NORTH MIAMI
FLORIDA
776 N.E. 125 Street, North Miami, Florida 33161

Council Report

To: The Honorable Mayor and City Council

From: Natasha Colebrook-Williams, Chief of Staff NCW

Date: September 21, 2015

RE: FLORIDA DEPARTMENT OF STATE DIVISION OF LIBRARY AND INFORMATION SERVICES STATE AID TO LIBRARIES GRANT 2015-2016

RECOMMENDATION

It is recommended that the Mayor and City Council approve the attached resolution authorizing the City Manager and City Attorney to submit an application and negotiate and execute an agreement between the city of North Miami and the Florida Department of State, Division of Library and Information Services.

BACKGROUND

State Aid is a continuing state grant authorized by Chapter 257, Florida Statutes, for eligible library entities. Grant formulas are based on previous local operating funding and the total number of applicants for this cycle. The City is required to provide pre-qualifying documentation and an annual service plan; once final awards are calculated, the City will receive notification of final award for execution of contract. This grant requires no match.

Application deadline is October 1, 2015. Additional reports and other documents are due December 1, 2015.

ATTACHMENTS

Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING THE SUBMISSION OF AN APPLICATION AND AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE AND EXECUTE AN AGREEMENT BETWEEN THE CITY OF NORTH MIAMI AND THE FLORIDA DEPARTMENT OF STATE'S DIVISION OF LIBRARY AND INFORMATION SERVICES, TO SECURE A STATE AID TO LIBRARIES GRANT 2015-2016; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, the Mayor and City Council of the City of North Miami ("City") are desirous of applying for and securing a State Aid to Libraries Grant for the 2015-2016 fiscal year from the Florida Department of State's Division of Library and Information Services; and

WHEREAS, State Aid to Libraries is a continuing state grant authorized by Chapter 257, Florida Statutes, for eligible library entities and requires no match; and

WHEREAS, the City is required to provide pre-qualifying documentation and an annual service plan with its application; and

WHEREAS, the Mayor and City Council wish to authorize the submittal of a grant application as well as to fully authorize the negotiation and execution of an agreement for grant funds between the City and the Florida Department of State's Division of Library and Information Services.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. **Approval of Submittal of Application.** The Mayor and City Council of the city of North Miami, Florida, hereby approve the submittal of the City of North Miami's application for the State Aid to Libraries Grant.

Section 2. **Authority to City Manager and City Attorney.** The City Manager and City Attorney are hereby authorized to negotiate and execute an agreement between the City of North Miami, Florida and the Florida Department of State's Division of Library and Information Services to obtain grant funds to fund library services.

Section 3. **Effective Date.** This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this ____ day of _____, 2015.

_____
DR. SMITH JOSEPH
MAYOR

ATTEST:

_____
MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

_____
ROLAND C. GALDOS, ESQ.
INTERIM CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Smith Joseph, D.O., Pharm. D.	_____ (Yes)	_____ (No)
Vice Mayor Carol Keys, Esq.	_____ (Yes)	_____ (No)
Councilman Scott Galvin	_____ (Yes)	_____ (No)
Councilman Philippe Bien-Aime	_____ (Yes)	_____ (No)
Councilman Alix Desulme	_____ (Yes)	_____ (No)

STATE AID TO LIBRARIES GRANT
AGREEMENT BETWEEN
THE STATE OF FLORIDA, DEPARTMENT OF STATE
AND
City of North Miami
for and on behalf of
North Miami Public Library

This Agreement is by and between the State of Florida, Department of State, Division of Library and Information Services, hereinafter referred to as the "Division," and the City of North Miami for and on behalf of North Miami Public Library, hereinafter referred to as the "Grantee."

The Grantee has submitted an application and has met all eligibility requirements and has been awarded a State Aid to Libraries Grant (CSFA 45.030) by the Division in the amount specified on the "Fiscal Year 2015-2016 State Aid to Libraries Final Grants" document (which is incorporated as part of this Agreement and entitled Attachment B). The Division has the authority to administer this grant in accordance with Section 257, *Florida Statutes.* By reference, the application and any approved revisions are hereby made a part of this agreement.

