



Village of Rantoul  
Community Development Department  
Consolidated Plan 2008 – 2012

Community Development Block Grant  
Public Services Policies and Procedures Manual  
2010 – 2011 Program Year  
November 25, 2009



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## Introduction

The Village of Rantoul administers the Community Development Block Grant (CDBG) Program through its Community Development Department and is funded by the U.S. Department of Housing and Urban Development (HUD). The CDBG Program is used to support activities which benefit low-and moderate income households.

This manual sets forth policies and procedures for the administration of programs and projects funded by the Village of Rantoul CDBG Program. Although some portions of these procedures are complicated and involve complex Federal regulations and policies, this manual summarizes the essential elements for proper program operation.

No handbook can address every type of administrative/accounting problem or situation that may arise during the course of the contract year; therefore the Village's Community Development staff is available to respond to requests for clarification or additional information.

In the event that new procedures or policies are implemented during the contract period, Community Development staff will provide timely notification and technical assistance.

This manual is neither intended to be all inclusive nor so restrictive that it cannot be amended.

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# I. Community Development Block Grant Program

## A. CDBG National Objectives and Eligible Activity Categories

The primary objective of Title I of the Housing and Community Development Act of 1974, as amended, is the development of viable communities by the provision of decent housing and a suitable living environment, and the expansion of economic opportunities, principally for persons of low- and moderate income. The Village of Rantoul receives an annual federal entitlement of CDBG funds to implement the Act locally.

CDBG funds are used to achieve the following national objectives:

- To benefit low- and moderate income persons.
- To prevent or eliminate slums or blight.
- To meet community development needs which have a particular urgency.

CDBG funds may be utilized for General Programs and Public Services or Development Projects in accordance with the following categories:

- Acquisition of Real Property
- Disposition
- Public Facilities/Improvements
- Clearance
- Public Services
- Administration
- Home Ownership
- Community Based Development Organizations
- Interim Assistance
- Relocation
- Housing Rehabilitation
- Code Enforcement
- Special Economic Development
- Planning
- Microenterprise Assistance

## B. Subrecipients and Community-Based Development Organizations

In order to achieve the national objectives, the Village of Rantoul allocates CDBG funds on an application basis each year. A **Subrecipient** is a public or private nonprofit agency, authority, or organization that receives CDBG funds from the Village to undertake eligible activities.

A **Community-Based Development Organization (CBDO)** is also a subrecipient, but only a CBDO is specifically authorized to provide “microenterprise” assistance. Typically a CBDO carries out neighborhood revitalization activities, community economic development programs, or energy conservation projects. A neighborhood organization must apply to the Village of Rantoul Community Development Department to become a CBDO. There are currently no CBDOs in the Village of Rantoul.

Unless otherwise noted, the term “subrecipient” will be used throughout this manual to denote all entities receiving CDBG funds.

### **C. Contractual Agreement**

Prior to the release of CDBG funds from the Village, a written agreement must be executed with the Subrecipient. The agreement remains in effect during any period that the Subrecipient is operating a program or implementing a project in which CDBG funds are being invested.

## II. Applications for Funding

All organizations requesting CBDG funds from the Village of Rantoul Community Development Department must submit an application which provides information concerning the organization, its corporate and financial structure, and a specific proposal for a program or project.

Community Development staff issues a Request for Proposals and accepts applications only once each fiscal year. This is to allow Community Development staff sufficient time to review each proposal and make recommendations to the Citizens Advisory Committee (CAC) and the Village Board, which in turn approves or denies each request and allocates the available funds accordingly. However, the Village may work with applicants throughout the year to facilitate project development. If it is determined by Community Development staff that approval of the project supports the goals of the Consolidated Plan and delays in funding the potential project would be detrimental to the Village in achieving a Consolidated Plan (ConPlan) goal, than an application may be processed at other times during the Plan Year by conducting Public Hearings and amending the Annual Action Plan (AAP).

### 1. National Objectives

Organizations requesting CDBG funds must identify the national objective which its program or project will address, and must also certify that those activities benefit low- and moderate income persons.

### 2. Scope of Services

The applicant must submit a clear and concise narrative description of the proposed program or project that includes quantifiable goals and objectives, methods of approach, and an implementation schedule.

### 3. Budget Proposal

- a. A preliminary budget must be submitted which specifies line item costs related to all project-related costs.
- b. For programs or projects which include multiple funding sources, the budget should include a cost allocation detail which identifies all costs associated with the respective sources; indirect costs, if any, to be charged to the program must be quantified. Itemize all fees, if any, charged to the recipients of services.
- c. A listing of all staff to be assigned to the project must be included, and the percentage of salaries to be reimbursed by the Village's CDBG funds must be identified.

#### 4. Disclosures

##### a. Organizational Structure:

All applicants must submit quantifying information detailing the organizational and management structure of the entity requesting assistance. Such information includes:

- 1) The charter or mission statement of the organization.
- 2) Documentation of non-profit status.
- 3) Articles of incorporation and by-laws.
- 4) Identification of members of Board of Directors.
- 5) Organizational chart listing current employees and job titles.
- 6) Personnel policies and procedures.
- 7) Identification of officials authorized to negotiate and enter into contracts.

##### b. Financial Management Capacity:

- 1) Resumes of its Chief Program Administrator and Chief Fiscal Officer
- 2) Organizational budget that describes the applicant's current operating budget, exclusive of the proposed program or project.
- 3) Information regarding the applicant's accounting systems, reporting and payment procedures, and audit requirements.
- 4) Most recent audit or financial statement if receiving more than \$25,000 in CDBG funds from all sources of income.

#### 5. Certifications

##### a. Certification of Application:

The applicant's Board of Directors must certify that if its proposal is approved and funded by the Village, all relevant federal, state, and local regulations will be adhered to. In addition, the applicant must verify that it is fully capable of fulfilling the obligations related to its proposal.

b. Certification of Affiliation

All members of the Board of Directors, officers, workers, or members of the organization who are an appointed member of Village of Rantoul Commission or Committee or who are Village employees must be identified.

c. Compliance with Civil Rights Act and Americans with Disabilities Act:

Provide evidence of written policies prohibiting discrimination in employment and in the implementation and operation of the proposed programs or services. The applicant must certify that the applicant's programs, projects, services, and physical facility have been reviewed for accessibility to persons with disabilities.

### **III. Fiscal Management**

#### **A. Budget Development Process**

All applications for CDBG funds shall include a budget proposal that summarizes all anticipated eligible expenses necessary to carry out the activity. In most cases, the applicant will prepare and submit this information, but the Village may also assist the applicant in this process.

The budget development process shall:

1. Identify all funding commitments received from all donors and funding sources.
2. Identify an amount of CDBG funds to be requested from the Village.
3. Identify all activities and expenditures attributable to specific funding sources.
4. Develop an Indirect Costs Allocation Plan to identify expenses which are not directly attributable to any specific activity or funding source (in general, only General Program or Public Service activities can include this as a budget line item).

The resultant budget shall be prepared on forms provided by the Village of Rantoul Community Development Department.

#### **B. Budget Types and Cost Categories**

Budgets shall be prepared in the following format:

1. General Programs and Public Services

There are three cost categories within this budget type:

- a. Personnel Costs

- 1) Personnel – Costs associated with the positions identified on the Staffing Plan. Costs shall reflect the actual amount of time each position spends on the program or project.
- 2) Fringe Benefits – Eligible payroll-related costs of health insurance, retirement fund contributions, FICA, Worker’s Compensation, and other payments made on the behalf of the employee.

- b. General Non-Personnel Costs

- 1) Supplies – Consumable commodities which have a useful life of one year or less and which are valued under \$300.

- 2) Communication – Costs of telephone, telephone installation, leasing of phone equipment, and postage.
- 3) Printing – Cost of copying and printing, whether done in-house or through an outside printer. Supplies such as paper or fluids for copy machine owned or leased for project use.
- 4) Utilities – Costs associated with gas, electricity, water, and trash removal.
- 5) Rent – Rental charges for real property; office space for project.
- 6) Travel (local) – Costs for mileage reimbursement and conference expenses within Champaign County. Mileage reimbursement is only for staff's and volunteer's actual mileage incurred.
- 7) Travel (other) – All travel and conference expenses outside of Champaign County. Mileage reimbursement is only for staff's actual mileage incurred. Travel expenses outside of Champaign County require prior Village approval if being reimbursed with CDBG funds. Mileage reimbursement is only for staff's and volunteer's actual mileage incurred.
- 8) Insurance – Insurance-related costs required for the operation of the program or project.
- 9) Miscellaneous – For eligible expenses not noted above. This should not exceed 1% of the CDBG grant request.

c. Specific Non-Personnel Costs

- 1) Equipment Rental – Costs for the rental of equipment that is essential for the operation of the program or project.
- 2) Equipment Purchase – Purchase of equipment essential for the operation of the program or project in those instances where it is more cost effective to purchase equipment rather than rent it. This includes any item with a useful life of more than one year and a cost greater than \$300. Purchase of equipment with CDBG funds requires prior Village approval.
- 3) Contracted Services – Professional and technical services not performed by staff.
- 4) Audit Fees – Programs or projects funded for \$25,000 or more of CDBG funds from all sources, are required to have an independent audit performed.

## **C. Budget Revisions**

Modifications to approved budgets are allowable but must be directly related to changes in project services and activities. All requests for budget revisions must be made in writing to the Community Development Director.

Budget modifications to Personnel Costs can be made with prior approval of the Community Development Director. Funds may only be shifted between Personnel and Fringe Benefits, provided that the number of staff and the position classifications are not changed from those initially listed in the Staffing Plan. A budget revision reflecting an increase or reduction in staff or a change in position classification must be specifically approved by the Village as a change to the written agreement or contract between the Village and the Subrecipient. Any request for changes to the program or project's Personnel Costs must be made in writing to the Community Development Director.

To implement a budget modification in General Non-Personnel Costs, the Subrecipient must submit a written request to the Community Development Director which identifies the reasons for the adjustment. The request must be specific as to which line items are to be increased and which are to be reduced.

Specific Non-Personnel Costs may be modified only upon authorization from the Community Development Director. A request for adjustment in this area must be in writing to the Community Development Director and must identify the reasons for the specific changes and resultant line item changes.

