FEDERAL FINANCIAL ASSISTANCE
AWARD OF DOMESTIC GRANT #13-DG-11010000-007
Between The
MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION
And The
USDA, FOREST SERVICE
NORTHERN REGION, REGION 1

Program Title: FY 2013 Hazardous Fuels Reduction Grant

Upon execution of this document, an award to the Montana Deparatment of Natural Resources & Conservation, hereinafter referred to as "Recipient," in the amount of $506,100, is made under the authority of the Cooperative Forestry Assistance Act of 1978, Public Law 95-313, as amended. The Catalog of Federal Domestic Assistance (CFDA) number is 10.664. The Recipient accepts this award for the purpose described in the application narrative. Your application for Federal financial assistance, dated June 25, 2013, and the attached U.S. Forest Service provisions, 'U.S. Forest Service Award Provisions,' are incorporated into this letter and made a part of this award.

Should you have any contractors or sub-grantees, they must complete form AD-1048, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, Lower Tier Covered Transactions. Blank forms are available at your request. Completed forms are to be kept on file at your office.

This is an award of Federal financial assistance and is subject to USDA regulations 7 CFR 3016 "Uniform Administrative Requirements for Grants & Cooperative Agreements to State & Local Governments (OMB Circular A-102) Uniform Administrative Requirements, 2 CFR 225 Cost Principles for State and Local Governments (OMB Circular A-87) Cost Principles, and OMB Circular A-133 as implemented by USDA regulation 7 CFR 3052. All Federal and Recipient matching/cost-share contributions are subject to all relevant OMB Circulars and Code of Federal Regulations.

The OMB Circulars are available on the internet at http://www.whitehouse.gov/omb/grants_default/. Electronic copies of the CFRs can be obtained at the following internet site: http://www.gpoaccess.gov/cfr/index.html. If you are unable to retrieve these regulations electronically, please contact your Grants and Agreements Office at 801-625-5759.

Effective October 1, 2010, recipients are required to report information on subaward and executive total compensation, as required by the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282), as amended by section 6202 of Public Law 110-252, hereinafter referred to as "the Transparency Act." See the award terms in Attachment B: 2 CFR Part 170.

The following administrative provisions apply to this award:

A. LEGAL AUTHORITY. Recipient shall have the legal authority to enter into this award, and the institutional, managerial, and financial capability to ensure proper planning, management, and completion of the project, which includes funds sufficient to pay the nonfederal share of project costs, when applicable.

B. PRINCIPAL CONTACTS. Individuals listed below are authorized to act in their respective areas for matters related to this award.

Principal Cooperator Contacts:

Cooperator Program Contact	Cooperator Administrative Contact
Name: Robert Harrington, State Forester Address: 2705 Spurgin Road City, State, Zip: Missoula, MT 59804 Telephone: 406-542,4300 FAX: 406-542,4217 Email: rharrington@mt.gov	Name: Sue Clark Address: 2705 Spurgin Road City, State, Zip: Missoula, MT 59804 Telephone: 406-542-4204 FAX: 406-542,4217 Email: suclark@mt.gov

Principal U.S. Forest Service Contacts:

U.S. Forest Service Program Manager Contact	U.S. Forest Service Administrative Contact
Name: Cathy Scofield State Fire Assistance Volunteer Fire Assistance Address: Northern Region R1, RO Fire, Aviation & Air Mgmt PO Box 7669 City, State, Zip: Missoula, MT 59807 Telephone: 406-329-3409 FAX: 406-329-3132 Email: cscofield@fs.fed.us	Name: Suzanne Schutz Grants Management Specialist Address: State & Private Forestry 324 25th St. City, State, Zip: Ogden, UT 84401 Telephone: 801-625-5759 FAX: 801-625-5716 Email: sschutz@fs.fed.us

C. ADVANCE AND REIMBURSABLE PAYMENTS – FINANCIAL ASSISTANCE. See provision "K" in the attachment, 'U.S. Forest Service Award Provisions.'

D. INDIRECT COST RATES. Indirect cost rates must be formalized in a written agreement between the cognizant agency and recipient and have an effective period applicable to the term of this award.

