the deliverables outlined in the Grantee's application and/or NBRC grant agreement
- Use of funds that are inconsistent with any and all federal and state laws
- Improper procurement
- Use of funds that in any way influences activities associated with obtaining grants, contracts, competitive agreements or loans as laid out in 2 CFR 200.450.
- Repeated instances of Level-I noncompliance
- Not following a corrective action plan outlined in response to Enforcement of Level-I noncompliance.

## Records Retention and Access

Financial records, supporting documentation, statistical records, and all other grantee records pertinent to the NBRC grant award must be retained for a period of three years following submission of the final expenditure report on that award. These records are accessible to NBRC, the Comptroller General of the United States, independent auditors and the States of Maine, New Hampshire, New York and Vermont, independent auditors engaged by the grantee, and any of the duly authorized representatives for the purpose of making audits, examinations, excerpts and transcripts. In accordance with Executive Order 13642, electronic and machine-readable formats are the preferred method for collecting and storing such records. The rights of access include timely and reasonable access to the grantee's personnel and contractors for the purpose of interview and discussion related to the records. Additional instructions about exceptions to these general rules and possible extension of the retention period are contained in 2 CFR 200.333-336.

## Monitoring

Monitoring by NBRC involves the continuous collection of relevant information about the performance and administration of grantees. Monitoring can be conducted using a variety of techniques including routine communication with grantees, desk review of submitted information and required reports, and site visits.

## Site Visits

NBRC may conduct site visits as needed but is not required to do so. The purposes of the site visits may involve enhancing communications with the grantee, reviewing project progress and administrative activities, gathering information that has not been obtained through other means, and providing support and technical assistance.

NBRC staff will make its best efforts to meet with the grantee once a project is completed. However, because of limited staff, this may not be possible. In that event, a Compliance Checklist will be sent out to the grantee with instructions for completion and submission with the grantee's close-out report.

## Enforcement of Compliance

If NBRC determines that noncompliance is material in its nature or degree, or that work performed under the grant is substandard or performed in any way that violates federal, state, or local law, NBRC may undertake enforcement actions consistent with the requirements of 2 CFR 200.207 and 2 CFR 200.338. Written notice of any enforcement action will be sent by documented means to the responsible official of the grantee noted in the grant agreement. Enforcement action may include, in progressive order of discipline:

- ♦ Impose special conditions in accordance with 2 CFR 200.207.
- ♦ Disallow all or part of the cost of the activity or action found to be in noncompliance; disallow costs will be collected in accordance with the Federal Claims Collection Standards (31 CFR 900,
- ♦ Temporarily withhold cash payments pending correction of the deficiency by the grantee.
- ♦ Wholly or partly suspend or terminate the Federal award. NBRC is required to report terminations for material failure to comply with award terms and conditions to the Federal Awardee Performance and Integrity System (FAPIS), which may affect future Federal funding for the grantee.
- ♦ Determine, based on the risk assessment procedures in 2 CFR 200.205, not to fund a grant application submitted by the grantee.
- ♦ Initiate suspension and/or debarment proceedings as authorized under 2 CFR part 180. This requires NBRC to notify the System of Award Management (SAM) of the issues, which may prohibit other Federal funding to the Grantee in the future for a period of 5 years.

## Dispute and Appeals

A Grantee may appeal any finding of noncompliance and resulting enforcement action. The appeal shall be in writing and contain supporting evidence. It must be sent to NBRC within 30 calendar days of receipt of the notice identified above. All appeals shall be reviewed by the Federal Co-Chair. The Federal Co-Chair shall render a decision to dismiss, amend or uphold the recommendation of NBRC staff. If the Grantee disagrees with the Federal Co-Chair's decision, the same appeal may be submitted to the State Governor's Alternates and a determination to dismiss, amend or uphold shall be issued by this body. All determinations by the Governor's Alternates shall be considered final decisions of NBRC.

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## Miscellaneous

### Place of Record

Northern Border Regional Commission business of record is located at 53 Pleasant Street, Suite 1201, Concord, NH 03301 or [admin@nbrc.gov](mailto:admin@nbrc.gov). Any records held at locations other than this will not be considered as part of the record or be received for purposes of processing applications, invoices, communications, requests for payment or other transactions.