The Village of Rantoul Community Development Director shall have the authority to grant or deny requests for budget revisions unless the written agreement between the Village and the Subrecipient requires amending. Any decision made by the Community Development Director will be issued within ten (10) business days of receiving the request. Decisions to amend any agreement the Village of Rantoul and the Subrecipient will be made by the Rantoul Village Board and may take a longer amount of time.

## **D. Fiscal Records**

Organizations receiving CDBG funds must keep the following records:

### **1. Bookkeeping Journals and Ledgers**

Cash receipts journal, cash disbursements journal, expense journal, general journal and general ledgers must be maintained. Back-up documentation for the journal entries must be kept and properly filed. Documentation must include: invoices, bills and other receipts, deposit slips, bank statements, check stubs, check books, canceled checks, purchase orders, petty cash records and other verification as applicable.

2. Payroll Records

Payroll records will show actual gross earnings, net amounts paid, and the deductions for each individual staff member by pay period. If an employee is paid by more than one fund or program, the payroll journal will need to reflect the distribution of time and money against each fund or program.

Back-up documentation must include:

- a. Canceled paychecks;
- b. Tax records;
- c. Worker's Compensation records;
- d. Individual time sheets.

3. Petty Cash Record

A petty cash fund may be set up to take care of small item payments. All such payments must be supported by cash vouchers and receipts and must be an eligible expense. The size of the fund is left to the discretion of the Subrecipient.

4. Time Records

Time records should be kept indicating actual time paid, including types of time such as sick leave, vacation leave, compensatory time, etc. Time sheets should be kept by the day and signed by the employee and supervisor.

Agencies using volunteer hours for in-kind match must keep signed time records by the day indicating actual time donated.

The Subrecipient shall maintain a system of internal control in accordance with generally accepted accounting practices. Internal control consists of a plan or procedure to safeguard assets, check the adequacy and reliability of accounting data, promote operating efficiency, and assure adherence to prescribed management policies. On or before 45 calendar days after termination of the contract, the project coordinator should submit to the City an annual inventory update and a close-out financial report. All property, documents, data, studies, reports and records purchased or prepared by the Subrecipient under contract should be disposed of according to contract.

In the event the program or project terminates, copies of all records, relating to the project or activity that is the subject of the contract shall be furnished to the Village of Rantoul.

Financial reports required to be prepared and submitted by the Subrecipient to the Village shall be accurate and correct in all respects. Should inaccurate reports be submitted to the Village, the Village may elect to have the Subrecipient secure the services of a licensed accounting firm. The cost of such accounting services are to be borne by the Subrecipient.

## **E. Expenditures**

All expenditures associated with an approved activity or project must comply with the following criteria:

### 1. Limitation of Expenditures

- a. The Subrecipient shall not expend funds provided under the contract prior to the commencement of the contract or subsequent to the suspension or termination of the contract.
- b. Expenditures shall be made in conformance with the approved budget and shall meet the criteria established for allowable costs.
- c. Expenditures shall be in direct support of the project which is the subject of the contract. The Subrecipient shall notify the Village in writing of any expenditures for items jointly used for any other project(s) and the expenditures shall be apportioned according to the percentage used of direct use in the project.

### 2. Eligible Costs

To be eligible for payment, costs must be in compliance with Office of Management and Budget (OMB) Circulars A-110 and A-122 and with the principles set forth below:

- a. Be necessary and reasonable for the proper and efficient performance of the contract and in accordance with the approved budget. The Village shall have final authority to determine in good faith whether an expenditure is “necessary and reasonable.”
- b. Conform to the limitations within this manual and to any governing statutes, regulations and ordinances.
- c. Be fully documented and determined in accordance with approved accounting procedures.
- d. Not be included as a cost or used to meet cost sharing or matching requirements or any other funding source in either the current or a prior period.
- e. Be the net amount of all applicable credits such as purchase documents, rebates, sales or other income refunds.
- f. Document all costs by maintaining complete and accurate records of all financial transactions, including but not limited to: contracts, invoices, timecards, cash receipts, vouchers, canceled checks, bank statements and/or

other officials documentation evidencing in proper detail the nature and propriety of all charges.

- g. Submit to the Village on dates specified in the written agreement between the Village and Subrecipient, requests for reimbursement together with a summary of expenses on a form approved by the Village, with supporting documentation.
- h. Submit to HUD or Village at such times and in such forms as HUD or, Village may require, statements, records, reports, data, and information pertaining to matters covered by the agreement.

3. Ineligible Costs:

- a. Bad debts: any losses arising from uncollectable accounts and other claims, and related costs.
- b. Contingencies: contributions to a contingency reserve or any similar provisions for unforeseen events.
- c. Contributions and donations.
- d. Entertainment: costs of amusements, social activities and incidental costs such as meals, beverages, lodging and gratuities relating to entertainment, or any political or lobbying activity.
- e. Fines and penalties: costs resulting from violations of or failure to comply with Federal, State, and local laws and regulations.
- f. Interest and other financial costs: interest on borrowings (however represented), bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith.
- g. Membership expenses: costs of membership in any organization which devotes a substantial part of its activities to influencing legislation.
- h. Non-competitive subcontracts: payments under a subcontract not obtained under competitive bidding procedures, unless the requirement for such a procedure is specifically waived by the Village prior to enacting the subcontract.

**F. Reimbursement**

1. General Programs and Public Services

Requests for reimbursement for eligible expenses shall be submitted on dates indicated in the written agreement. A Reimbursement Report and a Line Item Expense Detail must be submitted on Village forms, and must be certified by the

Subrecipient's Director or Financial Officer. See "Reimbursement Report" for general programs and public services and "Line Item Expense Detail Report" in the exhibit section of this document.

2. Mileage and Travel

The CDBG Program will reimburse those reasonable mileage and travel costs that are necessary to carry out the services identified in the Subrecipient's Agreement with the Village. Mileage and travel expenses that are not necessary for the project, or of a personal nature, are not eligible for reimbursement. Volunteers authorized by the project to be reimbursed for mileage relating to services for the project must provide proof of automobile insurance.

- a. Mileage: The Subrecipient shall submit written mileage records identifying the driver of the vehicle, the number of miles driven on each day, and the purpose of the trip. The Subrecipient shall certify the accuracy of the information reported. The Subrecipient may use its own form for this.
- b. Travel: Reimbursable costs include conferences, lodging, food, and other non-mileage costs. CDBG Program policy requires that all travel costs be kept to a minimum. Supporting documentation must be provided with all requests for travel reimbursement.
  - 1) Local Travel: Defined as travel within Champaign County. No prior approval from the Village is needed to reimburse local travel expenses with CDBG funds.
  - 2) Non-Local Travel: Non-local travel to a location outside of Champaign County, but within the State of Illinois. Prior approval from the Village is required to reimburse non-local travel expenses with CDBG funds.
  - 3) Out-of State Travel: Approval for out-of-state travel must be requested in writing at least fifteen (15) working days prior to the trip. The Community Development Director will review the request and provide a response within five (5) working days.

4. Telephone Expenses

- a. Reimbursable Expenses: The CDBG Program will reimburse only those reasonable costs for local and non-local telephone calls necessary to carry out the services identified in the Subrecipient's Agreement with the Village. Actual costs of phone calls and the monthly cost of supporting the phone system are eligible for reimbursement. Such expenses include equipment rental or lease and monthly service charges. All out-of-state calls must be documented with a description of the purpose of the call and its relationship to program activities.

- b. Exceptions: Personal phone calls are not reimbursable. In addition, calls made for the purpose of raising funds are not eligible for reimbursement.
- c. Pro-Rating of Expenses: If the program or project receives funding from several sources, only those telephone expenses solely related to that portion of the activity which is funded out of the Subrecipient's CDBG grant are reimbursable. All such costs must be specifically identified to the Village's satisfaction.

Additionally, if the amount of the Subrecipient's CDBG grant is less than the program or project's total budget, phone costs are reimbursable at a percentage equal to the level of CDBG funding as compared to the total project funding.

- 5. Community Development Department staff will review each request for reimbursement submitted by the Subrecipient. Questionable or ineligible expenses will be identified and the Subrecipient will be requested to submit clarifications, corrections, or additional information.

## **G. Program Income**

Program income (PI) is the gross income received by the Subrecipient directly generated from the use of CDBG funds.

PI shall be reported to the Village on the Reimbursement Report and shall be solely used to offset the eligible operating expenses of the activities funded through the Subrecipient Agreement with the Village. PI is subject to all provisions of the Subrecipient Agreement and must be expended prior to requesting reimbursement from the Village for eligible expenses. All PI must be reported.

Donations are defined as free will offerings to an organization not related to receiving a service or benefit. Donations are not PI and do not have to be reported.

PI does not reduce the size of the Subrecipient's grant if the PI is spent on eligible items. However, any PI not spent will result in a reduction in the amount of funds reimbursed.

## **IV. Administrative Provisions**

### **A. Written Agreement with Village**

A written agreement must be entered into between the Village and all entities receiving CDBG funds. The written agreement forms the basis for the contractual obligation between the parties to fund and implement the activity, program, or project. The agreement will denote responsibilities attributable to each party, and shall outline in exact measure the scope of services to be provided, methods of accountability, and a schedule for payment. Execution of the agreement binds the Subrecipient for a specified period of time, and is changeable only upon written authorization from the Village.

### **B. Post-Award Responsibilities**

Upon execution of the agreement between the Village and the Subrecipient, the Subrecipient shall:

1. Immediately report all changes in its articles of incorporation, bylaws, or tax-exempt status to the Village.
2. Maintain no member of the Board of Directors as a paid employee, agent or subcontractor.
3. Include on the Board of Directors representation from the broadest possible cross-section of the community, including those with expertise and interest in the provided services, representatives from community organizations interested in the services, and users of the services.
4. Open to the public all meetings of the Board of Directors, except meetings, or portions thereof, dealing with personnel or litigation matters.
5. Keep minutes of all regular and special meetings of the Board of Directors and, upon request, forward copies to the Community Development Director. Regular meetings should occur not less than once every three (3) months.

