



STORMWATER MANAGEMENT COMMISSION

September 27, 2019

MEMORANDUM

To: Stormwater Management Commission
From: Mike Prusila, Planning Supervisor
Jacob Jozefowski, Water Resources Professional
RE: Intergovernmental Agreement with Lake County Health Department for the Removal of Carp to Reduce Nutrient Enrichment Project

ACTION REQUESTED: APPROVAL OF AGREEMENT WITH LAKE COUNTY HEALTH DEPARTMENT -
\$32,606.27

SMC staff requests approval to execute an intergovernmental agreement to reimburse the Lake County Health Department for an amount not-to-exceed \$32,606.27 for the Removal of Carp to Reduce Nutrient Enrichment Project. The not-to-exceed amount is funded by Illinois EPA Section 319 Clean Water Act grant #3191915. The Health Department will provide at least a minimum \$32,606.27 in required cost-share match.

The grant award will provide cost-share funding on a reimbursement basis to reduce carp populations through removal in Slough, Crooked, Hastings and McDonald Woods (#1) lakes in Lake County. Common carp are identified as a cause of water quality impairment in these waters. The project will also monitor water quality and aquatic plant communities to measure the effectiveness of carp removal as a management practice to reduce nutrient cycling in lakes. The total project cost is estimated at \$66,750. Carp removal on these lakes was identified as a high priority in the Des Plaines River watershed plan.

SMC will administer the grant and provide professional/technical assistance services to the Health Department. SMC will receive reimbursement from the Section 319 grant for these services. A draft of the agreement with the Lake County Health Department is attached.

**AGREEMENT between the
LAKE COUNTY STORMWATER MANAGEMENT COMMISSION
and the LAKE COUNTY HEALTH DEPARTMENT for
REMOVAL OF CARP TO REDUCE NUTRIENT ENRICHMENT
PROJECT**

This is an agreement by and between the LAKE COUNTY STORMWATER MANAGEMENT COMMISSION (herein referred to as **SMC**), 500 West Winchester Road, Libertyville, Illinois 60048 and LAKE COUNTY HEALTH DEPARTMENT, (herein referred to as **RECIPIENT**), C/O Mike Adam, Lake County Health Department, 500 W. Winchester Rd., Suite 102

PURPOSE

Through this Agreement, SMC agrees to provide thirty-two thousand six hundred and six dollars and twenty-seven cents (\$32,606.27) of Illinois EPA Section 319 funds to the Recipient for the Removal of Carp to Reduce Nutrient Enrichment Project (**PROJECT**) as a reimbursement of PROJECT costs. Reimbursement will be provided following:

- submission and approval of a landowner agreement (this Agreement) for the PROJECT, Quality Assurance Project Plan, Water Quality Monitoring Plan, and Carp Removal Strategy;
- successful implementation of the PROJECT in conformance with Carp Removal Strategy; submission of a final PROJECT report including photo documentation; and receipt of vouchers or other evidence of expenditure of funds or evidence of in-kind services as agreed upon in the 319 Grant proposal and budget, or in a revised budget or schedule accepted by both parties to this Agreement and the Illinois EPA.

The Scope of Work is described below and in Attachment A and the PROJECT Budget in Attachment B. Reimbursement shall be made upon receipt and approval of the grant documentation required by the Illinois EPA Financial Assistance Agreement in accordance with the PROJECT schedule (Attachment C). The RECIPIENT shall provide, at minimum, a match amount of thirty-two thousand six hundred and six dollars and twenty-seven cents (\$32,606.27) or no less than fifty percent (50%) of the total PROJECT cost in matching funds of cash or approved in-kind services or materials.

SCOPE OF WORK AND SCHEDULE OF COMPLETION

The Scope of Work is summarized below and is further described in the Recipient's grant proposal, which is included as Attachment A. The Schedule for completion of the PROJECT including grant documentation and PROJECT implementation is included as Attachment C.

The PROJECT will reduce the carp populations in Slough, Crooked, Hastings and McDonald Woods #1 lakes through electrofishing methods. The PROJECT will also monitor water quality and aquatic plant populations to measure the effectiveness of carp removal as a BMP to reduce internal nutrient cycling in lakes.

The RECIPIENT agrees to:

1. Carp Removal Strategy - The RECIPIENT, and/or it Assigns, shall create and implement a Carp Removal Strategy (Strategy) for the reduction of internal nutrient cycling by reducing the carp populations in four (4) lakes (Slough (IL_RGZE), Crooked (IL_RGZA), Hastings (IL_RGZB), and McDonald Woods #1) in the 10 Digit HUC (712000402) in Lake County. The Strategy will define actions that will reduce carp populations through proven methods and procedures (i.e., electrofishing) along with water quality and aquatic plant populations monitoring over the course of the project to support the implementation of Removal of Carp to Reduce Nutrient

Enrichment Project. The Strategy will outline how the project's proposed activities will reduce total phosphorus cycling in Crooked, Hastings, Slough, and McDonald Woods #1 Lakes and total phosphorus, and the identified total suspended solids causes of impairments identified through the current and past Illinois EPA's Integrated Water Quality Reports.

The draft Strategy shall be completed and one (1) electronic copy submitted by the RECIPIENT, to the SMC by December 31, 2019. The final Strategy shall be completed and one (1) electronic copie submitted by the RECIPIENT to SMC by February 29, 2020. The RECIPIENT shall implement the approved activities consistent with the Strategy.

2. Quality Assurance Project Plan - The RECIPIENT shall assess if an update to an existing Quality Assurance Project Plan (QAPP) for Water Quality Monitoring in Lake County Quality Assurance Project Plan - August 2007 will be sufficient to support the implementation of the Removal of Carp to Reduce Nutrient Enrichment Project.

This QAPP shall be prepared in accordance with the Illinois EPA Bureau of Water - Agency Quality Management Plan and the United States Environmental Protection Agency's document EPA QA/R-5, EPA Requirements for Quality Assurance Project Plans, March 2001 and conform to the requirements of the Illinois EPA's "Quality Assurance Project Plan - Integrated Water Monitoring Program Document."

If an update draft to the existing QAPP is necessary, the update shall be completed and an electronic copy submitted by the RECIPIENT to SMC by December 31, 2019. The final QAPP shall be complete and an electronic copy submitted by the RECIPIENT to SMC by February 29, 2020.

3. Quality Assurance Project Plan Implementation - The RECIPIENT shall implement the approved Quality Assurance Project Plan (QAPP) for the Water Quality Monitoring in Lake County Quality Assurance Project Plan - August 2007 for implementation of the Carp Removal Strategy. The RECIPIENT shall complete implementation of the QAPP by October 31, 2021.
4. Monitoring Report - The RECIPIENT shall document the implementation of the WQMP and QAPP in progress reports and in a final monitoring report that explains the monitoring objects, methods, implementation, and results. A draft monitoring report shall be completed and submitted by the RECIPIENT to SMC by December 31, 2021. The final monitoring report shall be completed one (1) electronic copy submitted by the RECIPIENT to SMC by January 31, 2022.
5. Permits and Landowner Agreements - The RECIPIENT, shall secure all necessary permits prior to the implementation of the Strategy. The RECIPIENT shall submit a draft of the arrangements with the draft Strategy to the SMC by December 31, 2019. The RECIPIENT shall submit a copy of the executed landowner arrangements prior to the implementation of the approved Strategy.
6. Strategy Implementation - The RECIPIENT, shall implement the Illinois EPA approved Strategy. Implementation of the Strategy must begin by June 30, 2020. If implementation of the Strategy has not begun by June 30, 2020, the RECIPIENT, shall immediately discontinue all work on the Removal of Carp to Reduce Nutrient Enrichment Project components of this Agreement, unless an extension is requested by the Grantee and approved by the Illinois EPA prior to June 15, 2020. In the event of such a discontinuation of work, no costs incurred in association with the Removal of Carp to Reduce Nutrient Enrichment Project component of this Agreement will be eligible for reimbursement by the Illinois EPA.