### Website

[www.nbrc.gov](http://www.nbrc.gov)

### Contacts

#### Representing the Federal Government

Harold B. Parker, Federal Co-Chair (603) 369-3001, ext. 1 | [fedcochair@nbrc.gov](mailto:fedcochair@nbrc.gov)

#### Representing the State of Maine

The Honorable Janet Mills, Governor

Heather Johnson, Commissioner, Maine Department of Economic Community Development, Governor's Alternate to the NBRC

Charlotte Mace, NBRC's Maine Program Manager (207) 624-7448 | [charlotte.mace@maine.gov](mailto:charlotte.mace@maine.gov)

#### Representing the State of New Hampshire

The Honorable Chris Sununu, Governor

Taylor Caswell, Commissioner, NH Department of Business & Economic Affairs, Governor's Alternate to the NBRC

Benoit Lamontagne, NBRC's Interim New Hampshire Program Manager (603) 419-9713

[benoit.l.lamontagne@livefree.nh.gov](mailto:benoit.l.lamontagne@livefree.nh.gov)

#### Representing the State of Vermont

The Honorable Phil Scott, Governor

Ted Brady, Deputy Secretary, VT Agency of Commerce & Community Development, Governor's Alternate to the NBRC

Kristie Farnham, NBRC's Vermont Program Manager (802) 398-5268 | [kristie.farnham@vermont.gov](mailto:kristie.farnham@vermont.gov)

#### Representing the State of New York

The Honorable Andrew Cuomo, Governor

Mark Pattison, Dep. Secretary of State, Governor's Alternate to the NBRC

Kyle Wilber, NBRC's New York Program Manager (518) 473-3694 | [kyle.wilber@dos.ny.gov](mailto:kyle.wilber@dos.ny.gov)

Northern Border Regional Commission Staff

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James Cleveland Federal Building, Suite 1501, 53 Pleasant Street

Concord, New Hampshire 03301

NBRC Project # \_\_\_\_\_

I (please print your name) \_\_\_\_\_, give the Northern Border Regional Commission the absolute right and permission to use my photograph/video footage and information I share with them for any and all marketing and communications purposes, including its promotional materials and publicity efforts. I understand that the photographs and information about myself may be used in a publication, (e.g. newspaper or magazine), brochure, electronic media (e.g. social media, website, video, radio), or other form of promotion. I therefore release the Northern Border Regional Commission, the photographer/videographer, and all associated employees, agents and designees from any and all claims arising out of the use of any such photograph, video sound, likeness, image or information including but not limited to violations of any personal or proprietary rights, defamation and/or invasion of privacy. I give permission to use my first and last name, unless a selection is checked below:

- ☐ Please use my first name only  
☐ Please use a pseudonym instead of my real name  
☐ Please do not identify me by name

I also verify that I am 18 years of age or older. If not, then a signature of a parent or guardian is required below:

Signature (parent or guardian) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Zip \_\_\_\_\_

Phone \_\_\_\_\_ Date \_\_\_\_\_

## Appendix B

### Checklist for Closeout

#### Record Review

Review of acquisition of supplies, equipment and professional services	<input type="checkbox"/>
Equipment inventory	<input type="checkbox"/>
Review of construction related services:	
Invitation to bid	<input type="checkbox"/>
Bid documents	<input type="checkbox"/>
Bid tabulation sheet	<input type="checkbox"/>
Justification of selection	<input type="checkbox"/>
Contract for services	<input type="checkbox"/>
Pre-Construction meeting review	<input type="checkbox"/>
Change orders	<input type="checkbox"/>
Financial management	
Payment request	<input type="checkbox"/>
Completed SF 425	<input type="checkbox"/>
Performance Progress Reports	
Quarterly reports	<input type="checkbox"/>
Final report	<input type="checkbox"/>
Environmental Review records	<input type="checkbox"/>
Land Acquisition	
Appraisal	<input type="checkbox"/>
P&S or assigned easement	<input type="checkbox"/>
Notice of Federal Interest	<input type="checkbox"/>
Civil Rights	<input type="checkbox"/>
Modifications to scope or budget	<input type="checkbox"/>
Video and associated release forms	<input type="checkbox"/>
Digital photos if applicable	<input type="checkbox"/>
Press or other media releases or reports	<input type="checkbox"/>