(1) If the recipient does not have a previously established indirect cost rate with a Federal agency, the recipient shall submit its initial indirect cost proposal to its cognizant audit agency no later than three months after the effective date of the award. The recipient will be reimbursed for indirect costs at the tentative rate reflected in the budget until the rate is formalized in a negotiated indirect cost rate agreement (NICRA) at which time, reimbursements for prior indirect costs may be subject to adjustment.

(2) As new NICRAs are agreed to between the recipient and their cognizant audit agency, the revised provisional or final rate(s) are automatically incorporated into this award, as appropriate, and must specify (1) the agreed upon rates, (2) the bases to

which the rates apply, (3) the fiscal year for which the rates apply and (4) the items treated as direct costs.

The award obligation will not increase as a result of indirect cost rate increases. Updates to NICRAs will not affect the total funds available for this award unless documented in a formally executed modification.

(3) If the NICRA is for a provisional rate, the recipient shall be reimbursed at the established provisional rate(s), subject to appropriate adjustment when the final rate(s) for the fiscal year are established.

(4) Failure to provide a revised provisional or final NICRA could result in disallowed costs and repayment to the U.S. Forest Service.

E. PROGRAMMATIC CHANGES. Recipient shall obtain prior approval for any change to the scope of objectives of the approved project, key personnel, or transfer of substantive programmatic work to another party.

F. MODIFICATIONS. Modifications within the scope of this award shall be made by mutual consent of the parties, by the issuance of a written modification signed and dated by all properly authorized, signatory officials, prior to any changes being performed. Requests for modification should be made, in writing, at least 30 days prior to implementation of the requested change. The U.S. Forest Service is not obligated to fund any changes not properly approved in advance.

G. COMMENCEMENT/EXPIRATION DATE. This award is executed as of the date of the last signature and is effective through **September 30, 2017** which time it will expire, unless extended by an executed modification, signed and dated by all properly authorized, signatory officials.

H. AUTHORIZED REPRESENTATIVES. By signature below, each party certifies that the individuals listed in this document as representatives of the individual parties are authorized to act in their respective areas for matters related to this award. In witness whereof, the parties hereto have executed this award as of the last date written below.

for Sue A. Clark 7/8/13
ROBERT HARRINGTON, State Forester — Date
Montana Dept. of Natural Resources & Conservation

for Jared Valle 6/27/13
JOHN SHANNON, Acting Director — Date
State & Private Forestry, Regions 1 & 4

The authority and format of this award have been reviewed and approved for signature.

Suzanne Schutz 6/27/13

SUZANNE SCHUTZ Date
U.S. Forest Service Grants Management Specialist

ATTACHMENT A: U.S. FOREST SERVICE AWARD PROVISIONS

A. COLLABORATIVE ARRANGEMENTS. Where permitted by terms of the award, Recipient may enter into collaborative arrangements with other organizations to jointly carry out activities with grant funds.

B. FOREST SERVICE LIABILITY TO THE RECIPIENT. The United States shall not be liable to the recipient for any costs, damages, claims, liabilities, and judgments that arise in connection with the performance of work under this award, including damage to any property owned by the recipient or any third party.

C. NOTICES. Any notice given by the U.S. Forest Service or Recipient will be sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

To the U.S. Forest Service Program Manager, at the address specified in the grant.

To Recipient, at Recipient's address shown in the grant or such other address designated within the grant.

Notices will be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

D. SUBRECIPIENT NOTIFICATION Recipient shall notify subrecipients under this award that they are subject to the terms and conditions herein, except with respect to the recipient's OMB Uniform Administrative Requirements and Cost Principles. In the case of subrecipient Uniform Administrative Requirements and Cost Principles, subrecipients must be notified that they are subject to the following:

SUBRECIPIENT TYPE	APPLICABLE ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES		
	Administrative Requirements	Cost Principles	Audit Requirements
Non-profits	2 CFR 215	2 CFR 230	A-133
Local and Tribal governments	7 CFR 3016	2 CFR 225	A-133
State agencies	7 CFR 3016	2 CFR 225	A-133
Universities	2 CFR 215	2 CFR 220	A-133
Profit-makers	2 CFR 215	48 CFR 31.2	

E. USE OF U.S. FOREST SERVICE INSIGNIA. In order for Recipient to use the U.S. Forest Service insignia on any published media, such as a webpage, printed publication, or audiovisual production, permission must be granted from the U.S. Forest Service's Office of Communications. A written request must be submitted and approval granted in writing by the Office of Communications (Washington Office) prior to use of the insignia.