The RECIPIENT, shall complete the implementation of the Strategy by October 31, 2021. Photographic documentation of Strategy implementation shall be completed and submitted by the Grantee to the Illinois EPA by December 31, 2021.

7. PROJECT Coordination – The RECIPIENT, or its Assigns, shall be available for PROJECT coordination and progress briefings. The dates and locations of these briefings will be specified by SMC in consultation with the RECIPIENT during the course of the PROJECT. The RECIPIENT will provide SMC with a brief quarterly progress report via electronic mail or by telephone by the 1st of January, April, July and October throughout the Agreement period.

COMPENSATION

Upon successful completion of the PROJECT and Illinois EPA approval of the Final PROJECT Report, SMC shall reimburse up to fifty percent (50%) of the total PROJECT cost, NOT TO EXCEED thirty-two thousand six hundred and six dollars and twenty-seven cents (\$32,606.27) Reimbursement will be made for costs incurred during the successful completion of tasks identified in the Scope of Work and Attachment A in accordance with the PROJECT Budget (Attachment B) and within the time period outlined in the PROJECT Schedule (Attachment C). Reimbursement is subject to the RECIPIENT's adherence to the terms and conditions of this Agreement including the Special Conditions (Attachment D) and the Illinois EPA Organization Certifications and Grant Conditions (Attachment E).

The RECIPIENT shall provide at least fifty percent (50%) of the total PROJECT cost, or a minimum of provide thirty-two thousand six hundred and six dollars and twenty-seven cents (\$32,606.27), as cash and in-kind cost-share match for costs incurred during the completion of the tasks as defined in the Scope of Work and Attachment A and within the time period as defined in the PROJECT Schedule.

The RECIPIENT shall provide dated vendor invoices for all cash expenditures and cost documentation for all in-kind services and materials to SMC on or before **January 31, 2022** for review, approval and submission to Illinois EPA for reimbursement. Reimbursement will be made upon Illinois EPA approval of the Final PROJECT Evaluation and Report

TERMS AND CONDITIONS

1. All products produced and work performed by the RECIPIENT under this Agreement shall be subject to the review and approval of the Illinois EPA to determine eligibility and acceptability in meeting the terms and intent of this Agreement.
2. SMC reserves the right to conduct periodic inspections of the PROJECT
3. All grant documentation shall be submitted and approved by SMC and Illinois EPA prior to construction in order to be eligible for grant reimbursement.
4. The RECIPIENT shall refund to SMC (or to the Illinois EPA if the Illinois EPA Agreement or its Amendments has expired or been terminated) the entire amount of the 319 Grant funds received if the Strategy is not properly executed in accordance with this Agreement, including the 10 year operations and maintenance period.
5. The RECIPIENT shall refund to SMC all 319 Grant funds received under this Agreement (or to the Illinois EPA if the Illinois EPA Grant Agreement or its Amendments has expired or been terminated) in the event that this Agreement is cancelled, or in the event that property subject to this Agreement is transferred without the new party assuming all obligations of said Agreement.
6. SMC authorization and financial support for this PROJECT is conditioned on the RECIPIENT's compliance with all applicable federal, state and local statutes and regulations, and SMC's receipt of funds from the Illinois EPA.

7. All of the above provisions, including the refund provisions, also shall apply to funds, if any, that are provided for Strategy to the Recipient by the SMC.
8. All adjustments, additions and/or deletions to this Agreement and/or the approved design plans are subject to the written approval of SMC.
9. All adjustments, amendments, additions and/or deletions to the approved design plans are subject to the written approval of the Illinois EPA.
10. The RECIPIENT, SMC and the Illinois EPA retain the right to cite, quote, circulate, and reprint all documents and other materials produced under this Agreement. The RECIPIENT will include in any publications for external general circulation (including all press releases, brochures, newsletters, and presentations materials) the following phrase: "Funding for this PROJECT provided, in part, by the Illinois Environmental Protection Agency through Section 319 of the Clean Water Act."
11. This Agreement shall be governed by and construed according to the laws of the State of Illinois.
12. This Agreement supersedes any and all other agreements, oral or written, between the parties hereto with respect to the subject matter hereof.

Correspondence related to the PROJECT covered by this Agreement should be directed as follows:

RECIPIENT contact:

Lake County Health Department
c/o Mike Adam
500 W. Winchester Rd., Suite 102
Libertyville, IL 60048
Phone: 847-377-8002
E-mail: madam@lakecountyil.gov

SMC contact:

Jacob Jozefowski, Project Manager
Lake County Stormwater Management Commission
500 W. Winchester Road
Libertyville, IL 60048
Phone: 847-377-7717
Email: jjozefowski@lakecountyil.gov

SMC and the RECIPIENT (or their successors, agents, assignees or transferees) agree with the terms and conditions of this agreement (**Agreement**), which includes the requirements in the Illinois Environmental Protection Agency Financial Assistance Agreement No. **3191915 (Illinois EPA Agreement)**. The RECIPIENT acknowledges that it has been advised of the requirements imposed on it by Federal and State laws and regulations, and the provisions of the Illinois EPA Agreement, as described above and in Attachment E, Article XVII, Section 17.2.

Mike Adam, Senior Biologist
Lake County Health Department

Date

Michael Warner, Executive Director
Lake County Stormwater Management Commission

Date

Attachment A: Scope of Work

Approved 319 Grant Proposal Removal of Carp to Reduce Nutrient Enrichment Project

See the attached approved grant proposal.

DRAFT

1. Project Title: Removal of carp to reduce nutrient enrichment in impaired lakes in Lake County

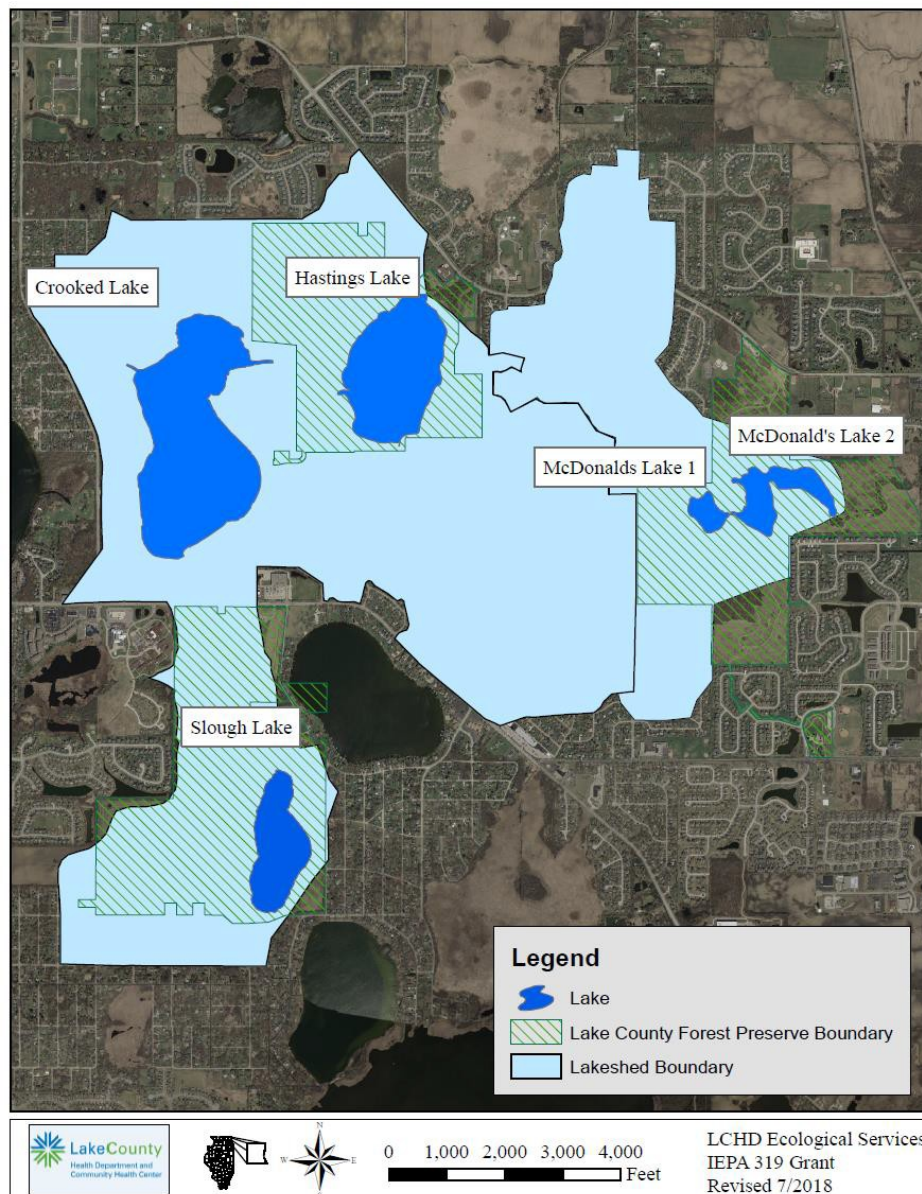
2. Project Applicant(s): Lake County Health Department