<b>REQUEST FOR ADVANCE OR REIMBURSEMENT</b>	1. TYPE OF PAYMENT REQUESTED	a. "X" one or both boxes <input type="checkbox"/> ADVANCE <input checked="" type="checkbox"/> REIMBURSEMENT b. "X" the applicable box <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL	2. BASIS OF REQUEST  <input type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED  Northern Border Regional Commission		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY  NBRC17GVT14	
5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST  2	6. EMPLOYER IDENTIFICATION NUMBER  EIN for your organization	7. FINANCIAL ASSISTANCE IDENTIFICATION NUMBER  N/A	

8. **PERIOD COVERED BY THIS REQUEST**  
 From: 10/01/2017 To: 12/31/2017

---

9. **RECIPIENT ORGANIZATION**

Name: Your Organization's Info

Street1:

Street2:

City:

County:

State:

Province:

Country: ▼

ZIP / Postal Code:

---

10. **PAYEE** (Where check is to be sent if different than item 9)

Name: N/A Do Not Fill Out

Street1:

Street2:

City:

County:

State:

Province:

Country: ▼

ZIP / Postal Code:

**11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED**

PROGRAMS/FUNCTIONS/ ACTIVITIES	(a)	(b)	(c) Total	TOTAL
a. Total program outlays to date <i>(As of date)</i> 12/31/2017	\$	\$	\$ 65,000.00	\$ 65,000.00
b. Less: Cumulative program income			0.00	0.00
c. Net program outlays <i>(Line a minus line b)</i>			65,000.00	65,000.00
d. Estimated net cash outlays for advance period			0.00	0.00
e. Total <i>(Sum of lines c &amp; d)</i>			65,000.00	65,000.00
f. Non-Federal share of amount on line e			15,000.00	15,000.00
g. Federal share of amount on line e			50,000.00	50,000.00
h. Federal payments previously requested			10,000.00	10,000.00
i. Federal share now requested <i>(Line g minus line h)</i>			40,000.00	40,000.00
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances				
1st month			0.00	0.00
2nd month			0.00	0.00
3rd month			0.00	0.00

**12. ALTERNATE COMPUTATION FOR ADVANCES ONLY**

a. Estimated Federal cash outlays that will be made during period covered by the advance	\$	0.00
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period		
c. Amount requested <i>(Line a minus line b)</i>	\$	0.00

**13. CERTIFICATION**

I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.

SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL	DATE REQUEST SUBMITTED

**TYPED OR PRINTED NAME AND TITLE**

Prefix:  First Name:  Middle Name:   
 Last Name:  Suffix:   
 Title:

**TELEPHONE (AREA CODE, NUMBER, EXTENSION)**

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**TANGIBLE PERSONAL PROPERTY REPORT  
Supplemental Sheet SF-428-S**

OMB Number: 4040-0018  
Expiration Date: 6/30/2020

Federal Grant or Other Identifying Number Assigned by Federal Awarding Agency (Block 2 of SF-428) <div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div>					Attachment Type <input type="checkbox"/> Annual Report (SF-428-A) <input type="checkbox"/> Final (Award Closeout) Report (SF-428-B) <input type="checkbox"/> Disposition Report/Request (SF-428-C)			
Complete one row for each item:								
	Award Number (a)	GP or ACQ (b)	Description of Item (c)	Identification Number (d)	Acquired Date (e)	Condition Code (f)	Acquisition Cost (In Dollars) (g)	Disposition Request (h)

## Appendix E

### SAMPLE NOTICE OF FEDERAL INTEREST

On *(insert date)*, the Northern Border Regional Commission (NBRC) awarded Grant No. \_\_\_\_\_ to *(insert name of recipient)*. The grant provides Federal funds for *(describe purpose of grant, e.g., construction, major alteration and renovation, mortgage, or acquisition of a building\*)*, which is located on the property described below in \_\_\_\_\_ County, State of \_\_\_\_\_:

(GRANTEE INSERT LEGAL DESCRIPTION OF PROPERTY)

The Notice of Award for this grant includes conditions on use of the aforementioned property and provides for a continuing Federal interest in the property. Specifically, the property may not be (1) used for any purpose inconsistent with the statute and any program regulations governing the award under which the property was acquired; (2) mortgaged or otherwise used as collateral without the written permission of the Program Director at NBRC, or designee; or (3) sold or transferred to another party without the written permission of Program Director at NBRC, or designee. These conditions are in accordance with the statutory provisions set forth in 2 CFR 200.311, and in the Statement, and other terms and conditions of award.

These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership must be provided to the NBRC.