F. MEMBERS OF U.S. CONGRESS. Pursuant to 41 U.S.C. 22, no United States member of, or United States delegate to, Congress shall be admitted to any share or part of this award, or benefits that may arise therefrom, either directly or indirectly.

G. TRAFFICKING IN PERSONS.

1. Provisions applicable to a Recipient that is a private entity.

a. You as the Recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

(1) Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

(2) Procure a commercial sex act during the period of time that the award is in effect; or

(3) Use forced labor in the performance of the award or subawards under the award.

b. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —

(1) Is determined to have violated a prohibition in paragraph a.1 of this award term; or

(2) Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

i. Associated with performance under this award; or

ii. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, ''OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement),'' as implemented by our agency at 2 CFR 417.

2. Provision applicable to a Recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

   a. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

   b. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—

      (1) Associated with performance under this award; or

      (2) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, ''OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),'' as implemented by our agency at 2 CFR 417.

3. Provisions applicable to any recipient.

   a. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.

   b. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:

      (1) Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

      (2) Is in addition to all other remedies for noncompliance that are available to us under this award.

   c. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

4. Definitions. For purposes of this award term:

   a. ''Employee'' means either:

      (1) An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

      (2) Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to,

a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

b. ''Forced labor'' means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

c. ''Private entity'':

(1) Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

(2) Includes:

i. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

ii. A for-profit organization.

d. ''Severe forms of trafficking in persons,'' ''commercial sex act,'' and ''coercion'' have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

H. DRUG-FREE WORKPLACE.

1. Recipient agree(s) that it will publish a drug-free workplace statement and provide a copy to each employee who will be engaged in the performance of any project/program that receives federal funding. The statement must

a. Tell the employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in its workplace;

b. Specify the actions Recipient will take against employees for violating that prohibition; and

c. Let each employee know that, as a condition of employment under any instrument, he or she

(1) Must abide by the terms of the statement, and

(2) Must notify you in writing if he or she is convicted for a violation of a criminal drug statute occurring in the workplace, and must do so no more than five calendar days after the conviction.

2. Recipient agree(s) that it will establish an ongoing drug-free awareness program to inform employees about

   a. The dangers of drug abuse in the workplace;

   b. Your policy of maintaining a drug-free workplace;

   c. Any available drug counseling, rehabilitation and employee assistance programs; and

   d. The penalties that you may impose upon them for drug abuse violations occurring in the workplace.

3. Without the U.S. Forest Service's expressed written approval, the policy statement and program must be in place as soon as possible, no later than the 30 days after the effective date of this award, or the completion date of this award, whichever occurs first.

4. Recipient agree(s) to immediately notify the U.S. Forest Service if an employee is convicted of a drug violation in the workplace. The notification must be in writing, identify the employee's position title, the award number of each award on which the employee worked. The notification must be sent to the U.S. Forest Service within ten calendar days after Recipient learn(s) of the conviction.

5. Within 30 calendar days of learning about an employee's conviction, Recipient must either

   a. Take appropriate personnel action against the employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973 (29 USC 794), as amended, or

   b. Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for these purposes by a Federal, State or local health, law enforcement, or other appropriate agency.

I. ELIGIBLE WORKERS. Recipient shall ensure that all employees complete the I-9 form to certify that they are eligible for lawful employment under the Immigration and Nationality Act (8 USC 1324a). Recipient shall comply with regulations regarding certification and retention of the completed forms. These requirements also apply to any contract or supplemental instruments awarded under this award.

J. FINANCIAL STATUS REPORTING. A Federal Financial Report, form SF-425 (and Federal Financial Report Attachment SF-425A, if required for reporting multiple grants), must be submitted annually. The final SF-425 (and SF-425A, if applicable) must be submitted either with the final payment request or no later than 90 days from

the expiration date of the award. These forms may be found at www.whitehouse.gov/omb/grants_forms.
Annual SF 425's shall be for fiscal activity based upon the calendar year. Reports will reflect fiscal activity through December 31. Reports are due in our office by March 31. Per Provision, a final SF 425 is required at expiration/termination of award.