### **C. Federal Requirements**

Subrecipients must comply with all applicable federal regulations governing the use of CDBG funds. These regulations include but may not be limited to those identified on the “Conditions of Federal Funding” attached as an exhibit.

## V. Hiring, Procurement, and Contracting – Procedures and Requirements

### A. Hiring Guidelines

All Subrecipients receiving CDBG funds from the Village of Rantoul are obligated to conform to the hiring requirements found in Section 3 of the Housing and Urban Development Act. Section 3 requirements incorporated in the Agreement between the Village and the Subrecipient provide in part that “to the greatest extent feasible, opportunities for training and employment shall be given to lower income residents of the Village.” This provision covers all employment of persons paid for in whole or in part by CDBG funds. To ensure conformance with this provision, Subrecipients are to follow the procedure described below.

#### 1. Written Hiring Policy

The Village shall review Subrecipient’s written hiring policies for conformance with applicable Section 3 criteria. Such policies must allow for:

- a. Comprehensive advertising of all job openings.
- b. Extension of hiring opportunities to low-income area residents.
- c. Preference to residents of the Village of Rantoul.

#### 2. Notification to the Village

Subrecipients should place the Community Development Director on the Subrecipient’s mailing list of job announcements. This notification will serve as notice that a position is available and that the Subrecipient is complying with Section 3 requirements.

If the Subrecipient’s program or project is in its first year of CDBG funding and the position is more than 50% CDBG funded, it must notify the Village of the position being filled.

The Subrecipient should submit an employment notification letter to the Village. This letter should contain the following information:

- a. Whether the new hire is a Village of Rantoul resident (if not a resident, specify reasons for choosing a non-Village resident);
- b. The position title;
- c. Name of the person hired;
- d. The salary;
- e. The starting date.

3. Partially Funded Positions

Subrecipients wishing to fill positions funded by CDBG funds at 50% or less need not obtain prior authorization to hire from the Village.

**B. Equipment Procurement**

1. Equipment versus Supplies

Equipment is defined as tangible property costing more than \$300 and having a useful life of more than one year. The purchase of equipment is generally ineligible, because equipment is usually expensive and can generally be rented at a lesser cost for a short period of time. Because CDBG funds are limited, equipment may only be purchased if absolutely necessary for the program or project. Thus, rental of equipment is recommended over purchase.

Items which cost less than \$300 and which have a useful life of less than one year are considered to be supplies are to be purchased under the General Non-Personnel Costs (Supplies) cost category.

2. Limitation on Purchase of Equipment

Under HUD regulations, the purchase of equipment, fixtures, motor vehicles, or furnishings that are not an integral structural fixture is ineligible except when necessary for use by the Village or a Subrecipient in the administration of the overall Village CDBG grant or as part of the administration of a public service project's operating expenses.

3. Notification Requirements

All purchases of equipment with CDBG funds require prior Village approval. Requests to purchase equipment are to be sent to the Community Development Director 45 days prior to the purchase order date. The request is to include the cost of the item, where it will be purchased, and a detailed explanation of why it should be bought rather than leased or rented. If CDBG funds will only be paying a portion of the purchase, list other funding sources and the respective amounts. The Community Development director will review the request and make a decision within 10 working days. Rationale for a negative decision will be included in the response.

4. Reversion to Village

Under HUD regulations, the Village has the option to obtain the equipment from the project when funding stops for the project. The review of the type of equipment to be purchased will include mention of its possible usefulness to the Village. The Village may also permit the Subrecipient to retain the equipment at the time the funding ends

5. Title of Property

Title to any personal property used in the performance of the services and work specified in this agreement shall be as follows:

- a. Personal property donated or purchased with other than CDBG funds shall become the property of the Subrecipient or person specified by the donor or funding source; otherwise, the same shall become the property of the Village except for property and equipment as described in subparagraph (b) hereof.
- b. Personal property and equipment permanently affixed to buildings owned by the Subrecipient shall become the property of the Subrecipient.
- c. All other personal property, supplies and equipment purchased pursuant to the Subrecipient agreement and not consumed shall become property of the Village.

**C. Subcontracts**

Should a Subrecipient find it necessary to subcontract in order to meet its obligations under its agreement with the Village, it must enter into a written agreement with those individuals or organizations providing services. A standard subcontract form has been developed by the Village and is attached as an exhibit.

1. Review of Subcontracts by Village

All Subrecipients must submit all subcontracts valued at more than \$100 to the Village for review and approval prior to execution.

All subcontracts requiring review and approval by the Village must be submitted at least 10 business days prior to an effective date. The Community Development Director will respond to the request for approval within 7 working days. Subcontracts must be approved prior to execution by any of the parties.

2. Provisions Requiring in Subcontracts

- a. Name, address, and phone number of subcontractor.
- b. A termination clause requiring twenty days notice by which either party may terminate the agreement.
- c. A Village uninvolvement clause releasing the Village from any liability for any breach of the subcontract by either party.
- d. A scope of services.
- e. A total dollar amount of the subcontract.
- f. A termination date no later than the end of the current CDBG program year.
- g. A clause requiring contractor to comply with stated "Conditions of Federal Funding."

- h. An independent contractor clause stating that the subcontractor is an independent contractor or employee of the Subrecipient. Subcontractor is not an agent or employee of the Village, and as such waives any claims to any rights or benefits which accrue to employees of the Village.
- i. Signature of person authorized by Subrecipient's Board of Directors to execute the agreement.
- j. Signature of person authorized by subcontractor to execute agreements.

3. Required Subcontract Documentation

The Subrecipient shall maintain the following documentation in its files:

- a. Summary of bids and proposals received.
- b. Justification for any non-competitive procurement of contract services and reasons for the selection of the subcontractor.
- c. Justification for the selection of other than the lowest bidder in a competitive procurement.
- d. Section 3 compliance documentation.

4. Types of Subcontracts Covered Under This Section

- a. Bookkeepers and auditors.
- b. Contractual personnel services (those not on the Subrecipient's payroll).
- c. Office equipment rental.
- d. Office rental space.
- e. Rental of vehicles (van, bus, etc.) to be used on a regular basis for carrying clients of the Subrecipient.
- f. Client services paid with CDBG funds.

5. Types of Subcontracts Not Covered Under This Section

- a. Extension of above contracts if dollars per hour/month/year do not change.
- b. Vehicle rental to take project's clients to a particular event (travel requests for trips outside of Champaign County are required under the agreement with the Village).
- c. Maintenance agreements for office equipment.
- d. Janitorial services for office space.

## **VI. Monitoring and Documentation**

### **A. Monitoring by Village**

#### 1. Purpose

Village Community Development Department staff will conduct an on-going monitoring process in order to review the programmatic and financial aspects of the Subrecipient's activities. Community Development staff will review periodic reports submitted by the Subrecipient for compliance with federal regulations regarding the use of federal funds and the implementation of the program or project.

The monitoring process is oriented towards resolving problems, offering technical assistance, and promoting timely implementation of projects. To this end, Community Development staff may require corrective actions of the Subrecipient. Following are examples of significant problems which will trigger corrective action by the Subrecipient.

- a. Services are not documented.
- b. Individual clients are not properly documented.
- c. Goals are not being met.
- d. Project files are not in order.
- e. Complaints by clients.
- f. Required reports not being submitted in a timely manner.

#### 2. Periodic Program Reports

- a. Subrecipients will submit periodic reports as outlined in the agreement detailing the implementation and administration of the activity, program, or project. The reports shall include the following:

- 1) Progress in meeting stated goals and objectives
- 2) Changes in staff or Board of Directors
- 3) Problems encountered and steps taken to resolve them.
- 4) Other general information as appropriate.
- 5) A "Subrecipient Client Summary Report" attached as an exhibit. This report shall identify such items as income, ethnicity, and household status of clients receiving CDBG funded assistance within the reporting period. Subrecipients may also report on "Units of Service" provided; for example: nine hours of day care may be a unit of service, or a one hour counseling session may be a unit of service. Unit of service definitions must be included with the report.

- b. The reports must be submitted to the Village as prescribed in the agreement between the Village and the Subrecipient.

3. Periodic Financial Reports

- a. Subrecipients will submit periodic reports concerning the financial and accounting status of the activity, program, or project. See “Reimbursement Report” and “Line Item Expense Detail” reports in the exhibit section.
- b. The periodic financial reports shall include the following:
  - 1) Summary of all disbursements of CDBG funds.
  - 2) Summary of all requests for reimbursement of CDBG funds.
  - 3) Report on percentage of CDBG funds expended and remaining by cost category.
- c. Financial reports will be submitted to the Village as prescribed in the agreement between the Village and the Subrecipient.

4. On-Site Visits

Based on monitoring results, Community Development staff may hold discussions with Subrecipients whose performance does not appear to be sufficient to meet the goals and achievements as outlined in the agreement. An on-site visit may occur to discuss the service activity shortfall.

A minimum of one (1) on-site monitoring visit will be conducted during the program year to ascertain that eligible clients for which the program or project was intended are being served and that in the event of an audit, the required information is being maintained.

5. Reports to Village Board

Based upon the periodic reports, on-site visits, and information received from the Subrecipient, Community Development staff may submit reports to the Rantoul Village Board of Trustees. These reports will provide updates on the Subrecipient’s goals and achievements. Staff may recommend corrective action to be taken by the Village Board of Trustees should other efforts at obtaining compliance be ineffective.

**B. Client Documentation by Subrecipient**

Each Subrecipient is required to maintain documentation on clients benefiting from activities, program, or projects funded through the Village’s CDBG program. As a condition of receiving the CDBG grant, the Village, and in turn the Subrecipient, must certify that low- and moderate-income persons are being served. HUD also requires information on the race and ethnic background of the clients, how many are female heads of household, their residency in the Village of Rantoul and how many are very-low income. Community Development staff and HUD must also have access to the names of the clients.

Any information regarding applicants for services funded through federal monies shall be held in strict confidence.

1. Required Documentation

a. All Subrecipients shall obtain and maintain the following information on each client served:

- 1) Client name and address
- 2) Gender
- 3) Ethnicity/Race
- 4) Age
- 5) Head of household status
- 6) Income

This information shall be submitted by the Subrecipient in their periodic report submissions. Subrecipients shall use the “Client Certification of Household Composition and Income” form (or prior approved substitute) which is attached as an appendix, to collect this information from assisted households.

b. All Subrecipients shall also obtain and maintain proper background data and information for each client served. Such information may include, but not limited to: financial statements, utility bills, and payroll stubs.