3. Project Contact:

Mike Adam
Senior Biologist
Lake County Health Department
500 W. Winchester Road, Suite 102
Libertyville, IL 60048
(847) 377- 8002
madam@lakecountyil.gov

4. Project Coordinator: Same as above.

5. Project Location Map: Lake County, Illinois



6. Project Narrative:

Lake County has over 200 lakes greater than 6 acres. These lakes are an important resource to the County, the State, and the Region. However, most of these lakes are degraded. There are currently 130 Lake County lakes listed on the Illinois EPA's 303d list of impaired waters, and 99 (76%) of these lakes have multiple impairments. Phosphorus and total suspended solids are the most common impairments (Table 1). The common carp (*Cyprinus carpio*) negatively impacts water quality, particularly phosphorus and total suspended solids in majority of the impaired lakes. Carp removal was identified as a high priority action at all of the project locations in the Des Plaines River Watershed-Based Plan ([Des Plaines River Watershed-Based Plan Web Mapping Application](#)).

Table 1. List of impairments identified in Lake County lakes in the IEPA 303d impaired waters list.

Impairment	# of Lakes
Phosphorus (Total)	105
Total Suspended Solids (TSS)	93
Cause Unknown	19
Fecal Coliform	8
Mercury	8
Polychlorinated biphenyls	6
PH	1

Many of these lakes were carved out during the last glaciation and harbor some of the highest biological diversity in Illinois. Several state threatened and endangered fish and aquatic plant species are found in these lakes. Additionally, the lakes are important economic and health assets to the human populations that live, work and play on or near the lakes.

Carp are one of the most damaging invasive fish species (Kulhanek et al., 2011). Originally introduced to the Midwest waters in the 1800's as a food fish, carp can now be found in 48 States. They are highly tolerant of poor water quality and prefer to spawn in shallow weedy areas in groups consisting of one female and several males. A single female can produce up to 100,000-500,000 eggs which hatch in 5-8 days. The spawning ritual involves thrashing in shallow water which resuspends sediment, contributing to turbidity problems. Carp are omnivorous and feed over soft bottom substrate where they suck up silt and filter out crustaceans, insect larvae and other desirable food items. Carp are very active when feeding and can be observed around shallow areas where they uproot plants which increases turbidity and nutrient concentrations (Bajer et al., 2009; Matsuzaki et al., 2009, Bajer and Sorensen 2015).

Research has demonstrated that carp can significantly reduce water quality in several ways. The spawning and foraging behavior causes bioturbation, or the re-suspension of nutrient rich lake bottom sediments. This contributes to both poor water clarity and higher phosphorus concentrations (Lamarra Jr., 1975; Breukelaar et al., 1994; Parkos III et al., 2003; Morgan & Hicks, 2013).

Bioturbation also negatively impacts other lake biota. Fish eggs from other species that spawn in the shallow waters may be physically disturbed, consumed, or covered by sediments from carp activity reducing the chances of survival. Carp have also been linked to higher levels of nutrients in the water column (Bajer and Sorensen 2015). Many of the soils in Lake County have high amounts of clay particles, which can stay suspended in water for long periods of time. Reduced water clarity due to carp activity also negatively influences aquatic plant growth, as photosynthesis is truncated or ceases in low-light conditions. This, in turn, impacts habitat for small zooplankton, fish fry, and other aquatic organisms. Low light conditions also impact sight feeding fish such as bass and other gamefish (Weber and Brown, 2011; Huenemann et al., 2012), which are important recreational species in Illinois. In addition, harmful algae blooms (HABs) have been receiving more attention. Blooms from cyanobacteria (aka, blue-green algae) are a concern not only for aquatic life, but for human health. Increases in HABs that contain toxins which may be harmful to humans and other life have been documented in the United States ([Center for Disease Control Website](#)). HABs are triggered in part by high nutrient concentrations, particularly phosphorus and nitrogen, which are exacerbated by carp bioturbation.

Carp also contribute to nutrient loading through their feces (Chapman et al., 1987) and by their biomass. Carp flesh can comprise approximately 1% phosphorus (Suh et al., 2015). These nutrients remain in the lake to be utilized by other organisms, including algae.

While external non-point sources in the watershed are a contributor to these nutrients and sediments, internal non-point sources need to be addressed as well. Carp are a significant source of internal non-point pollution (Chumchal and Drenner, 2004). Depending on the position in the landscape of a carp infested lake, the poor-quality water may flow downstream, impacting other waterbodies, including streams or other lakes. Thus, addressing carp issues in one lake may have a cascading effect downstream. For all of these reasons, carp removal is often recommended as an important element of lake restoration (Meijer et al., 1990).

LCHD proposes to reduce the carp populations in four (4) impaired lakes in Lake County. The scope of work will be to remove carp through electrofishing methods and monitor the water quality and aquatic plant populations over the course of the project and beyond. Three of the four lakes (Slough, Crooked, and Hastings) are hydrologically connected and have documented high carp populations (IDNR). The fourth lake (McDonald Woods #1) is of interest since it is carp infested while being hydrologically connected (but unpassable to fish) to another similar sized lake (McDonald #2) with no carp. This provides a side-by-side comparison of the technique. Historic data on all the lakes exist for a variety of parameters, including water quality, aquatic plants, and fishery populations.

The technique of electrofishing to estimate and reduce carp populations (Bajer and Sorensen 2012) and improve water quality has been successful in other areas (Schrage and Downing, 2004). In Lake County, the Illinois Department of Natural Resources uses electrofishing to assess fishery populations, but also to specifically remove carp. They have documented success after several years of dedicated carp removal (Frank Jakubecik, IDNR Fisheries Biologist, personal communication).

The electrofishing equipment will be purchased by LCHD through its iProcurement Health System (Lake County Health Department and Community Health Center Purchasing Policies and Procedures, adopted 6/22/11, available upon request). This equipment is not available for lease or rent from local companies. The other option is to hire a consultant to conduct the carp removal by electrofishing methods. The estimate consultant cost is \$2,000 per lake visit for this service. During the 2-year project, there will be 16 lake visits (4 lakes, 2 visits/year), which would cost an estimated \$32,000. In addition, the equipment purchased by LCHD would be available for follow up lake visits during the 10-year O&M period as well as available for use on other impaired Lake County lakes. Lastly, this equipment could be leased to other entities in the Chicagoland area for similar projects.

7. Photographs:

(Left) Carp resuspending sediment during spring spawning (Right) Electrofishing example



8. BMP Summary Table (* Indicates nonpoint sources of pollution listed in 305(b) impairments:

BMP Summary Table						
BMP Type	Number of Sites	Carp Removed	Total Weight of Carp (lbs)	Nonpoint Sources of Pollution Addressed	Estimated Total Phosphorus Removed (lbs)	Watershed-Based Plan Reference
Carp removal	4 lakes	2000	10000	Fish biomass, bioturbation resuspension, Internal Nutrient Recycling*, Wildlife Other than Waterfowl*	250-500	Des Plaines River Watershed-Based plans lake actions LK77, LK176, LK292, and LK349 and Programmatic Actions: Goal #1 Action 12, Goal #2 Action 26.