K. ADVANCE AND REIMBURSABLE PAYMENTS – FINANCIAL ASSISTANCE. Advance and Reimbursable payments are approved under this award. Only costs for those project activities approved in (1) the initial award, or (2) modifications thereto, are allowable. Requests for payment shall be submitted on Standard Form (SF) 270, Request for Advance or Reimbursement, and shall be submitted no more than monthly. In order to approve a Request for Advance Payment or Reimbursement, the U.S. Forest Service shall review such requests to ensure advances or payments for reimbursement are in compliance and otherwise consistent with OMB, USDA, and U.S. Forest Service regulations. Advance payments shall not exceed the minimum amount needed or no more than is needed for a 30-day period, whichever is less. If Recipient receive(s) an advance payment and subsequently requests an advance or reimbursement payment, then the request must clearly demonstrate that the previously advanced funds have been fully expended before the U.S. Forest Service can approve the request for payment. Any funds advanced, but not spent, upon expiration of this award shall be returned to the U.S. Forest Service.

The invoice must be sent by one of three methods (email is preferred):

EMAIL: asc_ga@fs.fed.us

FAX: 877-687-4894

POSTAL: Albuquerque Service Center
Payments – Grants & Agreements
101B Sun Ave NE
Albuquerque, NM 87109

L. AWARD CLOSEOUT. Recipient shall close out the grant within 90 days after expiration or notice of termination.

Any unobligated balance of cash advanced to Recipient shall be immediately refunded to the U.S. Forest Service, including any interest earned in accordance with 7 CFR 3016.21, 7 CFR 3019.22, or other relevant law or regulation.

Within a maximum of 90 days following the date of expiration or termination of this grant, all financial performance and related reports required by the terms of the award shall be submitted to the U.S. Forest Service by Recipient.

If this award is closed out without audit, the U.S. Forest Service reserves the right to disallow and recover an appropriate amount after fully considering any recommended

disallowances resulting from an audit which may be conducted later.

M. PROGRAM PERFORMANCE REPORTS. Recipient shall monitor the performance of the grant activities to ensure that performance goals are being achieved. *Annual performance reports shall be for performance based upon the calendar year. Reports will reflect performance through December 31. Reports are due in our office by March 31. Per Provision, a final performance report is due at expiration/termination of award*

Performance reports shall contain information on the following:

- A comparison of actual accomplishments to the goals established for the period. Where the output of the project can be readily expressed in numbers, a computation of the cost per unit of output may be required if that information is useful.

- Reason(s) for delay if established goals were not met.

- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Recipient shall submit annual performance reports. These reports are due 90 days after the reporting period. The final performance report shall be submitted either with Recipient's final payment request, or separately, but not later than 90 days from the expiration date of the grant.

N. NOTIFICATION. Recipient shall immediately notify the U.S. Forest Service of developments that have a significant impact on the activities supported under this grant. Also, notification shall be given in case of problems, delays or adverse conditions that materially impair the ability to meet the objectives of the award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

O. CHANGES IN KEY POSITIONS AND PERSONNEL. Any revision to key positions and personnel identified in the application for this award require prior, written approval from the U.S. Forest Service. All technical positions are considered Key Personnel by the U.S. Forest Service. Failure on the part of Recipient to obtain prior, written approval when required may result in the disallowance of costs.

P. FREEDOM OF INFORMATION ACT (FOIA). Public access to grant or agreement records shall not be limited, except when such records must be kept confidential and would have been exempted from disclosure pursuant to "Freedom of Information" regulations (5 U.S.C. 552).

Q. TEXT MESSAGING WHILE DRIVING. In accordance with Executive Order (EO) 13513, "Federal Leadership on Reducing Text Messaging While Driving," any and all text messaging by Federal employees is banned: a) while driving a Government owned

vehicle (GOV) or driving a privately owned vehicle (POV) while on official Government business; or b) using any electronic equipment supplied by the Government when driving any vehicle at any time. All recipients and subrecipients are encouraged to adopt and enforce policies that ban text messaging when driving company owned, leased or rented vehicles, POVs or GOVs when driving while on official Government business or when performing any work for or on behalf of the Government.

