

2-R-17

A RESOLUTION

**Authorizing the City Manager to Execute a CDBG Grant Agreement
with Sunshine Gospel Ministries d/b/a "Sunshine Enterprises"**

**NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
EVANSTON, COOK COUNTY, ILLINOIS, THAT:**

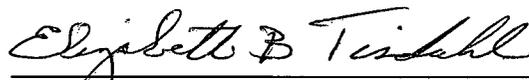
SECTION 1: Sunshine Gospel Ministries, an Illinois not-for-profit corporation d/b/a "Sunshine Enterprises", offers a workforce development cohort program focused on providing courses on basic business management and planning skills to minorities and women; and

SECTION 2: The City Council hereby agrees to provide Community Development Block Grant (CDBG) funds to Sunshine Enterprises in the amount of \$75,000 to continue the workforce development courses in Evanston.

SECTION 3: The City Manager is hereby authorized and directed to sign a CDBG grant agreement between the City and Sunshine Gospel Ministries, attached hereto as Exhibit 1 and incorporated herein by reference (the "Agreement").

SECTION 4: The City Manager is hereby authorized and directed to negotiate any additional conditions of the Agreement as he may determine to be in the best interests of the City and must be in a form acceptable to the Corporation Counsel.

SECTION 5: This Resolution 2-R-17 shall be in full force and effect from and after its passage and approval in the manner provided by law.


Elizabeth B. Tisdahl, Mayor

Attest:


Rodney Greene, City Clerk

Adopted: January 9, ²⁰¹⁷~~2015~~

EXHIBIT 1

**Grant Agreement By and Between the City
and Sunshine Gospel Ministries d/b/a Sunshine Enterprises**

**CITY OF EVANSTON
COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT**

This AGREEMENT is made on this _____ day of _____ 2017, by and between the **City of Evanston**, an Illinois Municipal Corporation (hereinafter "CITY") and the **Sunshine Gospel Ministries**, an Illinois not-for-profit corporation, d/b/a "**Sunshine Enterprises**" (hereinafter "SUBRECIPIENT").

RECITALS

WHEREAS, the program described herein is being funded by a Grant from the City of Evanston, Illinois as part of the City's Community Development Block Grant (**CDBG**) program, which is authorized under Title I of the Housing and Community Development Act of 1974, as amended, and the City will utilize CDBG funds from FY 2011 – 2013 that are allocated for economic development activities in the 2016 Action Plan to fund the program; and

WHEREAS, it has been determined by the City that an economic development opportunity exists which warrants funding to Subrecipient from the City's CDBG program fund; and

WHEREAS, the Grantee requested funding for workforce development cohort program focused on providing services primarily to low/moderate income minorities and women with intensive courses in basic business management and planning, where entrepreneurs gain hands on familiarity with fundamental concepts, tools and skills needed to plan and run a business; and

WHEREAS, the Grantor has authorized an expenditure of up to \$75,000 as a grant to Grantee to pay a portion of the expected program budget to host the workforce development cohorts in Evanston for primarily Evanston residents, under such terms and conditions that are prescribed by the Grantor below; and

WHEREAS, the City Council approves Grantee for participation and funding under this Grant Agreement, subject to the terms and conditions of the Agreement, and

NOW, THEREFORE, the CITY and the SUBRECIPIENT, in consideration of the mutual covenants set forth below, hereby agree as follows; having first found the foregoing recitals as fact:

AGREEMENT

- I. **APPENDICES TO AGREEMENT:** All Appendices (A through E) attached to this Agreement are incorporated and made a part of this Agreement as referenced herein. SUBRECIPIENT agrees to abide by and follow all terms and conditions as set forth in said Appendices.
- II. **WORK TO BE PERFORMED BY SUBRECIPIENT:** In exchange for receiving CDBG grant funds from the CITY for the Workforce Development Cohort Program (hereinafter "Program"), the SUBRECIPIENT shall be responsible for administering the Program as

described in Appendix A in a manner satisfactory to the CITY and substantially consistent with any standards and regulations that are specified in this Agreement and adherence to the same is a condition of providing these funds. SUBRECIPIENT commits to the Program goals that are outline in Appendix A, including (1) the number of people to be served, (2) the number of program participants who are expected to be Evanston residents, and (3) the number of program participants who shall meet HUD's definition of low- or moderate-income persons, and outcome measures as outlined in Appendix A. Subrecipient warrants that it will complete income certifications for the participants in the cohort Program. SUBRECIPIENT agrees to expend the total amount of CDBG funds covered in this Agreement solely for the agreed upon activities and in accordance with the conditions outlined in this Agreement and the budget in Appendix B.

III. **GENERAL COMPLIANCE WITH APPLICABLE LAWS:** SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (HUD regulations concerning CDBG). The SUBRECIPIENT also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this agreement.

SUBRECIPIENT additionally agrees to comply with any changes issued to the CITY's CDBG program by HUD. SUBRECIPIENT understands that changes issued to the CITY's CDBG program by HUD may materially alter the terms of this Agreement. The City will distribute any amendments to the CDBG program within thirty (30) days and SUBRECIPIENT must acknowledge the receipt.