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **Grant Purpose**. This grant shall be used exclusively for the "State Aid to Libraries Grant," the public purpose for which these funds were appropriated.

   a) The Grantee shall perform the following **Scope of Work** as identified in Section 257.17 *Florida Statutes*:

      Manage or coordinate free library service to the residents of its legal service area. The Grantee shall:
      1. Have a single administrative head employed full time by the library's governing body;
      2. Provide free library service, including loaning materials available for circulation free of charge and providing reference and information services free of charge;
      3. Provide access to materials, information and services for all residents of the area served; and
      4. Have at least one library, branch library or member library open 40 hours or more each week.

b) The Grantee agrees to provide the following **Deliverables** related to the Scope of Work for payment to be awarded.

Payment 1, Deliverable/Task 1:

- The first payment will be a fixed price in the amount of 100% of the grant award. The Grantee will have at least one library, branch library or member library open 40 hours or more each week.

2. **Length of Agreement.** This Agreement shall begin the date the agreement is signed by both the Grantee's Governing Body and the Division and continue until all grant funds have been expended, unless terminated in accordance with the provisions of Section 29 of this Agreement.

3. **Expenditure of Grant Funds.** The Grantee cannot obligate or expend any grant funds before the Agreement has been signed by all parties. No costs incurred after termination of the Agreement shall be allowed unless specifically authorized by the Division.

4. **Contract Administration.** The parties are legally bound by the requirements of this agreement. Each party's contract manager, named below, will be responsible for monitoring its performance under this Agreement and will be the official contact for each party. Any notice(s) or other communications in regard to this agreement shall be directed to or delivered to the other party's contract manager by utilizing the information below. Any change in the contact information below should be submitted in writing to the contract manager within 10 days of the change.

For the Division of Library and Information Services:

Marian Deeney, Library Program Administrator
Florida Department of State
R.A. Gray Building
Mail Station # 9D
500 South Bronough Street
Tallahassee, Florida 32399
Phone: (850) 245-6620
Facsimile: (850) 245-6643
Email: marian.deeney@dos.myflorida.com

For the Grantee:

Lucia Gonzalez, Library Director
835 Northeast 132nd Street
North Miami, Florida 33161
Phone: (305) 335-8215
Facsimile: (305) 892-0843
Email: lgonzalez@northmiamifl.gov

5. **Grant Payments.** All grant payments are requested by submitting a Grant Payment Request Form. The Grant Payment Request Form is available on the Division's website at info.florida.gov/services-for-libraries/grants/cooperative/guidelines-applications-and-forms/. The total grant award shall not exceed the amount specified on the "Fiscal Year 2015-2016 State Aid to Libraries Final Grants" document (Attachment B), which shall be paid by the Division in consideration for the Grantee's minimum performance as set forth by the terms and conditions of this Agreement. The grant payment schedule is outlined below:

   a) The first payment will be a 100% fixed price in the amount of the grant award as specified in Attachment B. Payment will be made in accordance with the completion of the Deliverables.

6. **Electronic Payments.** The Grantee can choose to use electronic funds transfer (EFT) to receive grant payments. All grantees wishing to receive their award through EFT must submit a Vendor Direct Deposit Authorization form to the Florida Department of Financial Services. If EFT has already been set up for your organization, you do not need to submit another authorization form unless you have changed bank accounts. To download this form visit myfloridacfo.com/Division/AA/Forms/DFS-A1-26E.pdf. The form also includes tools and information that allow you to check on payments.

7. **Florida Substitute Form W-9.** A completed Substitute Form W-9 is required from any entity that receives a payment from the State of Florida that may be subject to 1099 reporting. The Department of Financial Services (DFS) must have the correct Taxpayer Identification Number (TIN) and other related information in order to report accurate tax information to the Internal Revenue Service (IRS). To register or access a Florida Substitute Form W-9 visit flvendor.myfloridacfo.com/. **A copy of the Grantee's Florida Substitute Form W-9 must be submitted by the Grantee to the Division with the executed Agreement.**

8. **Financial Consequences**. The Department shall apply the following financial consequences for failure to perform the minimum level of services required by this Agreement in accordance with Sections 215.971 and 287.058, *Florida Statutes*:

   Should the library fail to provide free library service to the public or to be open for at least 40 hours per week, it will no longer be eligible to receive State Aid to Libraries grant funding, and its funding will be reduced to zero.