R. PUBLIC NOTICES. It is the U.S. Forest Service's policy to inform the public as fully as possible of its programs and activities. Recipient is/are encouraged to give public notice of the receipt of this award and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

" of the U.S. Forest Service, Department of Agriculture, ."

Recipient may call on the U.S. Forest Service's Office of Communication for advice regarding public notices. Recipient is/are requested to provide copies of notices or announcements to the U.S. Forest Service Program Manager and to the U.S. Forest Service's Office of Communications as far in advance of release as possible.

S. FUNDING EQUIPMENT. Federal funding under this award is available for reimbursement of Recipient's purchase of equipment. Equipment is defined as having a fair market value of $5,000 or more per unit and a useful life of over one year. States will adhere to State laws and procedures regarding purchase, control, and disposition of equipment.

T. U.S. FOREST SERVICE ACKNOWLEDGED IN PUBLICATIONS, AUDIOVISUALS, AND ELECTRONIC MEDIA. Recipient shall acknowledge U.S. Forest Service support in any publications, audiovisuals, and electronic media developed as a result of this award.

U. NONDISCRIMINATION STATEMENT – PRINTED, ELECTRONIC, OR AUDIOVISUAL MATERIAL. Recipient shall include the following statement, in full, in any printed, audiovisual material, or electronic media for public distribution developed or printed with any Federal funding.

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

If the material is too small to permit the full statement to be included, the material must, at minimum, include the following statement, in print size no smaller than the text:

"This institution is an equal opportunity provider."

V. TERMINATION BY MUTUAL AGREEMENT. This award may be terminated, in whole or part, as follows:

- When the U.S. Forest Service and Recipient agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.

- By 30 days written notification by Recipient to the U.S. Forest Service setting forth the reasons for termination, effective date, and in the case of partial termination, the portion to be terminated.

If, in the case of a partial termination, the U.S. Forest Service determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the U.S. Forest Service may terminate the award in its entirety.

Upon termination of an award, Recipient shall not incur any new obligations for the terminated portion of the award after the effective date, and shall cancel as many outstanding obligations as possible. The U.S. Forest Service shall allow full credit to Recipient for the United States Federal share of the non-cancelable obligations properly incurred by Recipient up to the effective date of the termination. Excess funds shall be refunded within 60 days after the effective date of termination.

W. DISPUTES.

1. Any dispute under this award shall be decided by the Director, State & Private Forestry. The Director, State & Private Forestry shall furnish Recipient a written copy of the decision.

2. Decisions of the Director, State & Private Forestry shall be final unless, within 30 days of receipt of the decision of the Director, State & Private Forestry, Recipient appeal(s) the decision to the U.S. Forest Service's Director, Acquisition Management (AQM). Any appeal made under this provision shall be in writing and addressed to the Director, AQM, USDA, Forest Service, Washington, DC 20024. A copy of the appeal shall be concurrently furnished to the Director, State & Private Forestry.

3. In order to facilitate review on the record by the Director, AQM, Recipient shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.

X. DEBARMENT AND SUSPENSION. Recipient shall immediately inform the U.S. Forest Service if they or any of their principals are presently excluded, debarred, or suspended from entering into covered transactions with the federal government according to the terms of 2 CFR Part 180. Additionally, should Recipient or any of their principals receive a transmittal letter or other official federal notice of debarment or suspension, then they shall notify the U.S. Forest Service without undue delay. This applies whether the exclusion, debarment, or suspension is voluntary or involuntary.