2. Exceptions to Maintaining Required Income Documentation

Income documentation is not required for the following client types:

- a. Clients of a battered women’s shelter.
- b. Persons with disabilities recognized by the Social Security Administration.

All other documentation is required.

In unusual circumstances and with prior written authorization from the Village, other required client documentation may be waived.

## **Exhibit “A”**

### **Public Service Funding Application**

**APPLICATION FOR FUNDING  
VILLAGE OF RANTOUL  
FY 2010-2011 GRANT APPLICATION FORM**

This application should be used for agencies requesting funding to carry out public service activities. Funding awarded through the application process is intended for use between May 1, 2009 and April 30, 2010. Questions about the application should be directed to Mike Loschen, Village of Rantoul, Community Development Department, (217) 892-6824. Please complete all information as completely and concisely as possible in the space provided.

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**AGENCY INFORMATION**

PROGRAM TO BE FUNDED: \_\_\_\_\_ Amount Requested \_\_\_\_\_

PROGRAM IS: \_\_\_\_\_ New Program \_\_\_\_\_ Continuation of Existing Program, started \_\_\_\_\_

AGENCY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_ YEAR ESTABLISHED: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

FAX NO.: \_\_\_\_\_ E-MAIL ADDRESS: \_\_\_\_\_

FEDERAL EMPLOYER ID NUMBER: \_\_\_\_\_

AGENCY DUNS NUMBER: \_\_\_\_\_

- \_\_\_\_ Unit of government
- \_\_\_\_ Public non-profit
- \_\_\_\_ Private non-profit (Please attach a copy of your agency's 501(c)(3) designation and list of board members with this application.)

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Completed application should be returned to:  
Village of Rantoul  
Community Development Department  
333 South Tanner  
Rantoul, IL 61866  
ATTN: Mike Loschen

## PROGRAM INFORMATION

1. Fully describe the activity for which you are requesting funds:
2. Identify which of the following local priorities this activity will address: (check all that apply)
  - Senior Services
  - Youth Services
  - Substance Abuse Services
  - Transportation Services
  - Youth/adult employment and job training programs
3. Please provide any additional information that demonstrates how this activity meets the local funding priority(ies) noted above:
4. What is the program's objective? (pick one)
  - Create a Suitable Living Environment
  - Provide Decent Affordable Housing
  - Create Economic Opportunities
5. What is the program's proposed outcome? (pick one)
  - Making programs and services more available to low-moderate income clients.
  - Making programs and services more affordable to low-moderate income clients.
  - Providing activities that are aimed at improving communities, to make them more livable and viable.
6. What is the desired impact of your activity? What do you hope to achieve?
7. Explain how you will measure the long-term impact of the activity on the clients or participants.

8. How many recipients does the program for which you are applying have the capacity to serve?

How many are you currently serving?

Do you have a waiting list? \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, how many are on it? \_\_\_\_\_

9. How many persons/households in each category will your program serve?

Extremely-Low (<30% MFI) \_\_\_\_\_

Very-Low (31-50% MFI) \_\_\_\_\_

Low (51-80% MFI) \_\_\_\_\_

10. What percentage of total persons/households being served by this program are Rantoul residents?

a. Indicate other significant characteristics of the population to be served (i.e., elderly, disabled, persons with AIDS, etc.)

b. Interagency collaboration: Identify any other agencies that are involved in your activity and briefly describe the extent of their involvement. Include the agency name, address, phone and contact person.

11. Summary of Grant Request:

	(A)	(B)	(C)	(D)
	ACTIVITY COSTS \$	AGENCY ADMIN \$	TOTAL BUDGET	VILLAGE REQUEST ≤ 25% of Budget
Salaries				
Fringe Benefits				
Supplies				
Contractual				
Capital Equipment				
Other (Specify)				
Financial Grants for Clients				
Agency Indirect Costs				
<b>TOTALS</b>				

12. Please provide a line item budget detailing the proposed use of funds. For example, if funds are to be used for salaries, please provide a detailed budget of all salary expenses related to the activity, by position, and identify how the Village's funds will be utilized within that budget.

Rantoul funds will pay for:

- Staff time to do assessments and arrange for needs.
- Funds paid on behalf of clients.

13. Revenue Detail (list all sources of revenue for the project/activity):

REVENUE SOURCE			YOUR CURRENT FISCAL YEAR for program _____ To _____	FISCAL YEAR FOR WHICH FUNDS ARE REQUESTED _____ To _____
OTHER GRANTS (SPECIFY)	Applied for?	Approved?		
<b>TOTAL</b>				\$

## AGENCY CERTIFICATIONS

The following certifications apply to all recipients of Community Service Grant funds. Funding will be denied if your organization is unable to comply with program requirements as established by the Village of Rantoul and the U.S. Department of Housing and Urban Development. A signature is required on the following page.

THE APPLICANT HEREBY AGREES THAT:

- A. The figures, facts, and representations made in this application, including all exhibits and attachments, are true and correct to the best of the applicant's knowledge.
- B. The filing of this application has been authorized by the governing board of the applicant.
- C. The applicant will conduct its operation in accordance with the following requirements:
  - 1. Refrain from discrimination against any project participant, applicant, or employee because of race, color, religion, sex, national origin, familial status, age, political beliefs or affiliations, or handicaps, and comply with the Equal Employment Opportunity (EEO) clause required in all federally funded contracts.
  - 2. Comply with Section 3 requirements for providing opportunities to low income residents for training and employment opportunities to local business concerns for contract awards in connection with the sub-recipient's project.
  - 3. Provide the City with quarterly progress reports of activities funded. Such reports will include performance measures of the activity services and results, participant data, and contract/award/contractor information.
  - 4. Maintain records to verify information regarding persons or households that participate or benefit from the grant funded activity: including income, racial/ethnic group, gender of the head of household, and residence.
  - 5. For programs funded with Community Development Block Grant funds, demonstrate compliance with federal standards for financial management systems and source documentation, and disburse funds in accordance with Uniform Administrative Requirements of OMB Circular A-110 (non-profits), which govern financial management systems, project monitoring, property management, and procurement.
  - 6. For programs funded with Community Development Block Grant funds, keep books and records in accordance with cost principles of OMB Circular A-122 (non-profits) and requirements of A-110.

7. Retain financial records, supporting documents, statistical records, and other records pertinent to the project funded and make them available to the Village, the U.S. Department of Housing and Urban Development, or their designated representatives for a period of three years.
  8. Agencies receiving a total grant of \$5,000 or more must provide the Village, at the close of the Village's fiscal year or upon termination of the agency, whichever comes first, with an independent audit of all expenditures of these funds for the preceding year.
  9. If the grant authorized is less than \$5,000, the applicant agrees to provide a financial audit specified by the Village.
  10. Maintain time distribution records for all employees working on the funded program.
  11. Agency may not use any funds received from the Village of Rantoul for lobbying purposes. No employees of the funded program may be engaged in lobbying activities at any level of government for any purpose. No employees of the funded agency, serving in their capacity as a representative of the agency, may be engaged in lobbying activities.
  12. Agency must be a drug-free workplace as defined by the Illinois Drug Free Workplace Act.
- D. Comply with contractual requirements as set forth by the Village of Rantoul for CDBG projects to include, but not limited to, the following:
1. Payment of the grant only as a reimbursement of costs incurred, less retainage for compliance with audit requirements and a demonstrated proportion of service to Rantoul residents.
  2. Maintenance of a cash receipt/disbursement journal and a CDBG cash control register.
  3. Submission of either an Affirmative Action Plan or an Equal Opportunity Statement.
  4. Submission of an audit (if applicable).
  5. Submission of copies of Letters of Incorporation and 501(c)(3) status.
  6. Be subject to at least one site visit for monitoring purposes.
- E. Expend funds received as a result of this application solely on the described projects.

- F. Enter into and agree to operate in accordance with an agreement which sets forth the above requirements and indicates the amount of funds which the agency is to receive and the manner in which they are to be used.
- G. Release and discharge, make whole, save and hold harmless the Village and any officer or employee of the Village against all actions, claims or demands for damages of any kind or character whatsoever, which may in any way be caused by or arise out of the agency's conduct, activities, or programs in the achievement of goals and objectives pursuant to the agreement executed by and between the Village and the Agency.

I certify that, if approved for funding, \_\_\_\_\_ will be able to comply with the above noted federal requirements. The requirements will be in place prior to the execution of the contract and remain in effect throughout the term of the contract.

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

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

**Exhibit “B”**

**Reimbursement Report**

**INSTRUCTIONS FOR  
REIMBURSEMENT REPORT  
GENERAL PROGRAMS AND PUBLIC SERVICES**

The Reimbursement Report is used to account for funds expended by a Subrecipient. All Village CDBG funds are paid to the Subrecipient on a reimbursement basis only. A Line-Item Expense Detail report must accompany all requests for reimbursement, and all totals must agree on both forms. Follow the instructions below when completing this form.

1. **Subrecipient Name:** Insert the name of the organization receiving CDBG funds.
2. **Project Name:** Insert the name of the program or project operated by the Subrecipient.
3. **Annual CDBG Budget:** Enter in this column the line item amounts shown in the approved budget attached to the Agreement between the Village and the Subrecipient.
4. **Expenses This Reporting Period:** Enter all expenses incurred and paid by the Subrecipient during this reporting period. Each entry must be detailed by category in the Line-Item Expense Detail.

Only expenditures actually paid are to be reported to this column. If no expenses were paid, than that particular cost category line should remain blank. Any questions regarding the assignment of expenses to cost categories should be directed to Community Development staff.

5. **Expenses Year-to-Date:** Entries in this column include figures from the Expenses this reporting period and show cumulative expenses to date.
6. **Unexpended CDBG Funds:** The amount of unexpended CDBG funds remaining in each cost category is determined by subtracting the Year-to-Date figures from the Annual CDBG Budget column entries. Negative balances should be indicated in parenthesis. A budget modification is necessary to correct negative balances prior to payment.