SUBRECIPIENT acknowledges and affirms that the SUBRECIPIENT has the organizational capacity to adhere to collection and reporting requirements, regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit

Requirements for Federal Awards; Final Rule ("Omni Circular") Subpart D, Sections 200.300 – 200.303. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S Housing and Grants Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities," and the Guide shall be incorporated hereto by reference, and is attached as Appendix C. Organizational capacity shall be demonstrated by various methods, including but not be limited to:

- Use of OMB-approved standard information collections when providing financial and performance information;
- Financial data is provided for performance accomplishments of the Grant award;
- Cost information shall be distributed to demonstrate cost effective practices;
- Subrecipient shall provide the City with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
- All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the CITY's Housing and Grants Administrator.

SUBRECIPIENT agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which the

SUBRECIPIENT uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that the SUBRECIPIENT uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines shall be attached to this contract as Appendix D and shall be incorporated into this contract by reference. If the procurement guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to either (1) procurement by small purchase procedures, (2) procurement by sealed bids, (3) procurement by competitive proposals, or (4) procurement by noncompetitive proposals, as directed by and outlined in Section 200.320.

The SUBRECIPIENT affirms that, per Federal regulations, SUBRECIPIENT has a Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, Inc., and will provide proof of this DUNS number to the CITY, prior to the approval of project funding.

- IV. **LENGTH OF AGREEMENT:** The term of this Agreement shall begin no sooner than January 1, 2017 and end on December 31, 2017. Payment of CDBG grant funds by the CITY to the SUBRECIPIENT shall occur for eligible services and/or activities performed by the SUBRECIPIENT during the term of this Agreement unless this Agreement has been extended. This Agreement may be extended by written mutual agreement between the CITY and SUBRECIPIENT for a specific period of time as long as the SUBRECIPIENT is performing in accordance with the terms of the Agreement. SUBRECIPIENT understands that the amount of appropriation will not change as a result of any extension.

Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including any program income.

- V. **AMOUNT OF APPROPRIATION:** The total appropriation of CDBG funds for the Program shall be for an amount not to exceed **Seventy-Five Thousand and no/100 dollars (\$75,000.00)**. The SUBRECIPIENT understands that the amount of this appropriation may be adjusted during the program year due to funding alterations made by the United States Congress, HUD, and/or the CITY. Any new local appropriations shall occur upon approval by the Economic Development Committee and the Evanston City Council. SUBRECIPIENT understands that the awarding of the grant under this Agreement in no way implies the continued financial support of the program or services of the SUBRECIPIENT by the CITY beyond the specific period of this Agreement.

- VI. **INELIGIBLE PROGRAM COSTS:** The SUBRECIPIENT agrees that certain direct program costs are ineligible for CDBG funds. Recording requirements prescribed by Congress, HUD or the CITY may require these costs be listed within the budget, but these costs will not be paid for using CDBG funds provided by the CITY. Ineligible direct program costs can be found in Appendix E, which is incorporated into this contract by reference.

- VII. **PAYMENT OF CDBG FUNDS TO SUBRECIPIENT:** The CITY agrees to fund the Program in the form of a grant in a total amount not to exceed Seventy-Five Thousand

and no/100 dollars (\$75,000.00). Such funds shall be paid to the SUBRECIPIENT according to the schedule in Appendix C. The CITY CANNOT disperse any grant funds until this Agreement has been executed by both parties (24 CFR Sec. 570.503 (a)).

- a. The SUBRECIPIENT understands that this Agreement is for an economic development program and that payments shall be made per the schedule in Appendix C.
- b. The SUBRECIPIENT understands that disbursement will be contingent upon the SUBRECIPIENT ensuring compliance with any applicable federal, state, and CITY requirements.
- c. No disbursement will be made by the CITY unless all required reports (including beneficiary, performance, financial and narrative reports) have been submitted and approved by CITY staff. Payment may be withheld pending receipt and approval of all required documentation.
- d. The disbursements shall not exceed \$1,250 per student, for a total of \$25,000 per cohort session of Grantee's training program. If Grantee enrolls less than 75% of Evanston based business as participants in the cohort, the funding for that cohort will be reduced proportionally. For example, if they achieve 73%, their funding level would decrease by 2% and would receive \$24,500 in funding under this Agreement.
- e. Disbursements shall be according to the schedule outlined in Appendix C: The City shall disburse Grant funds to Grantee no later than thirty (30) business days after the Manager receives proof, which he/she deems satisfactory in his/her discretion, that: Grantee has enrolled Evanston residents or individuals with Evanston based businesses in cohort for the Project.

VIII. SUSPENSION OR TERMINATION:

- a. Suspension or Termination by CITY: The SUBRECIPIENT understands and agrees that if SUBRECIPIENT materially fails to comply with any or all provisions of this Agreement, the CITY may in its sole discretion suspend or terminate this Agreement.
 1. Material non-compliance includes, but is not limited to, the following:
 - i. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
 - ii. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this Agreement;
 - iii. Ineffective or improper use of funds provided under this Agreement; or
 - iv. Submission of reports by the SUBRECIPIENT to the CITY that is late, or incorrect or incomplete in any material respect.
 2. As a result of material non-compliance, the CITY may take one or more of the following actions:
 - i. Temporarily withhold cash payments pending correction of the deficiency by the SUBRECIPIENT. More severe enforcement action may be undertaken by the CITY if the deficiency is not corrected;
 - ii. Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance;