Y. SYSTEM FOR AWARD MANAGEMENT REGISTRATION AND UNIVERSAL IDENTIFIER REQUIREMENTS

1. *Requirement for System for Award Management Registration (SAM – formerly Central Contractor Registration or CCR):*
   The recipient must maintain the currency of information in the SAM until submission of the final financial report required under this award or receipt of the final payment, whichever is later. This requires that a review and update of the information at least annually after the initial registration, and more frequently if required by changes in information or another award term.
2. *Requirement for Data Universal Numbering System (DUNS) Numbers:*
   If authorized to make subawards under this award:
   a. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward unless the entity has provided its DUNS number to you.
   b. May not make a subaward to an entity unless the entity has provided its DUNS number.
3. *Definitions:*
   For purposes of this award term:
   a. *System for Award Management Registration (SAM)* means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at https://www.sam.gov).
   b. *Data Universal Numbering System (DUNS) number* means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866–705–5711) or the Internet (currently at *https://fedgov.dnb.com/webform*).
   c. *Entity,* as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
      i. A Governmental organization, which is a State, local government, or Indian Tribe;
      ii. A foreign public entity;
      iii. A domestic or foreign nonprofit organization;
      iv. A domestic or foreign for-profit organization; and
      v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

4. Subaward:

a. This term means a legal agreement to provide support for the performance of any portion of the substantive project or program covered by this award and that are subsequently awarded to an eligible subrecipient.
b. The term does not include procurement of property and services needed to carry out the project or program (for further explanation, see Sec. ll.210 of the attachment to OMB Circular A–133, ''Audits of States, Local Governments, and Non-Profit Organizations'').
c. A subaward may be provided through any legal agreement, including an agreement that may be considered a contract.

5. Subrecipient:

a. Receives a subaward under this award;
b. Is accountable to the recipient for the use of the Federal funds provided by the subaward.

[END OF PROVISION]

ATTACHMENT B: 2 CFR PART 170

Appendix A to Part 170—Award Term

I. Reporting Subawards and Executive Compensation.

a. *Reporting of first-tier subawards.*

1. *Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates $25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111–5) for a subaward to an entity (see definitions in paragraph e. of this award term).
2. *Where and when to report.*
   i. You must report each obligating action described in paragraph a.1. of this award term to *http://www.fsrs.gov.*
   ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. *What to report.* You must report the information about each obligating action that the submission instructions posted at *http://www.fsrs.gov specify.*

b. *Reporting Total Compensation of Recipient Executives.*

1. *Applicability and what to report.* You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—
   i. the total Federal funding authorized to date under this award is $25,000 or more;
   ii. in the preceding fiscal year, you received—
      (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
      (B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
   iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at *http://www.sec.gov/answers/execomp.htm.*)
2. *Where and when to report.* You must report executive total compensation described in paragraph b.1. of this award term:
   i. As part of your registration profile at *http://www.sam.gov.*
   ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. *Reporting of Total Compensation of Subrecipient Executives.*

1. *Applicability and what to report.* Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—
   i. in the subrecipient's preceding fiscal year, the subrecipient received—
      (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
      (B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
   ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at *http://www.sec.gov/answers/execomp.htm.*)
2. *Where and when to report.* You must report subrecipient executive total compensation described in paragraph c.1. of this award term:
   i. To the recipient.
   ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.,* between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. *Exemptions* If, in the previous tax year, you had gross income, from all sources, under $300,000, you are exempt from the requirements to report:

1. Subawards, and
2. The total compensation of the five most highly compensated executives of any subrecipient.

e. *Definitions.* For purposes of this award term:

1. *Entity* means all of the following, as defined in 2 CFR part 25:
   i. A Governmental organization, which is a State, local government, or Indian tribe;
   ii. A foreign public entity;
   iii. A domestic or foreign nonprofit organization;
   iv. A domestic or foreign for-profit organization;
   v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
2. *Executive* means officers, managing partners, or any other employees in management positions.
3. *Subaward:*

i. This term means a legal agreement to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. ll .210 of the attachment to OMB Circular A–133, ''Audits of States, Local Governments, and Non-Profit Organizations'').
iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. *Subrecipient* means an entity that:
   i. Receives a subaward from you (the recipient) under this award; and
   ii. Is accountable to you for the use of the Federal funds provided by the subaward.
5. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
   i. *Salary and bonus.*
   ii. *Awards of stock, stock options, and stock appreciation rights.* Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
   iii. *Earnings for services under non-equity incentive plans.* This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
   iv. *Change in pension value.* This is the change in present value of defined benefit and actuarial pension plans.
   v. *Above-market earnings on deferred compensation which is not tax-qualified.* vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.

END OF ATTACHMENT B: 2 CFR PART 170