The project Director or Financial Officer must sign the Statement of Certification.

**REIMBURSEMENT REPORT  
GENERAL PROGRAMS AND PUBLIC SERVICES  
FISCAL YEAR 2010 - 2011**

Subrecipient Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

Reimbursement Request for Time Period Ending: \_\_\_\_\_

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

Race Categories		Total Number of Persons Served this Period	Number of Hispanic Persons Served this Period
11	White		
12	Black/African American		
13	Asian		
14	American Indian/Alaskan Native		
15	Native Hawaiian/Other Pacific Islander		
16	American Indian/Alaskan Native & White		
17	Asian & White		
18	Black/African American & White		
19	American Indian/Alaskan Native & Black/African American		
20	Other Multi-Racial		
<b>Total Number of Persons Served this Period</b>			

% of Area Median Income *	A. Total Females Served	B. Total Female Head-of-Household	C. Total Males Served	D. Total with Disabilities	E. Total Clients Served (A+C)
0 - 30%					
31 - 50%					
51 - 80%					

On the following chart, list the amount of Village CDBG funds allocated to the cost category line items under the Annual CDBG Budget Column; these amounts should match those in the budget previously submitted to the Village. List all expenses to be reimbursed for the time period covered by this request and provide updated figures for Year-to-Date Expenses and Remaining CDBG Funds Available. Deduct any program income received from the total expenses to determine the net request for reimbursement.

Cost Category	Annual CDBG Budget	Total Expenses this Period	Program Income this Period	Net Expenses this Period	Year-to-Date Expenses	Remaining CDBG Funds
<b>Personnel</b>						
1. Salaries	\$	\$	\$	\$	\$	\$
2. Fringe Benefits	\$	\$	\$	\$	\$	\$
<b>General Non-Personnel</b>						
3. Supplies	\$	\$	\$	\$	\$	\$
4. Communications	\$	\$	\$	\$	\$	\$
5. Printing	\$	\$	\$	\$	\$	\$
6. Utilities	\$	\$	\$	\$	\$	\$
7. Rent	\$	\$	\$	\$	\$	\$
8. Travel – local	\$	\$	\$	\$	\$	\$
9. Travel – other	\$	\$	\$	\$	\$	\$
10. Liability Insurance	\$	\$	\$	\$	\$	\$
11. Miscellaneous	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
<b>Specific Non-Personnel</b>						
12. Equipment Rental	\$	\$	\$	\$	\$	\$
13. Equipment Purchase	\$	\$	\$	\$	\$	\$
14. Contracted Services	\$	\$	\$	\$	\$	\$
15. Audit Fees	\$	\$	\$	\$	\$	\$
<b>Client Expenses</b>						
16.	\$	\$	\$	\$	\$	\$
17.	\$	\$	\$	\$	\$	\$
18.	\$	\$	\$	\$	\$	\$
19.	\$	\$	\$	\$	\$	\$
20.	\$	\$	\$	\$	\$	\$
21.	\$	\$	\$	\$	\$	\$
22.	\$	\$	\$	\$	\$	\$
23.	\$	\$	\$	\$	\$	\$
24.	\$	\$	\$	\$	\$	\$
25.	\$	\$	\$	\$	\$	\$
<b>TOTALS:</b>	\$	\$	\$	\$	\$	\$
<b>NET TOTAL REQUEST:</b>				\$		

**STATEMENT OF CERTIFICATION**

CERTIFICATION: I certify that all of the above information is true and correct and that all family incomes are reported. I understand that this information is given so that this agency may receive federal funds from the Village of Rantoul and the U.S. Department of Housing and Urban Development (HUD). I understand that the information I have provided can be verified by the Village of Rantoul and/or HUD and the deliberate misrepresentation of this information may subject me to prosecution under the applicable state and Federal Law.

---

Signature

Date

---

Printed Name

Title

## **Exhibit “C”**

### **Line-Item Expense Detail**

## LINE-ITEM EXPENSE DETAIL

Subrecipient's Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

Reimbursement Request for Time Period: \_\_\_\_\_

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

COST CATEGORY	AMOUNT
<b>PERSONNEL</b>	
1. Salaries: (List employees titles, names, and salary amounts)	
a.	\$
b.	\$
c.	\$
d.	\$
2. Fringe Benefits: (List specific fringe benefits and basis for calculation)	
a.	\$
b.	\$
c.	\$
d.	\$
e.	\$
f.	\$
g.	\$
h.	\$
<b>TOTAL PERSONNEL:</b>	\$
<b>GENERAL NON-PERSONNEL</b> (Itemize all expenses by supplier name & amount)	
3. Supplies:	\$
4. Communications:	\$
5. Printing:	\$
6. Utilities:	\$
7. Rent:	\$
8. Travel – Local:	\$
9. Travel – Other:	\$
10. Liability Insurance:	\$
11. Miscellaneous:	\$
<b>TOTAL GENERAL NON-PERSONNEL:</b>	\$

<b>SPECIFIC NON-PERSONNEL</b> (Itemize all expenses by supplier name & amount)	
12. Equipment Rental:	\$
13. Equipment Purchase:	\$
14. Contracted Services:	\$
15. Audit Fees:	\$
<b>TOTAL SPECIFIC NON-PERSONNEL:</b>	\$
<b>CLIENT EXPENSES</b>	
16.	\$
17.	\$
18.	\$
19.	\$
20.	\$
21.	\$
22.	\$
23.	\$
24.	\$
25.	\$
<b>TOTAL CLIENT EXPENSES:</b>	\$
<b>TOTAL EXPENSES:</b>	\$

### STATEMENT OF CERTIFICATION

I, the undersigned, certify that the information contained herein is correct, is recorded as such in the official accounting records of the program or project, and that the expenses reflected herein were incurred in accordance with the Agreement with the Village of Rantoul.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

## **Exhibit “D”**

### **Conditions of Federal Funding**

## CONDITIONS OF FEDERAL FUNDING

1. **Compliance with Federal Laws and Regulations.** SUBRECIPIENT agrees to comply with all federal laws and regulations applicable to the CDBG Program and to the services and work covered under this Agreement.
  
2. **Applicable Federal Civil Rights Laws and Executive Orders.** The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from HUD. In providing the services and work set forth in this Agreement, SUBRECIPIENT will carry out its work in a manner which will permit full compliance by the Village of Rantoul with the following, and SUBRECIPIENT shall strictly adhere to the following:
  - a. **Title VI of the Civil Rights Act of 1964**, which provides that no person in the United States shall be excluded on the basis of race, color or national origin, from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
  
  - b. **Section 109 of the Housing and Community Development Acts of 1974 and 1977**, as amended, which provide that no person in the United States shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
  
  - c. **Title VIII of the Civil Rights Act of 1968**, which mandates affirmative action toward furthering fair housing (in sale or rental of housing, financing of housing and provision of brokerage services) throughout the United States.
  
  - d. **Executive Order 11063**, which provides for equal opportunity in housing and related facilities provided by federal financial assistance.
  
  - e. **Executive Order 11246**, which provides that there shall be no discrimination in employment under federally-assisted construction.
  
  - f. **Section 3 of the Housing and Urban Development Act of 1968**, which provides for training, employment, and contracting opportunities for business and lower-income persons, assurance of compliance.
    - (1) The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

- (2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department of Housing and Community Development issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
  - (3) SUBRECIPIENT will sent to each labor organization or representative of workers with which it has a collective bargaining contract or other contract or understanding, if any, a notice advertising to the said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
  - (4) SUBRECIPIENT will include these Section 3 clauses in every contract and subcontract for work in connection with the project and will, at the direction of the Village of Rantoul, take appropriate action pursuant to the contract upon a finding that any SUBRECIPIENT or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135, and will not let any contract unless SUBRECIPIENT or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
  - (5) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135 and all applicable rules and orders of the Department issued thereunder prior to the execution of the Rehabilitation Contract shall be a condition of the federal financial assistance provided to the project, binding upon SUBRECIPIENT, its successors, and assigns. Failure to fulfill these requirements shall subject SUBRECIPIENT, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135 which provides that, to the greatest extent feasible, opportunities for training and employment shall be given to lower-income residents of HUD-assisted project areas, and that contracts for work in connection with such projects be awarded to business concerns which are located in, or are owned in substantial part by, persons residing in the area of the Program.
- g. **Section 504 of the Rehabilitation Act of 1973** (prohibits discrimination based on physical handicap) (Pub.L. 93-112), as amended, and implementing regulations when published for effect.
- h. **The Age Discrimination Act of 1975**, as amended (Pub.L. 94-135), and implementing regulations when published for effect.

- i. The relocation requirements of Title II and the acquisition requirements of **Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, and the implementation regulations at 24 CFR Part 42.
  - j. The requirements relating to minority and women's business enterprises set forth in **Executive Order No. 11625 of October 13, 1971, 36 Fed. Reg. 1967, as amended by Executive Order No. 12007 of August 22, 1977, 42 Fed Reg. 42839; and Executive Order No. 12432 of July 14, 1983, 48 Fed. Reg. 32551; and Executive Order No. 12138 of May 18, 1979, 44 Fed. Reg. 23637.**
  - k. **The Uniform Federal Accessibility Standards** set forth in 24 CFR Part 40, Appendix A.
  - l. The provisions of **24 CFR Part 24**, relating to the employment, engagement of services, awarding of contracts, or funding of any Subrecipients or subcontractors during any period of debarment, suspension or placement in ineligibility status.
  - m. The provisions of **24 CFR Part 570**, relating to compliance with applicable uniform administrative requirements in acceptance and use of funds, as described in Section 570.502.
  - n. The provisions of 24 CFR Part 570, relating to compliance with: 1) **OMB Circular A-110** which sets standards for uniform administrative requirements for grants to non-profit organizations; and 2) **OMB Circular A-122**, which provides a set of cost principles for determining costs of grants and other agreements with non-profit organizations.
3. **Nondiscrimination Under Title VI of the Civil Rights Act of 1964.** SUBRECIPIENT under this agreement shall be subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and HUD regulations with respect thereto including the regulations improved with assistance provided under this Agreement, SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer prohibiting discrimination upon the basis of race, color, religion, sex or national origin, in the sale, lease or rental, or in the use of occupancy of such land or any improvements erected or to be erected thereon, and providing that SUBRECIPIENT and the United States are beneficiaries of and entitled to enforce such covenant. SUBRECIPIENT, in providing the services and work it is to provide pursuant to this Agreement, agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.
4. **Equal Employment Opportunity.** In providing the work and services herein specified, SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. SUBRECIPIENT shall post in conspicuous places, available to

employees and applicants for employment, notices to be provided by the Federal Government or the Village of Rantoul setting forth the provisions of this nondiscrimination clause. SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin. SUBRECIPIENT shall incorporate the foregoing requirements of this Paragraph 4 in all of its contracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