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*\* Description should include specificity to determine if the Federal Interest applies to the land, building, or part thereof. Street or campus address should be included whenever possible*

*\* To be filed with registry of deeds or appropriate official records within the jurisdiction where the property is located.*



## Appendix G – USDA Projects

In addition to observing USDA Rural Development's regulations, USDA RD Projects must follow relevant portions of NBRC Administration, Compliance and Monitoring. This Appendix is meant as a guide for USDA projects, to show which portions of the NBRC Compliance Manual grantees must adhere to, and which are amended according to the specific regulations required by USDA Rural Development. Grantees are welcome and encouraged to submit compliance-related questions to NBRC via [admin@nbrc.gov](mailto:admin@nbrc.gov).

### Award Process and Project Initiation

USDA projects will follow the same Award Process and Project Initiation steps outlined in pages 4-8 of the NBRC Compliance Manual, with the following caveat:

Before an obligation of funds (step 2) can be made for USDA projects, USDA grantees must complete and send the following three USDA-required documents to NBRC (as stated in the Grant Agreement).

1. AD1048
2. CatEx Pre-screening
3. Assurance Agreement (USDA RD400-4)

### Payments

USDA projects will follow the same process for payments as described in pages 8-11 of the NBRC Compliance Manual, however under "Timing of Payments", the following amendment applies:

- Projects planning to submit a request for reimbursement on a given month will be asked to submit their SF270 and backup documentation on or before the third Monday of the month, unless otherwise instructed.

### Procurement

USDA projects should follow the procurement procedures outlined in pages 11-15 of the compliance manual, and projects must submit copies of their procurement documents to NBRC.

### Property

All portions of this section apply to USDA RD projects.

### Changes in a Project

USDA does not allow budget re-allocations within categories of any size or percentage. Any changes must be approved as part of a budget re-scope with USDA. Please contact [admin@nbrc.gov](mailto:admin@nbrc.gov) if you seek a budget re-allocation or other project change.

### Reporting

Quarterly reports for USDA Projects will be due along the following schedule, from Oct 1 of the award year through to the close out of the project:

Reporting Period: (Quarter 1)	October 1 - December 31:	Report Due January 15
Reporting Period: (Quarter 2)	January 1 - March 31:	Report Due April 15
Reporting Period: (Quarter 3)	April 1 - June 30:	Report Due July 15
Reporting Period: (Quarter 4)	July 1 - September 30:	Report Due October 15

Reports are due regardless of the amount of work that has been completed. These are not an optional task for grantees. Reports must be sent to [admin@nbrc.gov](mailto:admin@nbrc.gov) with the Grant Agreement number in the subject line of the email.

The Performance Progress Report Standard Form-PPR must be used for all reports. Find and example SF-PPR on page 19 of the Compliance Manual.

### Project Oversight

All portions of this section apply to USDA RD projects.

## Glossary of Terms

Administrative Requirements: The general practices that are common to the administration of grants, such as financial accountability, reporting, equipment management, and retention of records.

Allocable Cost: A cost that is allocable to a particular cost objective (i.e., a specific function, grant project, service, department, or other activity) in accordance with the relative benefits received. A cost is allocable to a Federal award where it is treated consistently with other costs incurred for the same purpose in like circumstances and (1) is incurred specifically for the award, (2) benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or (3) is necessary for the overall operation of the organization.

Allowable Cost: A cost incurred by a recipient that is: (1) reasonable for the performance of the award; (2) allocable; (3) in conformance with any limitations or exclusions set forth in the Federal cost principles applicable to the organization incurring the cost as to the type or amount of cost; (4) consistent with regulations, policies, and procedures of the recipient that are applied uniformly to both federally supported and other activities of the organization; (5) accorded consistent treatment as a direct or indirect cost; (6) determined in accordance with generally accepted accounting principles; and (7) not included as a cost in any other federally supported award (unless specifically authorized by statute).

Approved Budget: The financial expenditure plan for a grant-supported project, program, or activity, including revisions approved by the NBRC and permissible revisions made by the recipient. The approved budget consists of Federal (grant) funds. An approved budget is a contractual obligation that can only be changed by NBRC in writing through a Grant Agreement Amendment.

Closeout: The process by which NBRC determines whether all applicable administrative actions and all work required under the award have been completed by the recipient and the awarding office.

Cooperative Agreement: A financial assistance support mechanism used when there will be substantial Federal programmatic involvement. Substantial involvement means that NBRC program staff will collaborate or participate in project or program activities as specified in the Notice of Award.