9. Property Owner(s):

Lake	Ownership
McDonald #1	LCFPD
McDonald #2	LCFPD
Slough	LCFPD
Crooked	Private HOAs
Hastings	LCFPD

LCFPD=Lake County Forest Preserve District

HOA= Homeowner Association

10. Estimated Pollutant Load Reductions (see BMP Summary Table in Section 8):

Estimates on nutrient reduction loads from removing carp are scarce; however, a study of a lake in Minnesota (RWMWD 2006) estimates that carp can internally load a lake with total phosphorus (TP) at 1.07 - 2.18 mg P/m²/day based on a fish density of 200 kg/ha (LaMarra 1975). Removing 1,000 carp (average weight of 7 pounds) on the 198-acre lake in Minnesota resulted in a fish density of about 40 kg/ha (or 5 seven-pound fish per acre). This equates to the internal loading from 1,000 carp could range from about 131 to 266 pounds of TP per year. If similar carp densities were present in the lakes proposed in this study, this could amount to a substantial TP reduction. These calculations do not account for the phosphorus in the carp body, estimated to be approximately 1% of body mass. Removing 1,000 carp would remove approximately 10 pounds of TP.

For comparison purposes, shoreline bank stabilization is a common BMP approved by 319 funds. Using the US EPA's Region 5 Load Estimation Spreadsheet Model, stabilizing an eroded bank that is 250 feet linear, at a height of 6 feet, with a lateral recession rate of 0.2 feet/year, would reduce the phosphorus load by 12.1 pounds/year, compared to a near 10-fold possible reduction by removing carp.

11. Illinois Integrated Water Quality Report Table

Illinois Integrated Water Quality Report Table						
Waterbody Name	Assessment Unit ID	10-Digit HUC	Size (acres)	Use Attainment	Causes of Impairment	Sources of Impairment
Crooked Lake	IL_RGZA	712000402	140	Fully Supporting Aquatic Life, Not Supporting Aesthetic Quality	Phosphorus (Total), Total Suspended Solids (TSS)	Internal Nutrient Recycling, Wildlife Other than Waterfowl, Agriculture, Rural (Residential Areas), Residential Districts
Hastings Lake	IL_RGZB	712000402	76	Fully Supporting Aquatic Life, Not Supporting Aesthetic Quality, Not Supporting Primary Contact	Phosphorus (Total), Total Suspended Solids (TSS), Fecal Coliform	Source Unknown, Other Recreational Pollution Sources, Agriculture, Rural (Residential Areas), Runoff from Forest/Grassland/Parkland
Slough Lake	IL_RGZE	712000402	38	Not Supporting Aesthetic Quality, Not Supporting Aquatic Life	Phosphorus (Total), Total Suspended Solids (TSS), Oxygen, Dissolved	Non-Point, Agriculture, Rural (Residential Areas), Runoff from Forest/Grassland/Parkland

12 . Scope of Work:

The following table represents the scope of work for the project. While no permits are needed for this project, LCHD will be working closely with the Fisheries Biologist from the IDNR

Scope of Work	
Task	Responsible Entity
Identify lakes and morphology information	LCHD
Gather historic water quality and fisheries data	LCHD
Procure boat and electroshocking equipment	LCHD
Collect water samples - year 1	LCHD
Analyze water samples and aquatic plants - year 1	LCHD
Survey lakes and remove carp	LCHD and LCFPD
Summarize year 1 data	LCHD
Collect water samples - year 2	LCHD
Analyze water samples and aquatic plants - year 2	LCHD
Survey lakes and remove carp	LCHD and LCFPD
Conduct fisheries survey	IDNR
Summarize year 2 data	LCHD
Finalize report	LCHD
10 Year Operations and Maintenance	LCHD and LCFPD
- Fish Survey	IDNR
- Carp removal by electroshocking	LCHD and LCFPD
- Water quality and aquatic plant monitoring	LCHD

Literature Cited:

- Bajer, P. G., G. Sullivan & P. W. Sorensen, 2009. Effects of a rapidly increasing population of common carp on vegetative cover and waterfowl in a recently restored Midwestern shallow lake. *Hydrobiologia* 632: 235–245.
- Bajer, P. G. & P. W. Sorensen, 2012. Using boat electrofishing to estimate the abundance of invasive common carp in small Midwestern lakes. *North American Journal of Fisheries Management* 32: 817–822.
- Bajer, P. G. & P. W. Sorensen, 2015. Effects of common carp on phosphorus concentrations, water clarity, and vegetation density: a whole system experiment in a thermally stratified lake *Hydrobiologia* (2015) 746:303–311 DOI 10.1007/s10750-014-1937-y.
- Breukelaar, A. W., E. Lammens, J. Breteler & I. Tatrai, 1994. Effects of benthivorous bream (*Abramis brama*) and carp (*Cyprinus carpio*) on sediment resuspension and concentration of nutrients and chlorophyll a. *Freshwater Biology* 32: 113–121.
- Chapman, D.C, W. A Hubert, and U.T. Jackson. 1987. Phosphorus retention by grass carp (*Ctenopharyngodon idella*) fed sago pondweed (*Potamogeton pectinatus*). *Aquaculture* 65: 221-225.
- Chumchal, M. M. & R. W. Drenner, 2004. Interrelationships between phosphorus loading and common carp in the regulation of phytoplankton biomass. *Fundamental and Applied Limnology* 161: 147–158.
- Huenemann, T.W., E.D Dibble, J.P. Fleming. 2012 *Transactions of the American Fisheries Society* 141(1): 107-111
Influence of Turbidity on the Foraging of Largemouth Bass.
- Kulhanek, S. A., B. Leung & A. Ricciardi, 2011. Using ecological niche models to predict the abundance and impact of invasive species: application to the common carp. *Ecological Applications* 21: 203–213.
- Lamarra Jr., V., 1975. Digestive activities of carp as a major contributor to the nutrient loading of lakes. *Internationale Vereinigung fur Theoretische und Angewandte Limnologie Verhandlungen* 19: 2461–2468.
- LaMarra, V.A.. 1975. Digestive activities of carp as a major contributor to the nutrient loading of lakes. Contribution No. 138 from the Limnological Research Center, Verh. International Verein. Limnol., p. 2461-2468.
- Lougheed, V. L., B. Crosbie & P. Chow-Fraser, 1998. Predictions on the effect of common carp (*Cyprinus carpio*) exclusion on water quality, zooplankton, and submergent macrophytes in a Great Lakes wetland. *Canadian Journal of Fisheries and Aquatic Sciences* 55: 1189–1197.
- Meijer, M. L., M. W. Dehaan, A. W. Breukelaar & H. Buiteveld, 1990. Is reduction of the benthivorous fish an important cause of high transparency following biomanipulation in shallow lakes. *Hydrobiologia* 200: 303–315.
- Morgan, D. K. & B. J. Hicks, 2013. A metabolic theory of ecology applied to temperature and mass dependence of N and P excretion by common carp. *Hydrobiologia* 713: 135–145.
- Parkos III, J. J., V. J. Santucci Jr. & D. H. Wahl, 2003. Effects of adult common carp (*Cyprinus carpio*) on multiple trophic levels in shallow mesocosms. *Canadian Journal of Fisheries and Aquatic Sciences* 60: 182–192.
- Ramsey-Washington Metro Watershed District (RWMWD). November 2006. Phalen Chain of Lakes Carp Population Study. <http://www.rwmwd.org/vertical/Sites/%7BAB493DE7-F6CB-4A58-AFE0-56D80D38CD24%7D/uploads/%7B98EF18F6-3559-47D6-BB99-B6B83F11B756%7D.PDF>
- Schrage, L. J. and J. A. Downing, 2004. Pathways of increased water clarity after fish removal from Ventura Marsh; a

shallow, eutrophic wetland. *Hydrobiologia* 511: 215–231.