   First payment will be withheld if Deliverables are not satisfactorily completed.

9. **Credit Line(s) to Acknowledge Grant Funding.** The Division requires public acknowledgement of State Aid to Libraries Grant funding for activities and publications supported by grant funds. Any announcements, information, press releases, publications, brochures, videos, web pages, programs, etc. created as part of a State Aid to Libraries Grant project must include an acknowledgment that State Aid to Libraries Grant funds were used to create them.

   Use the following text:

   "This project has been funded under the provisions of the State Aid to Libraries Grant program, administered by the Florida Department of State's Division of Library and Information Services."

10. **Non-allowable Grant Expenditures.** The Grantee agrees to expend all grant funds received under this agreement solely for the purposes for which they were authorized and appropriated. Expenditures shall be in compliance with the state guidelines for allowable project costs as outlined in the Department of Financial Services' Reference Guide for State Expenditures, which are available online at myfloridacfo.com/aadir/reference_guide/.

    Grant funds may not be used for the purchase or construction of a library building or library quarters.

11. **Travel Expenses.** The Subgrantee must pay any travel expenses, from grant or local matching funds, in accordance to the provisions of Section 112.061, *Florida Statutes.*

12. **Unobligated and Unearned Funds and Allowable Costs.** In accordance with Section 215.971, *Florida Statutes*, the Grantee shall refund to the State of Florida any balance of unobligated funds which has been advanced or paid to the Grantee. In addition, funds paid in excess of the amount to which the recipient is entitled under the terms and conditions of the agreement must be refunded to the state agency. Further, the recipient may expend funds only for allowable costs resulting from obligations incurred during the specified agreement period. Expenditures of state financial assistance must be in compliance with the laws, rules and regulations applicable to expenditures of State funds, including, but not limited to, the *Reference Guide for State Expenditures.*

13. **Repayment.** All refunds or repayments to be made to the Department under this agreement are to be made payable to the order of "Department of State" and mailed directly to the following address: Florida Department of State, Attention: Marian Deeney, Library Program Administrator, Division of Library and Information Services, 500 South Bronough Street, Mail Station #9D, Tallahassee, FL 32399. In accordance with Section 215.34(2), *Florida Statutes*, if a check or other draft is returned to the Department for collection, Recipient shall pay to the Department a service fee of $15.00 or five percent (5%) of the face amount of the returned check or draft, whichever is greater.

14. **Single Audit Act.** Each grantee, other than a grantee that is a State agency, shall submit to an audit pursuant to Section 215.97, Florida Statutes. See Attachment A for additional information regarding this requirement. If a Grantee is not required by law to conduct an audit in accordance with the Florida Single Audit Act because it did not expend at least $500,000 in state financial assistance, it must submit a Financial Report on its operations pursuant to Section 257.41(3), Florida Statutes within nine months of the close of its fiscal year.

15. **Retention of Accounting Records.** Financial records, supporting documents, statistical records and all other records, including electronic storage media pertinent to the Project, shall be retained for a period of five (5) fiscal years after the close out of the grant and release of the audit. If any litigation or audit is initiated or claim made before the expiration of the five-year period, the records shall be retained for five fiscal years after the litigation, audit or claim has been resolved.

16. **Obligation to Provide State Access to Grant Records.** The Grantee must make all grant records of expenditures, copies of reports, books, and related documentation available to the Division or a duly authorized representative of the State of Florida for inspection at reasonable times for the purpose of making audits, examinations, excerpts and transcripts.

17. **Obligation to Provide Public Access to Grant Records.** The Division reserves the right to unilaterally cancel this Agreement in the event that the Grantee refuses public access to all documents or other materials made or received by the Grantee that are subject to the provisions of Chapter 119, *Florida Statutes*, known as the *Florida Public Records Act*. The Grantee must immediately contact the Division's Contract Manager for assistance if it receives a public records request related to this Agreement.