SUBRECIPIENT shall also maintain records containing:

- a. Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with CDBG funds. Such information shall be used only as a basis for further investigation as to compliance with nondiscrimination requirements. No SUBRECIPIENT is required to attain or maintain any particular statistical measure by race, ethnicity, or gender in covered programs.
  - b. Documentation of actions undertaken to meet the requirements of implementing section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701U) relative to the hiring and training of low- and moderate-income persons and the use of local businesses.
  - c. Data indicating the racial/ethnic character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid with CDBG funds, data indicating which of those entities are women's business subcontract, and documentation of recipient's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. Such affirmative steps may include, but are not limited to, technical assistance open to all businesses but designed to enhance opportunities for these enterprises and special out-reach efforts to inform them of contract opportunities. Such steps shall not include preferring any business in the award of any contract or subcontract solely or in part on the basis of race or gender.
5. **Lead-Based Paint Hazards.** Assistance provided under this Agreement is subject to the HUD Lead-Based Pain regulations at 24 CFR Part 35, hereby incorporated and made a part of this Agreement by reference. Any funding commitments made by the Village of Rantoul or SUBRECIPIENT shall be made subject to the provisions for the elimination of lead-based paint hazards under subpart B of said regulations.
6. **Flood Disaster Protection.** Notwithstanding any other provision of this Agreement, SUBRECIPIENT shall comply with the Flood Disaster Protection Act of 1973, as amended (P.L. 93-234), and the standards issued thereto. No portion of the monies to be paid to SUBRECIPIENT pursuant to this Agreement shall be used for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in an area not in compliance with the requirements for participation in the National Flood Insurance Program

pursuant to Section 210(d) of said Act; and the use of any of said monies for such acquisition or construction in such identified areas in communities then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

Any contract or Agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain, if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001, et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Protection Act of 1973, as amended. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

7. **Interest of Certain Federal Officials.** No member of or delegate to the congress of the United States; no Village of Rantoul Board Member; nor any member of the Village of Rantoul Citizen's Advisory Committee, shall be admitted to any share or part of this Agreement or to any benefit arising from same.
8. **Conflict of Interest.** No officer, employee, or agent of SUBRECIPIENT who exercises any functions or responsibilities with respect to the CDBG Program or to the services and work to be performed by SUBRECIPIENT pursuant to this Agreement, during such officer's employee's, or agent's tenure for one (1) year thereafter, shall have any personal or financial interest or benefit, direct or indirect, in this Agreement or the proceeds thereof. SUBRECIPIENT shall incorporate or cause to be incorporated in every contract required to be in writing, a provision prohibiting such interest pursuant to the purposes of this Section.
9. **Prohibition Against Payments of Bonuses or Commissions.** The assistance provided under this agreement shall not be used in the payment of any bonus or commission for the purposes of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval or concurrence of HUD required under this Agreement, Title I of the Housing and Community Development Acts of 1974 or 1977, or HUD regulations with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.
10. **Political Activity.**
  - a. **Partisan Activity Prohibited.** No funds provided in this Agreement shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall they be used to provide services, or for the employment or assignment of personnel in a manner supporting or resulting in the identification of programs conducted pursuant to this Agreement with the following: (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; (2) any activity to provide voters or prospective voters with transportation to the

polls or similar assistance in connection with any such election; or (3) any voter registration activity.

Participants employed in the administration of the Village of Rantoul's programs funded by CDBG or other Federal funding, and participants whose principle employment is in connection with an activity financed by CDBG or other Federal funding or resultant proceeds are subject to limitation on political activities under the Hatch Act (U.S.C. 1502(a), 18 U.S.C. 595). All participants may take part in nonpartisan activities outside working hours.

- b. **Lobbying Prohibited.** None of the funds provided under this Agreement shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the United States Congress.

11. **Guidelines on Church-Related Activities.**

- a. **Construction or Rehabilitation of Facilities.** CDBG or other Federal funding recipients shall not use any funds to construct, rehabilitate, maintain, or restore religious structures (including those which may be historic properties) currently used for religious purposes. CDBG funds shall not be used to construct, rehabilitate, maintain, or restore structures or other real property owned by "pervasively sectarian" organizations. CDBG funds shall not be used to assist a religious organization in acquiring property. These prohibitions apply whether or not the property is used for religious services or instruction or is used in any other way for religious activities.
- b. **Public Services.** CDBG funds may be used for the provision of public services under the following conditions:
  - (1) The public services provided are exclusively non-religious in nature and scope;
  - (2) There are no religious services, proselytizing, instruction, or any other religious influences in connection with the public services;
  - (3) There is no religious discrimination in terms of employment or benefits under the public services; and
  - (4) CDBG funds may be used only for the provision of public services and not for construction, rehabilitation or restoration of any facility owned by a religious organization where the services are to be provided. A narrow exception to this prohibition is that minor repairs may be made where such repairs: (a) are directly related to the public services, (b) are located in a structure used exclusively for non-religious purposes, and (c) constitute in dollar terms a minor portion of the CDBG expenditure for the public services.

## **Exhibit “E”**

### **Sample Subgrantee Agreement**

## SUBGRANTEE AGREEMENT

**THIS AGREEMENT**, including any Exhibit hereto (collectively, this “**Agreement**”) is made and entered into by and between the Village of Rantoul, Champaign County, Illinois, an Illinois municipal corporation (the “**Village**”), and the \_\_\_\_\_ (the “**Subgrantee**”).

WITNESSETH:

**WHEREAS**, the Village has been designated as an “Entitlement City” by the U.S. Department of Housing and Urban Development (“**HUD**”) under provisions of the Housing and Community Development Act of 1974, as amended (the “**Act**”), and the Village will receive an entitlement of funds during the period of \_\_\_\_\_ to \_\_\_\_\_, pursuant to the Community Development Block Grant Program (the “**CDBG Program**”); and

**WHEREAS**, the Village, as a condition of providing such CDBG Program funds to the Subgrantee, is obligated to require the Subgrantee to comply with certain regulations and other related matters as are set forth in this Agreement.

**NOW, THEREFORE**, the Village and the Subgrantee do hereby covenant and agree as follows:

**Section 1. Preamble.** The matters set forth above in the recitals and preambles to this Agreement are true, correct and complete and are hereby incorporated herein and made part hereof.

**Section 2. Amount of grant.** The Village does hereby agree to make a grant to the Subgrantee for an amount not to exceed \$ \_\_\_\_\_ (the “**Grant**”) for the purpose of carrying out the project of the Subgrantee more specifically described in the application for such CDBG Program funds, a copy of which is attached hereto as “*Exhibit A*” and incorporated herein by this reference thereto (the “**Subgrantee Project**”).

**Section 3. Other Funding Sources.** The Village and the Subgrantee acknowledge and agree that such CDBG Program funds may be combined with other CDBG Program contributions, in-kind contributions, and Subgrantee funds so that the CDBG Program funds shall not exceed 25% of the overall budget for the Subgrantee Project.

**Section 4. Compliance with CDBG Program Guidelines.** The Subgrantee agrees to comply with the following:

- A. CDBG Program guidelines outlined in 24 CFR 570 in carrying out the Subgrantee Project;
- B. Maintain all records required by 24 CFR Part 570.506;
- C. Maintain all financial records required by 24 CFR Part 570.502, and OMB Circular A-110;

- D. Maintain other records as necessary to document compliance with Subpart K of 24 CFR 570; and
- E. The regulations, policies, guidelines, and requirements of OMB Circulars A-122, A-110, and A-133 as the same are applicable to the acceptance and use of federal funds for this federally assisted CDBG Program.

**Section 5. Subgrantee authority to receive grant.** The Subgrantee hereby covenants, agrees and certifies with respect to the Grant as follows:

A. The Subgrantee possesses legal authority to receive CDBG Program funds from the Village and to implement and complete the proposed Subgrantee Project.

B. The governing body of the Subgrantee has duly adopted or passed as an official act a resolution, motion, or similar action authorizing execution of this Agreement, including all understandings and assurances contained herein, and directing and designating the authorized representative of the Subgrantee to act in connection with this Agreement and to provide such additional information as may be required.

**Section 6. Description of Subgrantee Project.** The Subgrantee shall use the Grant solely for the purposes and to pay for such project costs as may be specified in the application for the Subgrantee Project and approved by the Village.

**Section 7. Duration of Subgrantee Project; Reversion of Assets.**

A. The Subgrantee represents to the Village that the Subgrantee Project shall begin on or after May 1, 2008 and shall be completed no later than April 30, 2009, unless otherwise extended in a written modification to this Agreement executed by both the Village and the Subgrantee.

B. Upon the expiration of completion of the Subgrantee Project as provided herein:

1. The Subgrantee shall transfer to the Grantee any CDBG Program funds on hand and any accounts receivable attributable to the use of such CDBG Program funds under this Agreement at the time of expiration, cancellation or termination.
2. Any real property under the Subgrantee's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement. If the Subgrantee fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subgrantee shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subgrantee may retain real property acquired or improved under this Agreement after the expiration of the five-year period.

**Section 8. Supervision.** The Subgrantee shall provide such supervision as may be required for any participant in the Subgrantee Project, including any oversight of and related office space for any staff of the Subgrantee as may be required.

**Section 9. Processing payments/payment deadline.** The Village shall reimburse the Subgrantee an amount up to the amount of the Grant for expenses incurred by the Subgrantee in connection with the Subgrantee Project if such expenses are determined to be eligible by the Village. To request such reimbursement, the Subgrantee shall submit statements of expenses signed by a supervising manager of the Subgrantee Project to the Village no less frequently than once every two months, at which time Village Staff will conduct an on-site monitoring of the agency to verify eligible expenses. Reimbursements of eligible expenses in connection with the Subgrantee Project shall be accepted for processing until May 15, 2009.