- iii. Wholly or partially suspend or terminate the current award for the SUBRECIPIENT's program;
- iv. Withhold further awards for the program; or
- v. Take other remedies that may be legally available including, but not limited to, seeking compensatory and/or liquidated damages for breach of this Agreement, or injunctive or equitable relief in any court of competent jurisdiction.

b. Termination for Convenience by CITY or SUBRECIPIENT: Either the CITY or the SUBRECIPIENT may terminate the award of funds under this Agreement in whole or in part if either determines that the goals indicated in the SUBRECIPIENT's proposal cannot be met. Termination is effected by the initiating party upon receipt of written notification by the other party setting forth: (1) the reasons for termination; (2) the effective date of termination; and (3) the portion to be terminated, in the case of partial termination. In the case of partial award termination, if the CITY in its sole discretion determines that the remaining portion of the award will not accomplish the purposes for which the award was made, it may terminate the entire award.

IX. REGULAR MEETING REQUIREMENT: SUBRECIPIENT agrees to meet on a regular basis with the designated staff member of the CITY's Community Development Department to discuss general and/or specific issues of this Agreement and to review the required reports. Furthermore, SUBRECIPIENT agrees to cooperate fully in any monitoring program, including on-site monitoring, developed, implemented or conducted by the CITY or by HUD.

X. RECORD REQUIREMENTS: SUBRECIPIENT shall provide the CITY, HUD, the Inspector General of the United States or any of their duly authorized representatives, access to any books, documents, papers and records of the SUBRECIPIENT which pertain to the CDBG-funded program for the purpose of monitoring, making audits, examinations, excerpts, transcripts and photocopying.

a. SUBRECIPIENT shall be required to maintain all required records for a minimum of five (5) years after the SUBRECIPIENT's final audit and program close out by the CITY. SUBRECIPIENT shall establish and maintain a project file that contains the following sections:

1. General project correspondence and related items.
2. Financial source documentation and associated transactional documentation.
3. Procurement procedures and associated documents.
4. Compliance with applicable State and Federal regulations.
5. Program reports.
6. Documentation of persons benefiting from grant activities, including race/ethnicity and income to substantiate achievement of the CDBG National Objective of benefitting primarily persons of low and moderate income.
7. Personnel actions.
8. Acquisition and disposition of property.

b. The records which, at a minimum, must be maintained are as follows:

1. Financial Records: The SUBRECIPIENT shall, at a minimum, maintain the following records for each grant received under separate agreement from the CITY:
 - i. Cash Receipts Register: For recording of funds received in connection with the grant program.
 - ii. Cash Disbursements Register: For recording checks issued for the withdrawal of funds from the agency's CDBG account(s). All disbursements must be supported by appropriate documentation (e.g.: payroll records, invoices, contracts, etc.) demonstrating the nature and use of each payment and showing approval of the program director or other authorized official. In addition, the SUBRECIPIENT agrees to provide to the CITY such financial reports and additional source documentation as the CITY may reasonably require and to comply with such reasonable additional financial control procedures as may be required to be retained in files maintained by the SUBRECIPIENT.
 - iii. Payroll Records: A basic time and activity tracking system shall be maintained to substantiate the services and/or staff time charged to the project. This should include time sheets documenting each person's total time and time charged against the grant; time sheets must be signed by both the employee and authorized supervisor of the employee.
2. Equipment Records: A record shall be maintained for each item of equipment acquired for the Program. Equipment is defined as tangible personal property (including information technology systems) which has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$500. The records shall include: (1) a description (including model and serial number) of the property; (2) the date of acquisition; and (3) the acquisition cost (showing the percentage of the total costs paid for out of this Grant.) Such equipment records are necessary for HUD recording requirements. However, SUBRECIPIENT acknowledges that this recording requirement does not indicate that the CITY will pay for equipment. The CITY does not provide funds for equipment purchases, including information technology systems.
3. Supply Records: A record shall be maintained for supplies purchased for the Program. Supplies include all tangible personal property other than equipment. Records for supplies shall be maintained for supplies which are acquired for the Program, for a cost equal or exceeding \$200. The SUBRECIPIENT shall also provide records showing a cost comparison for supplies purchased. Cost comparison records shall be made in compliance with HUD regulations, compliance methods shall be approved by the CITY'S Housing and Grants Administrator.
4. Indirect Costs Records: A record shall be kept of all indirect costs, per HUD requirements. Indirect costs are costs incurred for a common or joint purpose benefiting more than one cost objective, and are not readily assignable to the cost objectives specifically benefited, without effort

disproportionate to the results achieved. However, SUBRECIPIENT acknowledges that indirect costs shall not be covered by funds provided by the CITY.

- xii. REPORTING REQUIREMENTS:** The SUBRECIPIENT agrees to provide the CITY's Community Development Department and the CITY Housing & Community Development Act Committee with regular reports described below per the schedule in Appendix C, and any other reports which may be required by the CITY's CDBG Program for compliance under this Agreement. This includes reporting on performance measures, as outlined in §200.301 of the Omni Circular. Such performance measures shall be decided upon by the SUBRECIPIENT and the CITY'S Housing and Grants Administrator, based on the requirements outlined by HUD for the category of eligible activities that the SUBRECIPIENT'S program engages in.

SUBRECIPIENT shall use OMB-approved information collection standards, when providing financial and performance information. The SUBRECIPIENT shall provide financial data, and its relation to performance accomplishments, of the Federal award.