Sahu, B. C., S. Adhikari, A.S. Mahapatra, and L. Dey, 2015. Nitrogen, Phosphorus, and Carbon Budgets in Polyculture Ponds of Indian Major Carps and Giant Freshwater Prawn in Orissa State, India. *Journal of Applied Aquaculture* Volume 27, Issue 4.

Weber, M. J. and M. L. Brown, 2011. Relationships among invasive common carp, native fishes and physicochemical characteristics in upper Midwest (USA) lakes. *Ecology of Freshwater Fish* 20: 270–278.

Attachment B: PROJECT Budget

PROJECT BUDGET TABLE					
Item Description	Unit Cost	Units	Total Cost	Grant Funding Requested	Local Match
Electrofishing equipment/boat	\$23,074.00	1 LS	\$23,074.00	\$0	\$23,074.00
Fish Disposal	\$2,000.00	1 LS	\$2,000.00	\$2,000.00	\$0
Instructor-led training	\$500.00	1 Staff	\$500.00	\$500.00	\$0
Online training	\$50.00	4 Staff	\$200.00	\$200.00	\$0
In-lake personnel training	\$45.00	32 hrs	\$1,440.00	\$1,440.00	\$0
Carp removal- staff	\$45.00	384 hrs	\$17,280.00	\$13,922.27	\$3,357.73
Carp removal- administration	\$60.00	38.4 hrs	\$2,304.00	\$2,304.00	\$0
Water quality assessment- staff	\$45.00	240 hrs	\$10,800.00	\$10,800.00	\$0
Water quality assessment- administration	\$60.00	24 hrs	\$1,440.00	\$1,440.00	\$0
Lab costs	\$85.00	80 samples	\$6,800.00	\$0	\$6800.00
Education/Outreach Component (DRWW)	\$912.33	1 LS	\$912.33	\$0	\$912.33
Total			\$66,750.33	\$32,606.27	\$34,144.06

Attachment C: PROJECT Schedule

Task / Project Element	Completion Date
Project Coordination “Kick-off” Meeting	November 29, 2019
Quarterly Work Progress Updates	January 1, April 1, July 1, October 1 2020-2021
Draft Carp Removal Strategy	December 31, 2019
Final Carp Removal Strategy	February, 29, 2020
Draft Quality Assurance Project Plan	December 31, 2019
Final Quality Assurance Project Plan	February, 29, 2020
Quality Assurance Project Plan Implementation	October 31, 2021
Draft Monitoring Report	December 31, 2021
Final Monitoring Report	January 31, 2022
Permits and Landowner Agreement	December 31, 2019
Start Day to Begin Carp Removal Strategy Implementation	June 30, 2020
Carp Removal Strategy Implementation	October 31, 2021
Photographic Documentation of Carp Removal Implementation	December 31, 2021

Attachment D: Special Conditions

The RECIPIENT understands that no work completed before the submittal and approval by SMC and Illinois EPA of the carp removal strategy, quality assurance project plan, and landowner agreements is reimbursable by the grant.

Implementation of the Strategy developed in accordance with this Agreement must begin by June 30, 2020. In the event that implementation of the Strategy developed in accordance with this Agreement has not begun by June 30, 2020, the RECIPIENT shall immediately discontinue all work on the PROJECT unless an extension is requested by the RECIPIENT and approved by the Illinois EPA prior to June 15, 2020. In the event of such a discontinuation of work, no costs incurred in association with the PROJECT will be eligible for reimbursement by the Illinois EPA.

Mike Adam, Senior Biologist
Lake County Health Department
(RECIPIENT)

Date

Michael Warner, Executive Director
Lake County Stormwater Management Commission
(SMC)

Date

**Attachment E: Certifications and Grant Conditions for Clean Water
Act Section 319(h) Financial Assistance Agreements Illinois
Environmental Protection Agency**

See attached Illinois EPA Certifications and Conditions.

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**ARTICLE II
REQUIRED REPRESENTATIONS**

2.1. Standing and Authority. Grantee warrants that:

(a) Grantee is validly existing and in good standing, if applicable, under the laws of the state in which it was incorporated, organized or created.

(b) Grantee has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Grantee is an agency under the laws of a jurisdiction other than Illinois, Grantee warrants that it is also duly qualified to do business in Illinois and is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement, and the other documents to be executed by Grantee in connection with this Agreement, and the performance by Grantee of its obligations hereunder have been duly authorized by all necessary entity action.

(e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

2.2. Compliance with Internal Revenue Code. Grantee certifies that it does and will comply with all provisions of the federal Internal Revenue Code (26 USC 1), the Illinois Income Tax Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3. Compliance with Federal Funding Accountability and Transparency Act of 2006. Grantee certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal Awards greater than or equal to \$25,000. A FFATA sub-award report must be filed by the end of the month following the month in which the award was made.

2.4. Compliance with Uniform Grant Rules (2 CFR Part 200). Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. See 44 Ill. Admin. Code 7000.30(b)(1)(A).

2.5. Compliance with Registration Requirements. Grantee and its sub-grantees shall: (i) be registered with the federal SAM; (ii) be in good standing with the Illinois Secretary of State, if applicable; (iii) have a valid DUNS number; and (iv) have successfully completed the annual registration and prequalification through the Grantee Portal. It is Grantee's responsibility to remain current with these registrations and requirements. If Grantee's status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVIII.

ARTICLE III DEFINITIONS

3.1. Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

"2 CFR Part 200" means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

"Agreement" or "Grant Agreement" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Allocable Costs" means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

"Allowable Costs" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Award" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Budget" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"CFDA" or "Catalog of Federal Domestic Assistance" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Close-out Report" means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

"Conflict of Interest" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Consolidated Year-End Financial Report" means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

"Cost Allocation Plan" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"CSFA" or "Catalog of State Financial Assistance" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Direct Costs" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Disallowed Costs" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"DUNS Number" means a unique nine digit identification number provided by Dun & Bradstreet for each physical location of Grantee's organization. Assignment of a DUNS Number is mandatory for all organizations seeking an Award from the state of Illinois.

"FAIN" means the Federal Award Identification Number.

"FFATA" or "Federal Funding Accountability and Transparency Act" has the same meaning as in 31 USC 6101; P.L. 110-252.

"Financial Assistance" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Fixed-Rate" has the same meaning as in 44 Ill. Admin. Code Part 7000. "Fixed-Rate" is in contrast to fee-for-service, 44 Ill. Admin. Code Part 7000.

"GAAP" or "Generally Accepted Accounting Principles" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Grant Funds" means the Financial Assistance made available to Grantee through this Agreement.

"Grantee Portal" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Indirect Costs" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Indirect Cost Rate" means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

"Indirect Cost Rate Proposal" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Net Revenue" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Net Revenue" is synonymous with "Profit."

"Nonprofit Organization" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Notice of Award" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"OMB" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Prior Approval" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Profit" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Profit" is synonymous with "Net Revenue."

"Program" means the services to be provided pursuant to this Agreement.

"Program Costs" means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

"Program Income" has the same meaning as in 44 Ill. Admin. Code Part 7000.

"Related Parties" has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

"SAM" means the federal System for Award Management (SAM); which is the federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

"State" means the state of Illinois.

"Term" has the meaning set forth in Paragraph 1.4.

"Unallowable Costs" has the same meaning as in 44 Ill. Admin. Code Part 7000.

ARTICLE IV PAYMENT

4.1. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2. Return of Grant Funds. Any Grant Funds remaining that are not expended or legally obligated by Grantee, including those funds obligated pursuant to ARTICLE XVII, at the end of the Agreement period, or in the case of capital improvement Awards at the end of the time period Grant Funds are available for expenditure or obligation, shall be returned to Grantor within forty-five (45) days. All obligations regarding Grant Funds management shall survive this Agreement's termination or expiration. See 2 CFR 200.343(d); 2 CFR 200.305(b)(9); 30 ILCS 705/5. A Grantee who is required to reimburse Grant Funds and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986. 30 ILCS 210; 44 Ill. Admin. Code 7000.450(c). In addition, as required by 44 Ill. Admin. Code 7000.440(b)(2), unless granted a written extension, Grantee must liquidate all obligations incurred under the Award at the end of the period of performance.