18. **Investment of Funds Received But Not Paid Out.** The Grantee may temporarily invest any or all grant funds received but not expended in an interest bearing account pursuant to Section 216.181(16)(b), *Florida Statutes*. Interest earned on such investments should be returned to the Division quarterly, except that interest accrued less than $100 within any quarter may be held until the next quarter when the accrued interest totals more than $100. All interest accrued and not paid to the Division, regardless of amount, must be submitted with the Grantee's Final Report at the end of the Grant Period.

19. **Noncompliance.** Any Grantee that is not following Florida statutes or rules, the terms of the grant agreement, Florida Department of State policies and guidance, local policies, or other applicable law or that has not submitted required reports or satisfied other administrative requirements for other Division of Library and Information Services grants or grants from any other Office of Cultural, Historical, and Information Programs (OCHIP) Division will be in noncompliance status and subject to the OCHIP Grants Compliance Procedure. OCHIP Divisions include the Division of Cultural Affairs, the Division of Historical Resources, and the Division of Library and Information Services. Grant compliance issues must be resolved before a grant award agreement may be executed and before grant payments for any OCHIP grant may be released.

20. **Accounting Requirements.** The Grantee must maintain an accounting system that provides a complete record of the use of all grant funds as follows:

a) The accounting system must be able to specifically identify and provide audit trails that trace the receipt, maintenance and expenditure of state funds;

b) Accounting records must adequately identify the sources and application of funds for all grant activities and must classify and identify grant funds by using the same budget categories that were approved in the grant application. If Grantee's accounting system accumulates data in a different format than the one in the grant application, subsidiary records must document and reconcile the amounts shown in the Grantee's accounting records to those amounts reported to the Division;

c) An interest-bearing checking account or accounts in a state or federally chartered institution may be used for revenues and expenses described in the Scope of Work and detailed in the Estimated Project Budget;

d) The name of the account(s) must include the grant award number;

e) The Grantee's accounting records must have effective control over and accountability for all funds, property and other assets; and

f) Accounting records must be supported by source documentation and be in sufficient detail to allow for a proper pre-audit and post-audit (such as invoices, bills and canceled checks).

21. **Availability of State Funds.** The State of Florida's performance and obligation to pay under this Agreement are contingent upon an annual appropriation by the Florida Legislature. In the event that the state funds upon which this Agreement is dependent are withdrawn, this Agreement will be automatically terminated and the Division shall have no further liability to the Grantee beyond those amounts already expended prior to the termination date. Such termination will not affect the responsibility of the Grantee under this Agreement as to those funds previously distributed. In the event of a state revenue shortfall, the total grant may be reduced accordingly.

22. **Lobbying.** The Subgrantee will not use any grant funds for lobbying the state legislature, the state judicial branch or any state agency.

23. **Independent Contractor Status of Grantee.** The Grantee, if not a state agency, agrees that its officers, agents and employees, in performance of this Agreement, shall act in the capacity of independent contractors and not as officers, agents or employees of the state. The Grantee is not entitled to accrue any benefits of state employment, including retirement benefits and any other rights or privileges connected with employment by the State of Florida.

24. **Grantee's Subcontractors.** The Grantee shall be responsible for all work performed and all expenses incurred in connection with this Agreement. The Grantee may subcontract, as necessary, to perform the services and to provide commodities required by this Agreement. The Division shall not be liable to any subcontractor(s) for any expenses or liabilities incurred under the Grantee's subcontract(s), and the Grantee shall be solely liable to its subcontractor(s) for all expenses and liabilities incurred under its subcontract(s). The Grantee must take the necessary steps to ensure that each of its subcontractors will be deemed to be independent contractors and will not be considered or permitted to be agents, servants, joint venturers or partners of the Division.