SUBRECIPIENT agrees to provide the CITY with documents pertaining to: (1) procedures; (2) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this Agreement; and (3) (if applicable) regularly updated schedule of program activities.

REPORTING: Reports shall be submitted to staff by the SUBRECIPIENT throughout the term of the Program. **See Appendix C for report due dates.** All reports and required attachments may be viewed by members of the Housing & Community Development Act Committee.

1. The CITY reserves the right to withhold any of the SUBRECIPIENT's scheduled payments until such time as the CITY receives the SUBRECIPIENT's financial progress and performance reports.
2. Improperly prepared reports will not be accepted. Subsequent payments may be held pending receipt of accurate information together with any required source documentation. Upon receipt of improperly prepared or erroneous reports, field audit procedures may be initiated to evaluate the financial management, control and record keeping procedures utilized by the SUBRECIPIENT. In addition, the CITY's Housing & Community Development Act Committee may be notified and the CITY may require a meeting with the Executive Board of the SUBRECIPIENT to correct the situation.
3. SUBRECIPIENT understands that a pattern of late, improper, or erroneous reporting could be grounds for termination of this Agreement at the CITY's sole discretion.
4. The CITY reserves the right to make appropriate adjustments for any funds previously paid out by the CITY but unexpended by the SUBRECIPIENT.
5. **PROGRAM OUTCOMES REPORTING:**
 - i. Income: Cohort Program participant incomes;

- ii. Summary of Program participant businesses: include a status of business, plan for ongoing business acceleration, services support (if applicable), and/or explanation for no further support (if applicable).
- iii. The reporting will include the number of new, expanded and strengthened businesses started by participants. Strengthened businesses means a significant tangible project that makes measurable improvements in the business that will lead to increased revenue, profitability and sustainability. Expanded businesses shall mean the business increases in revenue, creates new jobs, moves employees from part-time to full-time employees, or upgrades its physical location from home-based to leased commercial/retail space. New Jobs created is defined as full-time equivalency calculation of new full-time, part-time and temporary jobs created during a year by a business for its owner or non-owner employees.
- iv. Financial Report: Indicating the budgeted expenses and revenues consistent with the 2015 appropriation for the grant Program as shown in Appendix B and the actual revenues and expenditures for the period covered by the report
- v. Supporting documentation: **All Program expenditures charged to the CDBG Grant shall be supported with source documentation.** Documentation may include copies of paid invoices, receipts, and time sheets signed by each employee and supervisor paid with CDBG funds. Other documentation may be required by the CITY to document the amount expended in the report period.

XII. ANNUAL AUDIT: The CITY's Housing & Community Development Act Committee requires that all SUBRECIPIENTS prepare and submit to the CITY an audit of the financial records of the SUBRECIPIENT pertaining to the receipt and use of CDBG funds as required by the Omni Circular. If the SUBRECIPIENT receives federal funds from sources other than the CITY's CDBG program, a combined single audit is permissible, provided said audit clearly identifies the amount of CITY CDBG funds received, the amount expended and encumbered, and the purposes of the expenditures. The CITY shall have the right to review and modify the scope of said audit. Said audit of CDBG funds shall encompass and be limited to the term of this Agreement. SUBRECIPIENT is responsible for clearly identifying and accounting for funds received and expended during separate program years; that is, an individual audit must distinguish expenditures and encumbrances made against funds received under separate Grant Agreements, particularly if the SUBRECIPIENT and the CITY operate under different fiscal years.

XIII. ALTERNATIVE FUNDING REPORTING REQUIREMENT: SUBRECIPIENT shall promptly notify the CITY if the SUBRECIPIENT receives funding (full or partial) that is incremental to the program budget from any and all sources for the performance of activities outlined under this Agreement. The SUBRECIPIENT further understands that the amount granted by the CITY may be reduced by the amount of such alternative funding.

XIV. REVISION OF BUDGET AND PROGRAM PLANS: The SUBRECIPIENT shall obtain written permission from the CITY staff member prior to any change in the approved budget or program plans following Omni Circular §200.308(C) (increase or decrease) of

ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under the SUBRECIPIENT's line item budget which is attached hereto and identified as Appendix B. In order for the CITY to approve such a request, SUBRECIPIENT's written request shall contain, at a minimum: (1) the reason and justification for the change; (2) the amounts to be changed; and (3) a description of which line items are affected. Changes made without the CITY's prior approval may result in non-reimbursement of expenditures from those affected line items.

- xv. **NON-DISCRIMINATION:** SUBRECIPIENT agrees that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, gender identity, marital status, age, source of income or physical or mental disabilities, be excluded from participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity for which the SUBRECIPIENT receives financial assistance from or through the CITY.

SUBRECIPIENT agrees to comply with: Title VI of the Civil Rights Act of 1964 (P.L. 88-352); Title VII of the Civil Rights Act of 1968 (P.L. 90-284); Section 104(b) and Section 109 of the Housing and Community Development Act of 1974, as amended; Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, as amended, the Age Discrimination Act of 1975, as amended; Executive Order 11246, as amended and Executive Order 11063 as amended.

SUBRECIPIENT agrees to include a statement of its non-discrimination policy in any printed or electronic information released to the public regarding Program activities.