**Section 10. Compliance with laws, general.** The Subgrantee shall at all times observe and comply with all laws, ordinances and regulations of the federal, state, county, and Village which may in any manner affect the performance of this Agreement, and the Subgrantee shall be obligated under this Agreement to perform all undertakings of the Village in connection with the CDBG Program to the same extent that the Village is obligated to HUD to perform such undertakings.

**Section 11. Maintenance of records.** The Subgrantee shall maintain all records required by applicable federal regulations that are pertinent to the Subgrantee Project for a period of seven years after the termination of all activities funded under this Agreement, or after the resolution of all federal audit findings, whichever occurs later.

**Section 12. Inspection of records/audits of Subgrantee Project.**

A. Records maintained by the Subgrantee pursuant to this Agreement, including income certifications, shall be available for inspection upon request by the Village or HUD.

B. The Subgrantee agrees and authorizes the Village and/or HUD to conduct onsite reviews, examine personnel, financial, and other Subgrantee Project records, and to conduct any other reviews or audits of procedures and practices to assure compliance with this Agreement. Village staff will conduct a minimum of one (1) on-site review during the program year.

**Section 13. Reports.**

A. The Subgrantee shall also submit at the time of a payment request to the Community Development Services Department reports which includes the number of clients served and the Grant funds requested, and which summarizes the Subgrantee Project achievements or highlights during such time.

B. The Subgrantee shall maintain client data demonstrating client eligibility for services provided in connection with the Subgrantee Project. Such data shall include client name, address, age, race/ethnicity, and other basis for determining eligibility, and a description of any service provided.

C. The Subgrantee shall report annually all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG Program funds made available under this Agreement. The use of program income by the Subgrantee shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subgrantee may use such income during the duration of the Subgrantee Project under this Agreement for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the Village at the end of the duration of the Subgrantee Project under this Agreement.

#### **Section 14. Prohibition against discrimination/participation in Project/employment.**

A. The Subgrantee shall comply with Title VI of the Civil Rights Act of 1964, as amended, Title VIII of the Civil Rights Act of 1964, as amended, Section 104 (b) and Section 109 of the Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 and the Age Discrimination Act of 1975, and any regulations issued pursuant thereto, which together provide that no person in the United States shall on the grounds of race, color, creed, religion, ancestry, national origin, sex, age, disability or other handicap, marital status or other prohibited class, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Subgrantee received federal financial assistance and will immediately take any measure necessary to effectuate this assurance.

B. Subgrantee shall comply with Executive Order 11063 and 11246, as amended by Executive Orders 11375 and 12086, which provide that no person shall be discriminated against on the basis of race, color, creed, religion, ancestry, national origin, sex, age, disability or other handicap, marital status or other prohibited class in all phases of employment during the performance of any federal or federally-assisted contracts. Such contractors and subcontractors shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training and apprenticeship.

C. The Subgrantee agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis Bacon Act as amended, the provisions of Contract Work Hours, the Safety Standards Act, the Copeland "AntiKickback" Act (40 U.S.C. 276, 327-333) and all other applicable federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of the Subgrantee Project. The Subgrantee shall maintain documentation which demonstrates compliance with any hour and wage requirements as may be applicably provided by law.

**Section 15. Limitation on Village's financial responsibility/authority to use CDBG Program funds.** The allocation of any CDBG Program funds under this Agreement or otherwise shall in no way obligate the Village for any financial responsibility incurred by the Subgrantee in connection with the Subgrantee Project that may be in excess of the amount of the Grant. This Agreement neither obligates nor precludes the Village from further accepting or distributing any CDBG Program funds to which the Village may be entitled nor does this Agreement restrict or limit the powers of the Village to use any such CDBG Program funds pursuant to the provisions of the Act.

**Section 16. Subgrantee's acceptance of additional funding.** This Agreement neither obligates nor precludes the Subgrantee from further accepting any other CDBG Program funds or other assistance pursuant to the Act.

**Section 17. Training and employment opportunities/contracts for work on Subgrantee Project.** The Subgrantee agrees to comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, which requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of Champaign County and contracts for work in connection with the Subgrantee Project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in Champaign County.

**Section 18. Miscellaneous requirements.** The Subgrantee agrees to comply with the following conditions and requirements:

A. The Subgrantee shall establish safeguards to prohibit employees from using positions for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

B. The Subgrantee shall comply with the provisions of the Hatch Act which limit the political activity of employees.

**Section 19. Assignment/transfer of funds.** The Subgrantee shall not assign this Agreement or any part thereof and the Subgrantee shall not transfer or assign any CDBG Program funds or claims due hereunder without the prior written approval of the Village. Any attempted transfer or assignment by the Subgrantee of CDBG Program funds payable by the Village under this Agreement, either in whole or in part, or any interest therein, which shall be due or become due to the Subgrantee, shall be of no force and effect.

**Section 20. Subgrantee to indemnify and hold the Village harmless.** The Subgrantee agrees to protect, indemnify, hold and save harmless and defend the Village against any and all claims, costs, causes, actions and expenses, including but not limited to reasonable attorneys' fees, arising in favor of any person, including any officer, employee, contractor, subcontractor or agent of the Subgrantee, on account of personal injuries or death, or damages to property occurring or resulting from the Subgrantee Project, whether such loss, damage, injury or liability is contributed to by the negligence of the Village any of its officers, employees or agents, or from other causes whatsoever, except that Subgrantee shall have no liability for damages or any costs incident thereto caused by the sole negligence of the Village, or any of its officers, employees or agents.

**Section 21. Subgrantee not an employee of the Village.** It is mutually understood and agreed that the Subgrantee shall have full control of the ways and means of performing the Subgrantee Project, and that the Subgrantee or any of its officers, employees, representatives, contractors, subcontractors or agents are in no sense employees of the Village.

**Section 22. Default.** The Subgrantee agrees that if the Village determines that the Subgrantee has not complied with or is not complying with any of the provisions of this Agreement and so notifies the Subgrantee by written notice of any such noncompliance, the Village may terminate this Agreement by further written notice of such termination if the Subgrantee does not come into compliance within thirty (30) days after the delivery of such notice of noncompliance.

**Section 23. Notice.** Notices and communications under this Agreement shall be sent first class, prepaid mail to the respective parties as follows:

TO THE VILLAGE:                      Michael Loschen, Director of Community Development  
Village of Rantoul Municipal Building  
333 South Tanner Street  
Rantoul, Illinois 61866

TO THE SUBGRANTEE:

Any such notice shall be deemed to be delivered two (2) calendar days after the date on which such notice is deposited for delivery in the U.S. Mail.

**Section 24. Effective date of agreement.** This Agreement shall be effective as of the date executed by the Village.

**IN WITNESS WHEREOF**, each of the parties hereto have caused this Agreement to be executed by proper officers duly authorized to execute the same as of the date set forth beneath the signature of the respective officers set forth below.

**VILLAGE OF RANTOUL,  
CHAMPAIGN COUNTY, ILLINOIS**

**CHAMPAIGN COUNTY, ILLINOIS**

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

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

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

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

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

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

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

Exhibit A

Application for CDBG Program Funds

## **Exhibit “F”**

### **Standard Agreement for Subcontracted Services**

**STANDARD AGREEMENT FOR THE PROVISION OF SUBCONTRACTED SERVICES**

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (hereinafter referred to as "AGENCY") and \_\_\_\_\_ (hereinafter referred to as "SUBCONTRACTOR").

**RECITALS**

WHEREAS, AGENCY and the Village of Rantoul have entered into a grant agreement pursuant to the Community Development Block Grant Program, as defined by the Housing and Community Development Act of 1974 and 1977, 1983, 1985, and 1987, as amended; and

WHEREAS, AGENCY is implementing the \_\_\_\_\_ under the terms and conditions of that Agreement referred to in the above paragraph; and

WHEREAS, AGENCY desires to engage SUBCONTRACTOR to provide assistance to AGENCY in its implementation of said program.

**NOW, THEREFORE, the parties hereto agree as follows:**

1. **Contractual Agreement:** SUBCONTRACTOR agrees to be bound by the above-mentioned Agreement between AGENCY and the Village of Rantoul to the same extent that AGENCY is bound thereby and agrees to indemnify the name of the Village of Rantoul as additional insured in the same manner as the AGENCY has agreed to indemnify and name the Village of Rantoul as additional insured.
2. **Term of Agreement:** This Agreement shall commence on \_\_\_\_\_, 20\_\_\_\_, and shall terminate on \_\_\_\_\_, 20\_\_\_\_, unless terminated earlier, as provided for in this Agreement. Twenty (20) days written notice by either party shall be given to terminate this Agreement.
3. **Scope of Services:** SUBCONTRACTOR, for and in consideration of the covenants, promises and agreements expressed herein, shall provide services to AGENCY. Said services shall include, but not be limited to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
4. **Payment of Services:** AGENCY agrees to pay SUBCONTRACTOR for the performance of services and work, subject to and performed in connection with this agreement, a sum of money not to exceed \$\_\_\_\_\_ (total payment). Such sum shall be expended and paid by AGENCY to SUBCONTRACTOR during the term of this agreement on a reimbursement basis for services actually performed by SUBCONTRACTOR. Payment shall be made upon receipt of time sheets specifying in detail the services performed and the number of hours expended to complete those services.

5. **Independent Contractor:** It is understood and agreed by the parties herein that SUBCONTRACTOR, in the performance of this Agreement, shall act as an independent contractor, and therefore shall obtain no rights to any fringe benefits which accrue to regular full-time AGENCY employees.
  
6. **Compliance with Federal Regulations:** The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from the U.S. Department of Housing and Urban Development. In addition to the terms and conditions of the Agreement between AGENCY and the Village of Rantoul, SUBCONTRACTOR is also subject to the requirements contained in Exhibit "A" entitled "Conditions of Federal Funding" attached hereto and made part of this Agreement.
  