4.3. Cash Management Improvement Act of 1990. Unless notified otherwise in **PART TWO** or **PART THREE**, federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 *et seq.*) and any other applicable federal laws or regulations. See 2 CFR 200.305; 44 Ill. Admin. Code Part 7000.

4.4. Payments to Third Parties. Grantee agrees that Grantor shall have no liability to Grantee when Grantor acts in good faith to redirect all or a portion of any Grantee payment to a third party. Grantor will be deemed to have acted in good faith when it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.5. Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the

funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under **Exhibit A** may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.6. Interest.

(a) All interest earned on Grant Funds held by a Grantee shall be treated in accordance with 2 CFR 200.305(b)(9), unless otherwise provided in **PART TWO** or **PART THREE**. Any amount due shall be remitted annually in accordance with 2 CFR 200.305(b)(9) or to the Grantor, as applicable.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR Part 200.305(b)(8).

4.7. Timely Billing Required. Grantee must submit any payment request to Grantor within thirty (30) days of the end of the quarter, unless another billing schedule is specified in **PART TWO**, **PART THREE** or **Exhibit C**. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.8. Certification. Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee (or sub-grantee) must contain the following certification by an official authorized to legally bind the Grantee (or sub-grantee):

By signing this report [or payment request or both], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate; that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the State or federal pass-through award; and that supporting documentation has been submitted as required by the grant agreement. I acknowledge that approval for any other expenditure described herein shall be considered conditional subject to further review and verification in accordance with the monitoring and records retention provisions of the grant agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812; 30 ILCS 708/120).

ARTICLE V
SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT

5.1. Scope of Grant Activities/Purpose of Grant. Grantee will conduct the Grant Activities or provide the services as described in the Exhibits and attachments, including **Exhibit A** (Project Description) and **Exhibit B** (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all

applicable administrative rules. In addition, the State's Notice of Award is incorporated herein by reference. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in **PART TWO** (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in **PART THREE**.

5.2. Scope Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. See 2 CFR 200.308.

5.3. Specific Conditions. If applicable, specific conditions required after a risk assessment will be included in **Exhibit G**. Grantee shall adhere to the specific conditions listed therein.

ARTICLE VI BUDGET

6.1. Budget. The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-federal as well as the federal share (and State share if applicable) of grant expenses. The Budget submitted by Grantee at application, or a revised Budget subsequently submitted and approved by Grantor, is considered final and is incorporated herein by reference.

6.2. Budget Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 44 Ill. Admin. Code 7000.370(b). All requests for Budget revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. 2 CFR 200.308.

6.3. Discretionary Line Item Transfers. Unless prohibited from doing so in 2 CFR 200.308, transfers between approved line items may be made without Grantor's approval only if the total amount transferred does not exceed the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item. Discretionary line item transfers may not result in an increase to the Budget.

6.4. Non-discretionary Line Item Transfers. Total line item transfers exceeding the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item require Grantor approval as set forth in Paragraph 6.2.

6.5. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

ARTICLE VII ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation

methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

7.2. Indirect Cost Rate Submission.

(a) All Grantees must make an Indirect Cost Rate election in the Grantee Portal, even grantees that do not charge or expect to charge Indirect Costs. 44 Ill. Admin. Code 7000.420(d).

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations, in a format prescribed by Grantor. For Grantees who have never negotiated an Indirect Cost Rate before, the Indirect Cost Rate Proposal must be submitted for approval no later than three months after the effective date of the Award. For Grantees who have previously negotiated an Indirect Cost Rate, the Indirect Cost Rate Proposal must be submitted for approval within 180 days of the Grantee's fiscal year end, as dictated in the applicable appendices, such as:

- (i) Appendix V and VII to 2 CFR Part 200 governs Indirect Cost Rate Proposals for state and local governments,
- (ii) Appendix III to 2 CFR Part 200 governs Indirect Cost Rate Proposals for public and private institutions of higher education,
- (iii) Appendix IV to 2 CFR Part 200 governs Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, and
- (iv) Appendix V to Part 200 governs state/Local Governmentwide Central Service Cost Allocation Plans.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the federal government and a copy of all documentation regarding the allocation methodology for costs used to negotiate that rate, e.g., without limitation, the cost policy statement or disclosure narrative statement. Grantor will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. See 2 CFR 200.451.

7.4. Higher Education Cost Principles. The federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR Part 200 Subpart E and Appendix III.

7.5. Government Cost Principles. The federal cost principles that apply to state, local and federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and Appendix VII.

7.6. Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System.** Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each state- and federally-funded Program. Accounting records must contain information pertaining to state and federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds.

Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. To comply with 2 CFR 200.305(b)(7)(i) and 30 ILCS 708/520, Grantee shall use reasonable efforts to ensure that funding streams are delineated within Grantee's accounting system. See 2 CFR 200.302.

(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

(i) The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity's organization (Paragraphs 7.4 through 7.5).

(ii) If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO, PART THREE** or **Exhibit G** of the requirement to submit Personnel activity reports. See 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

(iii) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.

(iv) If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement. 2 CFR 200.303.

(d) **Budget Control.** Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management.** Requests for advance payment shall be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.7. **Federal Requirements.** All Awards, whether funded in whole or in part with either federal or State funds, are subject to federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 III. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.6.

7.8. **Profits.** It is not permitted for any person or entity to earn a Profit from an Award. See, e.g., 2 CFR 200.400(g); see also 30 ILCS 708/60(a)(7).

7.9. Management of Program Income. Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

ARTICLE VIII REQUIRED CERTIFICATIONS

8.1. Certifications. Grantee shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the state of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of state or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401 *et seq.*) or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1 *et seq.*).

(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by federal or state government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(h) **Drug-Free Work Place.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than \$5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.

- (i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 *et seq.*).
- (j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 USC 1251 *et seq.*).
- (k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal department or agency 2 CFR 200.205(a), or by the State (*See* 30 ILCS 708/25(6)(G)).
- (l) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.
- (m) **Grant for the Construction of Fixed Works.** Grantee certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Program, Grantee shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the Award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.
- (n) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee shall maintain, for a minimum of six (6) years, all protected health information.
- (o) **Criminal Convictions.** Grantee certifies that neither it nor any managerial agent of Grantee has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Grantee further certifies that it is not barred from receiving an Award under 30 ILCS 500/50-10.5, and acknowledges that Grantor shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).
- (p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).
- (q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.
- (r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that

this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

ARTICLE IX CRIMINAL DISCLOSURE

9.1. **Mandatory Criminal Disclosures.** Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. See 30 ILCS 708/40. Additionally, if Grantee receives over \$10 million in total Financial Assistance, funded by either State or federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix XII of 2 CFR Part 200, and 30 ILCS 708/40.

ARTICLE X UNLAWFUL DISCRIMINATION

10.1. **Compliance with Nondiscrimination Laws.** Both Parties, their employees and subcontractors under subcontract made pursuant to this Agreement, remain compliant with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

- (a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;
- (b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);
- (c) The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a- and 2000h-6). (See also guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);
- (d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);
- (e) The Americans with Disabilities Act of 1990 (as amended) (42 USC 12101 *et seq.*); and
- (f) The Age Discrimination Act (42 USC 6101 *et seq.*).

ARTICLE XI LOBBYING

11.1. Improper Influence. Grantee certifies that no Grant Funds have been paid or will be paid by or on behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

11.2. Federal Form LLL. If any funds, other than federally-appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with its instructions.