- xvi. **EQUAL OPPORTUNITY POLICY/AFFIRMATIVE ACTION PLAN/CURRENT POLICY SETTING BODY INFORMATION:** The SUBRECIPIENT shall ensure the following documents have been provided to CITY staff:

- a. A copy of its policy on equal opportunity employment and a copy of its most current Affirmative Action Plan. Such plan shall incorporate the following language, pursuant to 41 CFR Part 60-1.4(b):
- i. The SUBRECIPIENT hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to

their race, color, religion, sex, sexual orientation, gender identity, 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. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and with Executive Order 11375, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order 11246 and with Executive Order 11375, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 and Executive Order 11375, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, with Executive Order 11375, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
7. The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 and Executive Order 11375, so that such provisions will be binding upon each

subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however,* That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

- ii. The SUBRECIPIENT further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided,* that if the SUBRECIPIENT so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.
 - iii. The SUBRECIPIENT agrees that it will assist and cooperate actively with the CITY and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the CITY and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the CITY in the discharge of the CITY'S primary responsibility for securing compliance.
 - iv. The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive orders and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the CITY may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.
- b. The names, addresses and professional affiliations of the current members of the Board of Directors or policy-setting body.

XVII. WORKERS' COMPENSATION: The SUBRECIPIENT shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

- XVII. INDEMNITY:** SUBRECIPIENT hereby assumes liability for and agrees to protect, hold harmless and indemnify the CITY and its assigns, officers, directors, employees, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, claims, actions, suits, proceedings, costs, expenses and disbursements, including legal fees and expenses, of whatever kind and nature, imposed on, incurred by or asserted against the CITY, its successors, assigns, officers, directors, employees, agents and servants, in any way relating to or arising out of any of the following or allegations, claims or charges of any of the following:
- a. The use or application of the Grant proceeds;
 - b. The violation by the SUBRECIPIENT of any of its covenants or agreements under the Agreement;
 - c. Any tort or other action or failure to act done in connection with the performance or operation of the Program;
 - d. Any act or failure to act of any officer, employee, agent or servant of the SUBRECIPIENT;
 - e. Any injury to any person, loss of life, or loss or destruction of property in any way arising out of or relating to the performance or operation of the Program.

The CITY agrees to notify the SUBRECIPIENT in writing of any claim or liability which the CITY believes to be covered under this paragraph. The CITY shall tender, and SUBRECIPIENT shall promptly accept tender of, defense in connection with any claim or liability in respect of which SUBRECIPIENT has agreed in writing that based on the claim or liability the CITY is entitled to indemnification under this paragraph; provided, however, that the counsel retained by SUBRECIPIENT to defend the CITY shall be satisfactory to the CITY; and that the CITY shall be kept fully informed of the status of the proceeding. In the event that the SUBRECIPIENT, within ten (10) days after receipt of notice from the CITY of a claim or liability which the CITY believes to be covered under this paragraph, fails to advise the CITY in writing that the SUBRECIPIENT agrees that the CITY is entitled to indemnification under this paragraph based on the claim or liability, the CITY, without waiving or prejudicing any claim or right it may have to indemnification, under this paragraph (including the recovery of legal fees and expenses), may retain its own counsel and present its own defense in connection with such claim or liability.

The CITY shall not settle or compromise any claim, suit, action or proceeding in respect of which the SUBRECIPIENT has agreed in writing that the CITY is entitled to indemnification under this paragraph. Notwithstanding anything in the Agreement to the contrary, the indemnities contained in this paragraph shall survive the termination of the Agreement.

- XIX. INSURANCE AND BONDING:** SUBRECIPIENT shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any CDBG cash advances. SUBRECIPIENT shall comply with the bonding and insurance requirements of the Omni circular 200.310 and 200.325, Insurance and Bonding requirements.

- XX. NON-PARTICIPATION BY CERTAIN PERSONS:** SUBRECIPIENT agrees to exclude the following persons from participation in any aspect of this Agreement:

- a. SUBRECIPIENT agrees to not allow any member of, or delegate to, the United States Congress any share or part of this Agreement or to allow any benefit to arise from same.
- b. SUBRECIPIENT agrees that no officer, employee, designee, agent or consultant of the CITY or the SUBRECIPIENT or member of the governing body of the CITY who exercises any functions or responsibilities with respect to the CITY's CDBG program during his tenure or for one (1) year thereafter, will have any direct or indirect interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the Project assisted under this Agreement. The SUBRECIPIENT shall incorporate or cause to be incorporated in all such contracts or subcontracts a provision prohibiting such interest in conformance with the provisions of and pursuant to the purposes of this section. The provisions of 24 CFR § 570.611, "Conflict of Interest" shall apply to the SUBRECIPIENT.
- c. SUBRECIPIENT further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular § 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will participate in the selection, award or administration of a contract supported by CDBG funds, if that employee, officer or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a tangible personal benefit from a firm considered for a contract. Such officers, employees or agents of the SUBRECIPIENT may not solicit nor accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests. The written standards shall also include standards of conduct covering organizational conflicts of interest, in which the SUBRECIPIENT may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between the SUBRECIPIENT and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by the SUBRECIPIENT will include disciplinary actions to be applied for violations of such standards.
- d. Copeland "Anti-kickback" Act. – Any Contractor paid in full or part with CDBG funds will comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3) that states whoever, by force, intimidation, or threat of procuring dismissal from employment, or by any other manner whatsoever induces any person employed in the construction, prosecution, completion or repair of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he is entitled under his contract of employment, shall be fined under this title or imprisoned not more than five years, or both. Though CDBG funds shall not be used to pay for the construction, prosecution, completion or repair of buildings, the SUBRECIPIENT affirms that by accepting CDBG funds, the SUBRECIPIENT will comply with the Copeland "Anti-kickback" Act.