25. **Liability.** The Division will not assume any liability for the acts, omissions to act or negligence of the Grantee, its agents, servants or employees; nor may the Grantee exclude liability for its own acts, omissions to act or negligence to the Division.

    a) The Grantee shall be responsible for claims of any nature, including but not limited to injury, death and property damage arising out of activities related to this Agreement by the Grantee, its agents, servants, employees and subcontractors. The Grantee shall indemnify and hold the Division harmless from any and all claims of any nature and shall investigate all such claims at its own expense. If the Grantee is governed by Section 768.28, *Florida Statutes*, it shall only be obligated in accordance with this Section.

    b) Neither the state nor any agency or subdivision of the state waives any defense of sovereign immunity or increases the limits of its liability by entering into this Agreement.

    c) The Division shall not be liable for attorney fees, interest, late charges or service fees, or cost of collection related to this Agreement.

    d) The Grantee shall be responsible for all work performed and all expenses incurred in connection with the project. The Grantee may subcontract as necessary to perform the services set forth in this Agreement, including entering into subcontracts with vendors for services and commodities, provided that such subcontract has been approved in writing by the Department prior to its execution and provided that it is understood by the Grantee that the Department shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and that the Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract.

26. **Strict Compliance with Laws.** The Grantee shall perform all acts required by this Agreement in strict conformity with all applicable laws and regulations of the local, state and federal law. For consequences of noncompliance, see Section 19, Noncompliance.

27. **No Discrimination.** The Grantee may not discriminate against any employee employed under this Agreement or against any applicant for employment because of race, color, religion, gender, national origin, age, handicap or marital status. The Grantee shall insert a similar provision in all of its subcontracts for services under this Agreement.

28. **Breach of Agreement.** The Division will demand the return of grant funds already received, will withhold subsequent payments and/or will terminate this agreement if the Grantee improperly expends and manages grant funds; fails to prepare, preserve or surrender records required by this Agreement; or otherwise violates this Agreement.

29. **Termination of Agreement.** The Division will terminate or end this Agreement if the Grantee fails to fulfill its obligations herein. In such event, the Division will provide the Grantee a notice of its violation by letter and shall give the Grantee fifteen (15) calendar days from the date of receipt to cure its violation. If the violation is not cured within the stated period, the Division will terminate this Agreement. The notice of violation letter shall be delivered to the Grantee's Contract Manager, personally, or mailed to his/her specified address by a method that provides proof of receipt. In the event that the Division terminates this Agreement, the Grantee will be compensated for any work completed in accordance with this Agreement prior to the notification of termination if the Division deems this reasonable under the circumstances. Grant funds previously advanced and not expended on work completed in accordance with this Agreement shall be returned to the Division, with interest, within thirty (30) days after termination of this Agreement. The Division does not waive any of its rights to additional damages if grant funds are returned under this Section.

30. **Preservation of Remedies.** No delay or omission to exercise any right, power or remedy accruing to either party upon breach or violation by either party under this Agreement shall impair any such right, power or remedy of either party; nor shall such delay or omission be construed as a waiver of any such breach or default or any similar breach or default.

31. **Non-Assignment of Agreement.** The Grantee may not assign, sublicense or otherwise transfer its rights, duties or obligations under this Agreement without the prior written consent of the Division, which shall not unreasonably be withheld. The agreement transferee must demonstrate compliance with the requirements of the project. If the Division approves a transfer of the Grantee's obligations, the Grantee shall remain liable for all work performed and all expenses incurred in connection with this Agreement. In the event the Legislature transfers the rights, duties and obligations of the Division to another governmental entity, pursuant to Section 20.06, *Florida Statutes* or otherwise, the rights, duties and obligations under this Agreement shall be transferred to the succeeding governmental agency as if it was the original party to this Agreement.

32. **Required Procurement Procedures for Obtaining Goods and Services.** The Grantee shall provide maximum open competition when procuring goods and services related to the grant-assisted project in accordance with Section 287.057, *Florida Statutes.*

    a) Procurement of Goods and Services Not Exceeding $35,000. The Grantee must use the applicable procurement method described below:

        1. Purchases Up to $2,500: Procurement of goods and services where individual purchases do not exceed $2,500 do not require competition and may be conducted at the Grantee's discretion.

2. Purchases or Contract Amounts Between $2,500 and $35,000: Goods and services costing between $2,500 and $35,000 require informal competition and may be procured by purchase order, acceptance of vendor proposals or other appropriate procurement document.

b) Procurement of Goods and Services Exceeding $35,000. Goods and services costing over $35,000 may be procured by either Formal Invitation to Bid, Request for Proposals or Invitation to Negotiate and may be procured by purchase order, acceptance of vendor proposals or other appropriate procurement document.