7. **Changes to the Agreement:** Amendments to the terms and conditions of this Agreement shall be requested, in writing, by the party desiring such revision, and any such adjustment to this Agreement shall be determined and effective only upon the mutual consent, in writing, of the parties hereto, and upon approval of the Village of Rantoul.

\_\_\_\_\_  
 AGENCY

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 SUBCONTRACTOR

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Street Address of Subcontractor

\_\_\_\_\_  
 Subcontractor Telephone

\_\_\_\_\_  
 Subcontractor City, State, and Zip Code

\_\_\_\_\_  
 Subcontractor SSN or FEIN

**EXHIBIT “A”**  
**CONDITIONS OF FEDERAL FUNDING**

1. **Compliance with Federal Laws and Regulations.** SUBRECIPIENT agrees to comply with all federal laws and regulations applicable to the CDBG Program and to the services and work covered under this Agreement.
  
2. **Applicable Federal Civil Rights Laws and Executive Orders.** The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from HUD. In providing the services and work set forth in this Agreement, SUBRECIPIENT will carry out its work in a manner which will permit full compliance by the Village of Rantoul with the following, and SUBRECIPIENT shall strictly adhere to the following:
  - a. **Title VI of the Civil Rights Act of 1964**, which provides that no person in the United States shall be excluded on the basis of race, color or national origin, from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
  
  - b. **Section 109 of the Housing and Community Development Act of 1974 and 1977**, as amended, which provide that no person in the United States shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
  
  - c. **Title VIII of the Civil Rights Act of 1968**, which mandates affirmative action toward furthering fair housing (in sale or rental, financing of housing and provision of brokerage services) throughout the United States.
  
  - d. **Executive Order 11063**, which provides for equal opportunity in housing and related facilities provided by federal financial assistance.
  
  - e. **Executive Order 11246**, which provides that there shall be no discrimination in employment under federally-assisted construction.
  
  - f. **Section 3 of the Housing and Urban Development Act of 1968**, which provides for training, employment, and contracting opportunities for business and lower-income persons, assurance of compliance.
    - (1) The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

- (2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department of Housing and Urban Development issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
  - (3) SUBRECIPIENT will send to each labor organization or representative of workers with which it has a collective bargaining contract or other contract or understanding, if any, a notice advertising to the said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
  - (4) SUBRECIPIENT will include these Section 3 clauses in every contract and subcontract for work in connection with the project and will, at the direction of the Village of Rantoul, take appropriate action pursuant to the contract upon a finding that any SUBRECIPIENT or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135, and will not let any contract unless SUBRECIPIENT or subcontractor has first requirements of these regulations.
  - (5) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135 and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract shall be a condition of the SUBRECIPIENT, its successors, and assigns. Failure to fulfill these requirements shall subject SUBRECIPIENT, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and, and to such sanctions as are specified by 24 CFR Part 135 which provides that, to the greatest extent feasible, opportunities for training and employment shall be given to lower-income residents of HUD-assisted project areas, and that contracts for work in connection with such projects be awarded to business concerns which are located in, or are owned in substantial part by persons residing in the area of the Program.
- g. **Section 504 of the Rehabilitation Act of 1973** (prohibits discrimination based on physical handicap)(Pub.L. 93-112), as amended, and implementing regulations when published for effect.
  - h. **The Age Discrimination Act of 1975**, as amended (Pub.L. 94-135), and implementing regulations when published for effect.
  - i. The relocation requirements of Title II of the acquisition requirements of **Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, and the implementation regulations at 24 CFR Part 42.

- j. The requirements relating to minority and women's business enterprises set forth in **Executive Order No. 11625 of October 13, 1971, 36 Fed. Reg. 1967, as amended by Executive Order No. 12007 of August 22, 1977, 42 Fed. Reg. 42839; and Executive Order No. 12432 of July 14, 1983, 48 Fed. Reg. 32551; and Executive Order No. 12138 of May 18, 1979, 44 Fed. Reg. 23637.**
  - k. **The Uniform Federal Accessibility Standards** set forth in 24 CFR Part 40, Appendix A.
  - l. The provisions of **24 CFR Part 24**, relating to the employment, engagement of services, awarding of contracts, or funding of any Subrecipients or subcontractors during any period of debarment, suspension or placement in ineligibility status.
  - m. The provisions of 24 CFR Part 570, relating to compliance with: 1) **OMB Circular A-110** which sets standards for uniform administrative requirements for grants to non-profit organizations; and 2) **OMB Circular A-122**, which provides a set of cost principles for determining costs of grants and other agreements with non-profit organizations.
3. **Nondiscrimination Under title VI of the Civil Rights Act of 1964.** SUBRECIPIENT under this agreement shall be subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and HUD regulations with respect thereto including the regulations improved with assistance provided under this Agreement, SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer prohibiting discrimination upon the basis of race, color, religion, sex or national origin, in the sale, lease or rental, or in the use of occupancy of such land or any improvements erected or to be erected thereon, and providing that SUBRECIPIENT and the United States are beneficiaries of and entitled to enforce such covenant. SUBRECIPIENT, in providing the services and work it is to provide pursuant to the Agreement, agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.
4. **Equal Employment Opportunity.** In providing the work and services herein specified, SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or the Village of Rantoul setting forth the provisions of this nondiscrimination clause. SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

SUBRECIPIENT shall incorporate the foregoing requirements of this Paragraph 4 in all of its contracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

SUBRECIPIENT shall also maintain records containing:

- a. Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefitted from, any program or activity funded in whole or in part with CDBG funds. Such information shall be used only as a basis for further investigation as to compliance with nondiscrimination requirements. No SUBRECIPIENT is required to attain or maintain any particular statistical measure by race, ethnicity, or gender in covered programs.
  - b. Documentation of actions undertaken to meet the requirements of implementing Section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701U) relative to the hiring and training of low- and moderate-income persons and the use of local businesses.
  - c. Data indicating the racial/ethnic character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid with CDBG funds, data indicating which of those entities are women's business subcontract, and documentation of recipient's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. Such affirmative steps may include, but are not limited to, technical assistance open to all businesses but designed to enhance opportunities for these enterprises and special out-reach efforts to inform them of contract opportunities. Such steps shall not include preferring any business in the award of any contract or subcontract solely or in part on the basis of race or gender.
5. **Lead-Based Paint Hazards.** Assistance provided under this Agreement is subject to the HUD Lead-Based Paint regulations at 24 CFR Part 35, hereby incorporated and made a part of this Agreement by reference. Any funding commitments made by the Village of Rantoul or SUBRECIPIENT shall be made subject to the provisions for the elimination of lead-based paint hazards under Subpart B of said regulations.
  6. **Flood Disaster Protection.** Notwithstanding any other provision of this Agreement, SUBRECIPIENT shall comply with the Flood Disaster Protection Act of 1973, as amended (P.L. 93-234), and the standards issued thereto. No portion of the monies to be paid to SUBRECIPIENT pursuant to this Agreement shall be used for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the compliance with the requirements for participation in the National Flood Insurance Program pursuant to Section 210(d) of said Act; and the use of any of said monies for such acquisition or construction in such identified areas in communities then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

Any contract or Agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain, if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001, et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Protection Act of 1973, as amended. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this agreement.

7. **Interest of Certain Federal Officials.** No member of or delegate to the Congress of the United States; no Village of Rantoul Board Member; nor any member of the Village of Rantoul Citizen's Advisory Committee, shall be admitted to any share or part of this Agreement or to any benefit arising from same.
8. **Conflict of Interest.** No officer, employee, or agent of SUBRECIPIENT who exercises any functions or responsibilities with respect to the CDBG Program or to the services and work to be performed by SUBRECIPIENT pursuant to this Agreement, during such officer's employee's, or agent's tenure for one (1) year thereafter, shall have any personal or financial interest or benefit, direct or indirect, in this Agreement or the proceeds thereof. SUBRECIPIENT shall incorporate or cause to be incorporated in every contract required to be in writing, a provision prohibiting such interest pursuant to the purposes of this Section.
9. **Prohibition Against Payments of Bonuses or Commissions.** The assistance provided under this agreement shall not be used in the payment of any bonus or commission for the purposes of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval or concurrence of HUD required under this Agreement, Title I of the Housing and Community Development Acts of 1974 or 1977, or HUD regulations with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.
10. **Political Activity.**
  - a. **Partisan Activity Prohibited.** No funds provided in this Agreement shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall they be used to provide services, or for the employment or assignment of personnel in a manner supporting or resulting in the identification of programs conducted pursuant to this Agreement with the following: (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or (3) any voter registration activity.

Participants employed in the administration of the Village of Rantoul's programs funded by CDBG or other Federal funding, any participants whose principle

employment is in connection with an activity financed by CDBG or other Federal funding or resultant proceeds are subject to limitation on political activities under the Hatch Act (U.S.C. 1502(a), 18 U.S.C. 595). All participants may take part in nonpartisan activities outside working hours.

- b. **Lobbying Prohibited.** None of the funds provided under this Agreement shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the United States Congress.

11. **Guidelines on Church-Related Activities.**

- a. **Construction or Rehabilitation of Facilities.** CDBG or other Federal funding recipients shall not use any funds to construct, rehabilitate, maintain, or restore religious structures (including those which may be historic properties) currently used for religious purposes. CDBG funds shall not be used to construct, rehabilitate, maintain, or restore structures or other real property owned by “pervasively sectarian” organizations. CDBG funds shall not be used to assist a religious organization in acquiring property. These prohibitions apply whether or not the property is used for religious services or instruction or is used in any other way for religious activities.
- b. **Public Services.** CDBG funds may be used for the provision of public services under the following conditions:
  - (1) The public services provided are exclusively non-religious in nature and scope;
  - (2) There are no religious services, proselytizing, instruction, or any other religious influences in connection with the public services;
  - (3) There is no religious discrimination in terms of employment or benefits under the public services; and
  - (4) CDBG funds may be used only for the provision of public services and not for construction, rehabilitation or restoration of any facility owned by a religious organization where the services are to be provided. A narrow exception to this prohibition is that minor repairs may be made where such repairs: (a) are directly related to the public services, (b) are located in a structure used exclusively for non-religious purposes, and (c) constitute in dollar terms a minor portion of the CDBG expenditure for the public services.