- XXI. PROGRAM INCOME:** Program income shall herein be defined as gross income received by the SUBRECIPIENT directly derived or generated from the use of CDBG funds. Program income includes, but is not limited to:
- a. Fees for services performed,
 - b. Use or rental of real or personal property acquired under Federal awards,
 - c. The sale of commodities or items fabricated under a Federal award,
 - d. License fees and royalties on patents and copyrights,
 - e. And principal and interest on loans made with Federal award money.

SUBRECIPIENT agrees that, unless otherwise stated in this section, the SUBRECIPIENT shall follow the program income requirements as outlined in § 200.307 of the Omni Circular.

SUBRECIPIENT understands and agrees that all program income shall be the property of the CITY, which shall have the exclusive right to determine the use and disposition of said income, except for fees for services which are used as part of the operating budget. However, such exempt fees must be small so as not to prevent the participation of Low and Middle Income participants. SUBRECIPIENT will remit all other said income to the CITY. Said remittance shall be submitted annually and accompany the Final Report.

SUBRECIPIENT acknowledges that interest earned on advances of Federal funds, rebates, credits and discounts do not count as program income.

Program income is to be: (check one)

 X 1) returned to the CITY at times determined by the CITY; or

 2) retained by SUBRECIPIENT to undertake the following activities: If retained by SUBRECIPIENT, all activities undertaken with the use of said income will be governed by all provisions of this Agreement. All program income, regardless of source, shall be substantially disbursed for any or all eligible CDBG activities undertaken by the SUBRECIPIENT before additional cash payments are made to the SUBRECIPIENT from the CITY (pursuant to CDBG regulations at 24 CFR Sec. 570.504 (c)). Any income on hand when this Agreement expires or received after such expiration shall be paid to the CITY upon request.

- XXII. RETURN OF UNEXPENDED FUNDS:** SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds upon the completion or termination of the Program:
- a. If the work program cannot be completed, or if SUBRECIPIENT ceases to function as an operating entity, SUBRECIPIENT agrees to return to the CITY any and all unexpended and/or unencumbered grant funds.
 - b. Within thirty (30) days after the closing date of this Agreement, the SUBRECIPIENT shall submit to the CITY expenditure reports and documentation of all expenses or encumbrances during the time period covered by this Agreement. The CITY will then compare these expenditures with the amount of disbursements issued to the SUBRECIPIENT by the CITY. Disbursement of any

final payment, if any, under the Agreement shall not be made until such a comparison has been completed to the CITY's satisfaction.

1. If said expenditures and encumbrances are greater than the disbursements made to the SUBRECIPIENT, the CITY will issue a check to the SUBRECIPIENT for an amount equal to this difference, up to the amount of the authorized grant set forth in this Agreement.
 2. If said expenditures and encumbrances are less than the disbursements, the CITY shall withhold the difference from any final payment to the SUBRECIPIENT. If after withholding any such difference, the expenditures and encumbrances are still less than the disbursements, the SUBRECIPIENT shall promptly pay to the CITY a check for the difference of these sums.
 1. Funds paid to SUBRECIPIENT in excess of the amount to which the SUBRECIPIENT is finally determined to be entitled constitute a debt to the CITY. If not paid as stipulated in the preceding paragraphs, the CITY may take other action permitted by law.
- c. A final adjustment will be made to reconcile with the completed audit or Final Grant Report of CDBG expenditures within thirty (30) days of the submission of audit to the CITY. Subsequent grant payments or awards will be withheld until audit or grant report is completed for the current year. Only the City Manager can release funds if audit or grant report is not reconciled.

XXIII. INDEPENDENT CONTRACTOR: SUBRECIPIENT shall be and act as an independent contractor and not as a partner, joint venturer, or agent of the CITY and shall not bind nor attempt to bind CITY to any contract. SUBRECIPIENT is an independent contractor and is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including, but not limited to, Worker's Compensation Insurance. SUBRECIPIENT agrees to defend, indemnify and hold the CITY harmless from any and all claims, damages, liability, attorney's fees and expenses on account of: (1) a failure or an alleged failure by SUBRECIPIENT to satisfy any such obligations; or (2) any other action or inaction of SUBRECIPIENT.