Direct Costs: Costs that can be identified specifically with a particular project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

Entity Identification Number (EIN): A three-part coding scheme of 12 characters used to identify organizations and individuals. The first character identifies the recipient as an organization or an individual. The next 9 characters are the Internal Revenue Service tax number identification (TIN) for organizations or the social security number (SSN) for individuals. The last 2 characters are a suffix to provide distinction between organizational entities that are assigned a single EIN and those that have more than one EIN. The entities could be subsidiaries, divisions, branches, subdivisions, or other organizational groupings of a major organizational entity.

Equipment: An article of tangible nonexpendable personal property that has a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit or the capitalization threshold established by the recipient, whichever is less.

Federal Funds Authorized: The total amount of Federal funds obligated by the NBRC for use by the recipient.

Federal Share: The amount, generally expressed as a percentage of total project costs, of financial, property, and other direct assistance provided by the NBRC.

Funding Opportunity Announcement: An NBRC's formally issued announcement of the availability of funding through its website and outreach efforts.

Indirect Costs: Costs that are incurred by a recipient for common or joint objectives and cannot be identified specifically with a particular project or program. These costs also are known as "facilities and administrative costs."

Matching or Cost Sharing: The value of third-party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by NBRC. Costs used to satisfy matching or cost-sharing requirements are subject to the same policies governing allowability as other costs under the approved budget.

Non Federal Share: The portion of allowable project costs not borne by the NBRC.

Obligations: The amounts of orders placed, contracts and subawards, goods and services received, and similar transactions by a recipient during a budget period that will require payment during the same or a future budget period.

Outlays or Expenditures: The charges made to the federally sponsored project or program.

Program Income: Gross income earned by a recipient that is directly generated by the grant-supported project, program, or activity or earned as a result of the award.

Project Period: The total time for which support of a project has been programmatically approved. The total project period comprises the initial competitive segment, any subsequent competitive segments resulting from a competing continuation award, and any non-competing extensions.

Real Property: Land, including land improvements, structures, and appurtenances, but not movable machinery and equipment.

Reasonable Cost: A cost whose nature or amount does not exceed that which would be incurred by a prudent person under the circumstances prevailing when the decision was made to incur the cost.

Recipient: The organization or individual that receives a grant or cooperative agreement award from NBRC and is responsible and accountable for the use of the funds provided and for the performance of the grant-supported project or activity. The recipient is the entire legal entity even if a particular component is designated in the Grant Agreement. The term includes "grantee."

Significant Rebudgeting: A threshold that is reached when expenditures in a single direct cost budget category deviate (increase or decrease) from the approved budget amount for that budget category for that budget period by a specified amount. Significant rebudgeting is one indicator of change in scope.

Subaward: Financial assistance in the form of money or property in lieu of money provided under an award by a recipient to an eligible subrecipient (or by an eligible subrecipient to a lower tier subrecipient). The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include either procurement of goods or services or, for purposes of this policy statement, any form of assistance other than grants and cooperative agreements. The term includes consortium agreements.

Subrecipient: An entity that receives a subaward from a recipient or another subrecipient under an award of financial assistance and is accountable to the recipient or other subrecipient for the use of the Federal funds provided by the subaward.

Supplies: Personal property other than equipment, intangible property, and debt instruments. The category of "supplies" includes items that could be considered equipment, but do not meet the threshold definition.

Terms and Conditions: All legal requirements imposed on a grant by the NBRC, whether based on statute, regulation, policy, or other document referenced. In addition to general terms and conditions, the grant agreement may include other conditions that are considered necessary to attain the award's objectives, facilitate post-award administration, conserve grant funds, or otherwise protect the Federal government's interests.

Unallowable Cost: A cost specified by law or regulation, Federal cost principles, or term and condition of award that may not be reimbursed under a grant and may not be counted as match.



### **ACKNOWLEDGMENT OF RECEIPT**

My signature below indicates that I have received a copy of the Northern Border Regional Commission's Compliance Manual.

I have read and understood the contents of this Manual and will act in accordance with the policies and procedures therein as a condition of my NBRC Grant award.

I also understand that the NBRC may revise, supplement, or rescind policies, procedures, or benefits described in the Manual, with or without notice.

Name of Grantee: \_\_\_\_\_

NBRC Grant #:   NBRC20G  

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

Print Name: \_\_\_\_\_