11.3. Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set forth in 2 CFR Part 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

11.4. Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

11.5. Subawards. Grantee must include the language of this ARTICLE XI in the award documents for any subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors regarding this certification to Grantor.

11.6. Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

ARTICLE XII

MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

12.1. Records Retention. Grantee shall maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.333, unless a different retention period is specified in 2 CFR 200.333 or 44 Ill. Admin. Code §§ 7000.430(a) and (b). If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

12.2. Accessibility of Records. Grantee, in compliance with 2 CFR 200.336 and 44 Ill. Admin.

Code 7000.430(e), shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, the Grantor's Inspector General, federal authorities, any person identified in 2 CFR 200.336, and any other person as may be authorized by Grantor (including auditors), by the state of Illinois or by federal statute. Grantee shall cooperate fully in any such audit or inquiry.

12.3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in this ARTICLE XII, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

12.4. Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable state and federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. See 2 CFR 200.328 and 200.331. Additional monitoring requirements may be in **PART TWO** or **PART THREE**.

ARTICLE XIII FINANCIAL REPORTING REQUIREMENTS

13.1. Required Periodic Financial Reports. Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.207. The first of such reports shall cover the first three months after the Award begins. Quarterly reports must be submitted no later than 30 calendar days following the three month period covered by the report. Additional information regarding required financial reports may be set forth in **Exhibit G**. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*; 2 CFR 207(b)(3) and 200.327. Any report required by 30 ILCS 708/125 may be detailed in **PART TWO** or **PART THREE**.

13.2. Close-out Reports.

(a) Grantee shall submit a Close-out Report within 60 calendar days following the end of the period of performance for this Agreement. In the event that this Agreement is terminated prior to the end of the Term, Grantee shall submit a Close-out Report within 60 calendar days of such termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.343; 44 Ill. Admin. Code 7000.440(b).

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately submit a refund to Grantor, if applicable. 2 CFR 200.344.

13.3. Consolidated Year-End Financial Reports.

(a) This Paragraph 13.3 applies to all Grantees, unless exempted by **PART TWO** or **PART THREE**.

(b) Grantees shall submit Consolidated Year-End Financial Reports, according to the required audit (see **Error! Reference source not found.**), namely:

- (i) For Grantees required to conduct a single audit (or program-specific audit), within the earlier of (a) 9 months after the Grantee's fiscal year ending on or after June 30, or (b) 30 calendar days following completion of the audit; or
- (ii) For Grantees required to conduct a Financial Statement Audit or for Grantees not required to perform an audit, within 180 days after the Grantee's fiscal year ending on or after June 30.

These deadlines may be extended at the discretion of the Grantor, but only for rare and unusual circumstances such as a natural disaster.

(c) The Consolidated Year-End Financial Report must cover the same period the Audited Financial Statements cover. If no Audited Financial Statements are required, however, then the Consolidated Year-End Financial Report must cover the same period as the Grantee's tax return.

(d) Consolidated Year-End Financial Reports must include an opinion from the report issuer on the financial statements included in the Consolidated Year-End Financial Report.

(e) Consolidated Year-End Financial Reports shall follow a format prescribed by Grantor.

(f) Notwithstanding anything herein to the contrary, when such reports or statements required under this section are prepared by the Illinois Auditor General, if they are not available by the above-specified due date, they will be provided to Grantor within thirty (30) days of becoming available.

13.4. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of improper payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee's failure to comply with this ARTICLE XIII, ARTICLE XIV, or **Error! Reference source not found.** shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding. Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for policy and consequences for failure to comply.

ARTICLE XIV PERFORMANCE REPORTING REQUIREMENTS

14.1. Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in **Exhibit E** must be reported quarterly, unless otherwise specified in **PART TWO** or **PART THREE**. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. Pursuant to 2 CFR 200.207, specific conditions may be imposed requiring Grantee to report more frequently based on the risk assessment or the merit based review of the application. In such cases, Grantor shall notify Grantee of same in **Exhibit G**. Pursuant to 2 CFR 200.328 and 44 Ill. Admin. Code 7000.410(b)(2), periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. For certain construction-related Awards, such reports may be exempted as identified in **PART TWO** or **PART THREE**. 2 CFR 200.328. Failure to submit such

required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*

14.2. Close-out Performance Reports. Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, within 60 calendar days following the end of the period of performance. See 2 CFR 200.343; 44 Ill. Admin. Code 7000.440(b)(1).

14.3. Content of Performance Reports. Pursuant to 2 CFR 200.328(b)(2) all Performance Reports must include Program qualitative and quantitative information, including a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost if required; performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.

14.4. Performance Standards. Grantee shall perform in accordance with the Performance Standards set forth in **Exhibit F**. See 2 CFR 200.301 and 200.210.

ARTICLE XV AUDIT REQUIREMENTS

15.1. Audits. Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules and policies set forth by the Governor's Office of Management and Budget. See 30 ILCS 708/65(c); 44 Ill. Admin. Code 7000.90.

15.2. Audit Requirements.

(a) Single and Program-Specific Audits. If, during its fiscal year, Grantee expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined), Grantee must have a single audit or program-specific audit conducted for that year as required by 2 CFR 200.501 and other applicable sections of Subpart F of 2 CFR Part 200. The audit report packet must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90(h)(1) and the current GATA audit manual and submitted to the Federal Audit Clearinghouse, as required by 2 CFR 200.512. The results of peer and external quality control reviews, management letters, AU-C 265 communications and the Consolidated Year-End Financial Report(s) must be submitted to the Grantee Portal. The due date of all required submissions set forth in this paragraph is the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of the Grantee's audit period.

(b) Financial Statement Audit. If, during its fiscal year, Grantee expends less than \$750,000 in Federal Awards, Grantee is subject to the following audit requirements:

(i) If, during its fiscal year, Grantee expends \$500,000 or more in Federal and State Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS). Grantee may be subject to additional requirements in **PART TWO**, **PART THREE** or **Exhibit G** based on the Grantee's risk profile.

(ii) If, during its fiscal year, Grantee expends less than \$500,000 in Federal and

State Awards, singularly or in any combination, from all sources, but expends \$300,000 or more in Federal and State Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Auditing Standards (GAAS).

(iii) If Grantee is a Local Education Agency (as defined in 34 CFR 77.1), Grantee shall have a financial statement audit conducted in accordance with GAGAS, as required by 23 Ill. Admin. Code 100.110, regardless of the dollar amount of expenditures of Federal and State Awards.

(iv) If Grantee does not meet the requirements in subsections 15.2(b) and 15.2(c)(i-iii) but is required to have a financial statement audit conducted based on other regulatory requirements, Grantee must submit those audits for review.

(v) Grantee must submit its financial statement audit report packet, as set forth in 44 Ill. Admin. Code 7000.90(h)(2) and the current GATA audit manual, to the Grantee Portal within the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 6 months after the end of the Grantee's audit period.

15.3. Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by the Illinois Auditor General, or a Certified Public Accountant or Certified Public Accounting Firm licensed in the state of Illinois or in accordance with Section 5.2 of the Illinois Public Accounting Act (225 ILCS 450/5.2). For all audits required to be performed subject to Generally Accepted Government Auditing standards or Generally Accepted Auditing standards, Grantee shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter. Grantee shall follow procedures prescribed by Grantor for the preparation and submission of audit reports and any related documents.

15.4. Delinquent Reports. Notwithstanding anything herein to the contrary, when such reports or statements required under this section are prepared by the Illinois Auditor General, if they are not available by the above-specified due date, they will be provided to Grantor within thirty (30) days of becoming available. Otherwise, Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for the policy and consequences for late reporting. 44 Ill. Admin. Code 7000.80.

ARTICLE XVI

TERMINATION; SUSPENSION; NON-COMPLIANCE

16.1. Termination.

(a) This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) calendar days' prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.339(a)(4).