ADDITIONAL REGULATIONS: As a non-governmental entity, SUBRECIPIENT shall comply with the regulations, policies, guidelines, requirements and standards of federal OMB 2 CFR Chapter I, Chapter II, Part 200, et al, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; Final Rule" (Omni Circular

Omni Circular, as specified in this paragraph:

- a. Subpart B – "General";
- b. Subpart C – "Pre-Federal Award Requirements and contents of Federal Awards," except for §§ 200.203 Notices of funding opportunities, 200.204 Federal awarding agency review of merit of proposals, 200.205 Federal awarding agency review of risk posed by applicants, and 200.207 Specific conditions, which are required only for competitive Federal awards,
- c. Subpart D – "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 1. Section 200.305 "Payment." The CITY shall follow the standards of

- 2. paragraph 85.20(b)(7) and 85.21 in making payments to SUBRECIPIENT;
- 3. Section 200.306, "Cost Sharing and Matching";
- 3. Section 200.307, "Program Income." In lieu of paragraph 200.307, SUBRECIPIENT shall follow CDBG program regulations at 570.504 regarding Program Income;
- 4. Section 200.308, "Revision of Budget and Program Plans";
- 5. Section 200.311, "Real Property." In lieu of 200.311, CDBG SUBRECIPIENT shall follow CDBG program regulations at 570.505, Use of Real Property;
- 6. Section 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
 - ii. Equipment not needed by the SUBRECIPIENT for CDBG activities shall be transferred to the CITY for the CDBG program or shall be retained after compensating the recipient;
- 7. Section 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance";
- 8. Section 84.52, "Financial Reporting";
- 9. Section 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual CDBG activities shall be five years following grant close out; and
 - ii. The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;
- 10. Section 84.61 "Termination". In lieu of the provision of 84.61, SUBRECIPIENT shall comply with 570.503(b)(7) Suspension and Termination; and
- d. Subpart D - "After-the Award Requirements", except for paragraph 84.71, "Closeout Procedures."

xxiv. COMPLIANCE WITH FIRST AMENDMENT CHURCH/STATE PRINCIPLES:

SUBRECIPIENT agrees to comply with the First Amendment Church/State Principles which state that CDBG funds may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations apply to the use of CDBG funds:

- a. As a general rule, CDBG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the CITY that, in connection with the provision of such services:

1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
 2. It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;
 3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.
- b. Where the public services provided under paragraph a of this section are carried out on property owned by the primarily religious entity, CDBG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG expenditure for the public services.

xxv. CERTIFICATION: To the best of its knowledge or belief, the SUBRECIPIENT certifies that:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement;
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c. The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub-grants, agreements) and that all sub awardees shall certify and disclose accordingly; and
- d. This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering this Agreement pursuant to Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

xxi. **CHANGES TO AGREEMENT:** The CITY and the SUBRECIPIENT agree that any and all alterations, variations, modifications, or waivers of provisions of this Agreement shall be valid only when they have been reduced to writing, duly signed by both parties and attached to the original of this Agreement.

[REMAINDER OF THE PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS, WHEREOF, the parties have executed this Agreement in triplicate.

CITY OF EVANSTON

SUBRECIPIENT

BY: _____
Signature

BY: _____
Signature

NAME: Wally Bobkiewicz

NAME: _____

TITLE: City Manager

TITLE: _____

DATE: _____

DATE: _____

DUNS Number: _____

Distribution of Agreements:

Original: CDBG File

Copy: SUBRECIPIENT

Copy: City Purchasing Department

CDBG PROGRAM DESCRIPTION AND GOALS APPENDIX A

Project Narrative

Sunshine Enterprises (SE) helps low-income entrepreneurs build strong businesses that provide income and employment to owners, strengthen families, and contribute to the economic health of communities. SE, having begun under Sunshine Gospel Ministries of Chicago in 2012, is the first licensee of Rising Tide Capital of Jersey City, NJ.

The core programs are eligible for CDBG funding as Micro-Enterprise Assistance, Matrix code 18C, and are broken into two main components. The Community Business Academy (CBA) comprises a twelve-session, 36-hour course in business planning and management, taught by experienced instructors in a hands-on environment.

CBA graduates then enter into Business Acceleration Services (BAS) to receive year-round coaching from experienced small business owners. These coaches work individually with entrepreneurs to help them set goals, develop action steps, and identify and overcome obstacles to success.

The program also includes a schedule of advanced seminars, master classes, and networking events with marketplace and industry experts. When entrepreneurs are ready for financing, SE helps them prepare financial documentation and refine business plans, and connects them to a network of local micro-lending partners.

Overall goals for the program include direct assistance to low/moderate income entrepreneurs and micro enterprises (businesses with no more than five employees, including the owner(s)), jobs created, new business generated, and existing businesses being strengthened or expanded all in order to help empower families to lift out of poverty.

The target population for Evanston is low-to-moderate individuals, with a geographic focus on west Evanston, particularly the City's Neighborhood Revitalization Strategy Area (NRSA).. Sunshine hosts classes at the the Gibbs-Morrison Cultural Center and Evanston Civic Center that are located in the NRSA.

* All program activities predicated on successful outreach and marketing strategy being implemented in the preceding quarter. This work has already begun and will continue throughout the contract period.

Summary of Key Project Milestones

Below is a proposed timetable for 2017. Additional descriptions are below for related activities and projected program outcomes.

1st Quarter 2017

- Community Business Academy
- Business acceleration Services
- Workshops

2nd Quarter 2017

- Community Business Academy
- Business Acceleration Services
- Workshops

3rd and 4th Quarters

- Community Business Academy
- Business Acceleration Services
- Workshops
- Women in Business Summit
- Pitch Competition

Summary of Key Project Milestones

Program Outcomes

SE performs quarterly and annual quantitative outcome measurement focusing on four key metrics:

- 1. Number of New Businesses Started:** Defined as an individual actively engaged in selling a product or service, generating sales
- 2. Number of Businesses Strengthened:** Defined as a business that successfully completes a significant, tangible project with CBA (such as developing a new website) that makes measurable improvements in the business that will lead to increased revenue, profitability, and sustainability
- 3. Number of Businesses Expanded:** Defined as a business that increases in revenue, creates new jobs, moves from part-time to full-time, or upgrades its physical location from home-based to leased commercial/retail space
- 4. Number of New Jobs Created:** Defined as a full-time equivalency (FTE) calculation of new full-time, part-time, and temporary jobs created during a year by a business for its owner or non-owner employees.