33. **Conflicts of Interest.** The Grantee hereby certifies that it is cognizant of the prohibition of conflicts of interest described in Sections 112.311 through 112.326, *Florida Statutes* and affirms that it will not enter into or maintain a business or other relationship with any employee of the Department of State that would violate those provisions. The Grantee further agrees to seek authorization from the General Counsel for the Department of State prior to entering into any business or other relationship with a Department of State Employee to avoid a potential violation of those statutes.

34. **Binding of Successors.** This Agreement shall bind the successors, assigns and legal representatives of the Grantee and of any legal entity that succeeds to the obligations of the Division of Library and Information Services.

35. **Employment of Unauthorized Aliens.** The employment of unauthorized aliens by the Grantee is considered a violation of Section 274A (a) of the Immigration and Nationality Act. If the Grantee knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of this Agreement.

36. **Severability.** If any term or provision of the Agreement is found to be illegal and unenforceable, the remainder will remain in full force and effect, and such term or provision shall be deemed stricken.

37. **Americans with Disabilities Act.** All programs and facilities related to this Agreement must meet the standards of Sections 553.501-553.513, *Florida Statutes* and the Americans with Disabilities Act of 1990.

38. **Governing Law.** This Agreement shall be construed, performed and enforced in all respects in accordance with the laws and rules of Florida. Venue or location for any legal action arising under this Agreement will be in Leon County, Florida.

39. Entire Agreement. The entire Agreement of the parties consists of the following documents:

a) This Agreement
b) Federal and State of Florida Single Audit Act Requirements (Attachment A), including Exhibit 1.
c) Fiscal Year 2015-2016 State Aid to Libraries Final Grants (Attachment B)

The Grantee hereby certifies that they have read this entire Agreement and will comply with all of its requirements.

Date of Agreement: _____

Grantee:

By: _____
Chair of Governing Body or
Chief Executive Officer

_Aleem Ghany, City Manager_____
Typed name and title

_____
Clerk or Chief Financial Officer

_Larry Spring, Finance Director_____
Typed name and title

_____
Date

Department of State:

By: _____

_____
Typed name and title

_____
Witness

ATTACHMENT A

FEDERAL AND STATE OF FLORIDA SINGLE AUDIT ACT REQUIREMENTS

AUDIT REQUIREMENTS

The administration of resources awarded by the Department of State to the Grantee may be subject to audits and/or monitoring by the Department of State as described in this Addendum to the Grant Agreement.

MONITORING

In addition to reviews of audits conducted in accordance with 2 *CFR* 2 Subpart F – Audit Requirements and Section 215.97, *Florida Statutes*, monitoring procedures may include, but not be limited to, on-site visits by Department of State staff, limited scope audits as defined by 2 *CFR* 2 §200.328 and/or other procedures. By entering into this agreement, the recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department of State. In the event the Department of State determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the Department of State staff to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations or audits deemed necessary by the Chief Financial Officer or Auditor General.

AUDITS

PART I: FEDERALLY FUNDED

This part is applicable if the recipient is a State or local government or a non-profit organization that has received federal funds awarded through the Department of State. Exhibit 1 to this attachment indicates whether federal resources have been awarded through the Department of State by this agreement.

2 *CFR* 2 §200.501 Audit Requirements:

(a) *Audit required.* A non-federal entity that expends $750,000 or more during the non-federal entity's fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

(b) *Single audit.* A non-federal entity that expends $750,000 or more during the non-federal entity's fiscal year in federal awards must have a single audit conducted in accordance with 2 *CFR* 2 §200.514 Scope of audit, except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) *Program-specific audit election.* When an auditee expends federal awards under only one federal program (excluding R&D) and the federal program's statutes, regulations, or the terms and conditions of the federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with 2 *CFR* 2 §200.507 Program-specific audits. A program-specific audit may not be elected for R&D unless all of the federal awards expended were received from the same federal agency, or the same federal agency and the same pass-through entity, and that federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.

(d) *Exemption when federal awards expended are less than $750,000.* A non-federal entity that expends less than $750,000 during the non-federal entity's fiscal year in federal awards is exempt from federal audit requirements for that year, except as noted in 2 *CFR* 2 §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the federal agency, pass-through entity, and Government Accountability Office (GAO).