(b) This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

(i) Pursuant to a funding failure under Paragraph 4.1;

(ii) If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;

(iii) For cause, which may render the Grantee ineligible for consideration for future grants from the Grantor or other State agencies; or

(iv) If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days' written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days' written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

16.2. Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

16.3. Non-compliance. If Grantee fails to comply with applicable statutes, regulations or the terms and conditions of this or any Award, Grantor may impose additional conditions on Grantee, as described in 2 CFR 200.207. If Grantor determines that non-compliance cannot be remedied by imposing additional conditions, Grantor may take one or more of the actions described in 2 CFR 200.338. The Parties shall follow all Grantor policies and procedures regarding non-compliance, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 44 Ill. Admin. Code §§ 7000.80, 7000.260.

16.4. Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, or takes any other action in response to Grantee's non-compliance, Grantee may avail itself of any opportunities to object and challenge such suspension, termination or other action by Grantor in accordance with any applicable processes and procedures, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 2 CFR 200.341; 44 Ill. Admin. Code §§ 7000.80, 7000.260.

16.5. Effects of Suspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

(c) Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

(i) Grantor expressly authorizes them in the notice of suspension or termination;
and

(ii) The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.342.

16.6. Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.339(c).

ARTICLE XVII SUBCONTRACTS/SUB-GRANTS

17.1. Sub-recipients/Delegation. Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved.

17.2. Application of Terms. Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by federal and state laws and regulations, and the provisions of this Agreement. In all agreements between Grantee and its sub-grantees, Grantee shall insert term(s) that requires that all sub-grantees adhere to the terms of this Agreement.

17.3. Liability as Guaranty. Grantee shall be liable as guarantor for any Grant Funds it lawfully obligates to a sub-grantee or sub-contractor pursuant to Paragraph 17.1 in the event the Grantor determines the funds were either misspent or are being improperly held and the sub-grantee or sub-contractor is insolvent or otherwise fails to return the funds.

ARTICLE XVIII NOTICE OF CHANGE

18.1. Notice of Change. Grantee shall notify the Grantor if there is a change in Grantee's legal status, federal employer identification number (FEIN), DUNS number, SAM registration status, Related Parties, or address. See 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

18.2. Failure to Provide Notification. To the extent permitted by Illinois law, Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor of these changes.

18.3. Notice of Impact. Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee's ability to perform this Agreement.

18.4. Circumstances Affecting Performance; Notice. In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee's ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the

Grantee's ability to perform under this Agreement.

18.5. Effect of Failure to Provide Notice. Failure to provide the notice described in Paragraph 18.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

ARTICLE XIX STRUCTURAL REORGANIZATION

19.1. Effect of Reorganization. Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee significantly reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action or changes significantly affecting its overall structure, and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. This ARTICLE XIX does not require Grantee to report on minor changes in the makeup of its governance structure. Nevertheless, **PART TWO** or **PART THREE** may impose further restrictions. Failure to comply with this ARTICLE XIX shall constitute a material breach of this Agreement.

ARTICLE XX AGREEMENTS WITH OTHER STATE AGENCIES

20.1. Copies upon Request. Grantee shall, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

ARTICLE XXI CONFLICT OF INTEREST

21.1. Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.112 and 44 Ill. Admin. Code 7000.40(b)(3).

21.2. Prohibited Payments. Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person currently holding an elective office in this State including, but not limited to, a seat in the General Assembly. In addition, where the Grantee is not an instrumentality of the State of Illinois, as described in this Paragraph, Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person employed by an office or agency of the state of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or \$106,447.20 (30 ILCS 500/50-13). An instrumentality of the State of Illinois includes, without limitation, State departments, agencies, boards, and State universities. An instrumentality of the State of Illinois does not include, without limitation, municipalities and units of local government and related entities. 2 CFR 200.64.

21.3. Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and

that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

ARTICLE XXII EQUIPMENT OR PROPERTY

22.1. Transfer of Equipment. Grantor shall have the right to require that Grantee transfer to Grantor any equipment, including title thereto, purchased in whole or in part with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439. Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had executed a bill of sale therefor.

22.2. Prohibition against Disposition/Encumbrance. The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

22.3. Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by either the President’s Office of Management and Budget, the Governor’s Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal and state statutes and executive orders.

22.4. Equipment Instructions. Grantee must obtain disposition instructions from Grantor when equipment, purchased in whole or in part with Grant Funds, are no longer needed for their original purpose. Notwithstanding anything to the contrary contained within this Agreement, Grantor may require transfer of any equipment to Grantor or a third party for any reason, including, without limitation, if Grantor terminates the Award or Grantee no longer conducts Award activities. The Grantee shall properly maintain, track, use, store and insure the equipment according to applicable best practices, manufacturer’s guidelines, federal and state laws or rules, and Grantor requirements stated herein.

ARTICLE XXIII PROMOTIONAL MATERIALS; PRIOR NOTIFICATION

23.1. Publications, Announcements, etc. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee shall obtain Prior Approval for the use of those funds (2 CFR 200.467) and agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase “Funding provided in whole or in part by the [Grantor].” Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

23.2. Prior Notification/Release of Information. Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

ARTICLE XXIV INSURANCE

24.1. Maintenance of Insurance. Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in PART TWO or PART THREE.

24.2. Claims. If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

ARTICLE XXV LAWSUITS

25.1. Independent Contractor. Neither Grantee nor any employee or agent of Grantee acquires any employment rights with Grantor by virtue of this Agreement. Grantee will provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee's use of such equipment or supplies provided by Grantor pursuant to this Agreement shall be strictly limited to official Grantor or state of Illinois business and not for any other purpose, including any personal benefit or gain.

25.2. Liability. Neither Party shall be liable for actions chargeable to the other Party under this Agreement including, but not limited to, the negligent acts and omissions of Party's agents, employees or subcontractors in the performance of their duties as described under this Agreement, unless such liability is imposed by law. This Agreement shall not be construed as seeking to enlarge or diminish any obligation or duty owed by one Party against the other or against a third party.

ARTICLE XXVI MISCELLANEOUS

26.1. Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

26.2. Access to Internet. Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or

for specific employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

26.3. Exhibits and Attachments. **Exhibits A through G, PART TWO, PART THREE**, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

26.4. Assignment Prohibited. Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

26.5. Amendments. This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.

26.6. Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

26.7. No Waiver. No failure of either Party to assert any right or remedy hereunder will act as a waiver of either Party's right to assert such right or remedy at a later time or constitute a course of business upon which either Party may rely for the purpose of denial of such a right or remedy.

26.8. Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the state of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* Grantor does not waive sovereign immunity by entering into this Agreement.

26.9. Compliance with Law. This Agreement and Grantee's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and State laws, including, without limitation, federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

26.10. Compliance with Confidentiality Laws. If applicable, Grantee shall comply with applicable state and federal statutes, federal regulations and Grantor administrative rules regarding confidential records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

26.11. Compliance with Freedom of Information Act. Upon request, Grantee shall make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. (5 ILCS 140/7(2)).

26.12. Precedence. In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between **PART ONE** and **PART TWO** or **PART THREE** of this Agreement, **PART ONE** shall control. In the event there is a conflict between **PART TWO** and **PART THREE** of this Agreement, **PART TWO** shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

26.13. Illinois Grant Funds Recovery Act. In the event of a conflict between the Illinois Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

26.14. Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

26.15. Entire Agreement. Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

26.16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

26.17. Attorney Fees and Costs. Unless prohibited by law, if Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys' fees, costs and expenses associated with such proceedings.

26.18. Continuing Responsibilities. The termination or expiration of this Agreement does not affect: (a) the right of the Grantor to disallow costs and recover funds based on a later audit or other review; (b) the obligation of the Grantee to return any funds due as a result of later refunds, corrections or other transactions, including final indirect cost rate adjustments, including those funds obligated pursuant to ARTICLE XVII; (c) the Consolidated Year-End Financial Report; (d) audit requirements established in **Error! Reference source not found.**; (e) property management and disposition requirements established in 2 CFR 200.310 through 2 CFR 200.316 and ARTICLE XXII; or (f) records related requirements pursuant to ARTICLE XII. 44 Ill. Admin. Code 7000.450.

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