2014-2016 Outcomes Metrics.

	2014	2015	2016	Total
Business Served	60	110	180	350
<i>In Business</i>	23	53	81	157
<i>Planning Stages</i>	11	43	63	117
<i>Other Path</i>	4	14	36	54
New Business Starts	3	8	14	25
Jobs Created	11	23	36	70

Approximately 48% of our clients are currently in business, while another 39% are in the planning stages to begin business operations. We would anticipate over time that outcomes for Evanston participants would follow a similar trajectory. Further, we'd partner with the City to help local entrepreneurs identify retail establishment opportunities in areas targeted for economic revitalization.

2017 Projected Outcomes Metrics.

	SE South	SE Evanston	Total
Business Served	140	60	200

<i>In Business</i>	63	27	90
<i>Planning Stages</i>	49	21	70
<i>Other Path</i>	28	12	40
New Business Starts	14	6	20
Jobs Created	32	14	45

*Projections are based on average outcomes experienced to date and the numbers are projected for three cohorts and this funding agreement is for one cohort only.

APPENDIX B

CDBG PROGRAM BUDGET

Subrecipient: Sunshine Gospel Ministries dba Sunshine Enterprises
 Program: Community Business Academy

Subrecipient: Sunshine Gospel Ministries dba Sunshine Enterprises
 Program: Community Business Academy

Program Expenses	Budget	CDBG Funds
Salary	\$ 190,000	\$ 75,000
Events (women in business, graduations workshops)	\$ 25,000	
Overhead	\$ 50,900	
Total:	\$ 265,900	\$ 75,000

Program Funding	Budget
CDBG	\$ 75,000
1 FTE Hub Lead Trainer	
.3 FTE Hub assistant	
.3 FTE Program Director	
.2 FTE Executive Director	
.2 Payroll/HR/Financial Coordinator	
.2 Communications Assistant	
Private Donations	\$ 191,800
Business Accelerator Services provided	
Start Something Challenge	
Total:	\$ 266,800

Appendix C
City of Evanston 2014 CDBG Program
Schedule for Reporting and Disbursement of Funds

This Program will submit program and financial reports three times annually. The payments will be in accordance with the schedule outlined below. Payments are contingent upon the execution of the SUBRECIPIENT AGREEMENT, receipt of program and financial reports, as well as source documents that substantiate CDBG-funded expenditures.

The reimbursement shall not exceed \$1,250 per student, for a total of \$25,000 per cohort session of Grantee's training program. If Grantee enrolls less than 75% of individuals with Evanston based businesses and/or Evanston residents as participants in the cohort, the funding for that cohort will be reduced proportionally. For example, if they achieve 73%, their funding level would decrease by 2% and the funding level would be \$24,500.

2017 Cohort Program Disbursement Schedule:

- First Cohort: \$25,000 at time of submission of registrants
Qualify for subsequent funding of \$25,000 upon completion of the cohort session and submission of time and activity tracking report for the previous cohort. Report due April 28, 2017
- Second Cohort: \$25,000 at time of submission of registrants
Qualify for subsequent funding of \$25,000 upon completion of the cohort session and submission of time and activity tracking report for the previous cohort. Report due September 1, 2017
- Third Cohort: \$25,000 at time of submission of registrants
Qualify for subsequent funding of \$25,000 upon completion of the cohort session and submission of time and activity tracking report for the previous cohort. Report due December 22, 2017

APPENDIX D

**AGENCY PROCUREMENT GUIDELINES IF MORE RESTRICTIVE THAN SECTION 200.320
– PROCUREMENT GUIDELINES OF THE OMNI CIRCULAR**

[To be inserted at a later date]

APPENDIX E

INELIGIBLE PROGRAM COSTS

The City of Evanston uses Community Development Block Grant (CDBG) funds to support programs and services that provide for the needs of low- and moderate income residents as identified in the City's 2015-2019 Consolidated Plan. Direct program costs are generally eligible for CDBG funds based on the federal Omni Circular. Some costs, though allowable under federal regulations, are ineligible for reimbursement with City of Evanston CDBG funds. Please note that some costs may be included in the program budget but will not be paid with CDBG. This list is not all inclusive.

Ineligible Costs include:

- Entertainment costs
- Alcoholic beverages
- Fines, penalties, damages and other settlements
- Compensation to trustees, board members and their immediate family members
- Staff time and other costs related to applying for CDBG funding
- Advertising and public relations costs (this does not include informational materials such as program flyers used for program outreach/recruitment of eligible participants)
- Fund raising costs
- Equipment and capital expenditures

Eligible costs that will not be paid with CDBG include:

- Costs relating to the federal Single Audit
- Indirect cost allocations, whether approved by a federal cognizant agency or the 10% de minimus indirect cost allocation
- Computers and other electronic devices