(e) *Federally Funded Research and Development Centers (FFRDC).* Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity for purposes of this part.

(f) *Subrecipients and contractors.* An auditee may simultaneously be a recipient, a subrecipient, and a contractor. Federal awards expended as a recipient or a subrecipient are subject to audit under this part. The payments received for goods or services provided as a contractor are not federal awards. Section §200.330 Subrecipient and contractor determinations should be considered in determining whether payments constitute a federal award or a payment for goods or services provided as a contractor.

(g) *Compliance responsibility for contractors.* In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with federal statutes, regulations, and the terms and conditions of federal awards. Federal award compliance requirements normally do not pass through to contractors. However, the auditee is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with federal statutes, regulations, and the terms and conditions of federal awards.

(h) *For-profit subrecipient.* Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient should describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. See also §200.331 Requirements for pass-through entities.

The Internet address listed below will assist recipients in locating documents referenced in the text of this agreement and with the interpretation of compliance issues.

U.S. Government Printing Office
www.ecfr.gov

PART II: STATE FUNDED

This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2)(l), *Florida Statutes* and has received state funds awarded by the Department of State. Exhibit 1 to this attachment indicates whether state resources have been awarded by the Department of State by this agreement.

Section 215.97, *Florida Statutes* Single Audit Requirements

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of $500,000 in any fiscal year of such recipient, the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, *Florida Statutes*; applicable rules of the Executive Office of the Governor and the Chief Financial Officer; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), *Rules of the Auditor General*. Exhibit 1 to this attachment indicates state financial assistance awarded through the Department of State by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department of State, other state agencies and other nonstate entities. State financial assistance does not include federal direct or pass-through awards and resources received by a nonstate entity for federal program matching requirements.

2. In connection with the audit requirements addressed in Part II, paragraph 1 of this attachment, the recipient shall ensure that the audit complies with the requirements of Section 215.97(7), *Florida Statutes*. This includes submission of a financial reporting package as defined by Section 215.97(2)(d), *Florida Statutes* and Chapter 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), *Rules of the Auditor General*.

3. If the recipient expends less than $500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, *Florida Statutes* is not required. In the event that the recipient expends less than $500,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, *Florida Statutes*, the cost of the audit must be paid from the nonstate entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

The Internet addresses listed below will assist recipients in locating documents referenced in the text of this agreement and with the interpretation of compliance issues.

State of Florida Department Financial Services (Chief Financial Officer)
fldfs.com

State of Florida Legislature (Statutes, Legislation relating to the Florida Single Audit Act)

PART III: REPORT SUBMISSION

1. Copies of reporting packages for audits conducted in accordance with 2 *CFR* 2 §200.512 and required by Part I of this attachment shall be submitted, when required by 2 CFR 2 §200.512, by or on behalf of the recipient, directly to each of the following:

   A. The Department of State at the following address:

   Office of Inspector General
   Florida Department of State
   R. A. Gray Building, Room 114A
   500 South Bronough St.
   Tallahassee, FL 32399-0250

   B. The Federal Audit Clearinghouse, electronically, at *harvester.census.gov/sac/* as designated in 2 *CFR* 2 §200.512

   C. Other federal agencies and pass-through entities, in accordance with 2 *CFR* 2 §200.513.

2. In the event that a copy of the reporting package for an audit required by Part I of this attachment and conducted in accordance with 2 *CFR* 2 §200.501 Audit Requirements is not required to be submitted to the Department of State for the reasons pursuant to 2 *CFR* 2 §200.501, the recipient shall submit the required written notification pursuant to 2 *CFR* 2 §200.501 (d) and a copy of the recipient's audited schedule of expenditures of federal awards directly to the following:

   Office of Inspector General
   Florida Department of State
   R. A. Gray Building, Room 114A
   500 South Bronough St.
   Tallahassee, FL 32399-0250

   A non-federal entity that expends less than $750,000 during the non-federal entity's fiscal year in federal awards is exempt from federal audit requirements for that year, except as noted in 2 *CFR* 2 §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and Government Accountability Office (GAO).