

UNEMPLOYMENT INSURANCE (UI)

ANNUAL FUNDING AGREEMENT

TERMS AND CONDITIONS

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1. Parties

Consistent with 20 CFR 601.6, this Annual Funding Agreement (grant agreement) is entered into between the Employment and Training Administration (ETA), U.S. Department of Labor (Grantor) and the STATE/Commonwealth of Florida (Grantee) for the purposes of administering State unemployment insurance program activities authorized under Title III of the Social Security Act (as amended) and portions of other related Federal program laws and regulations applicable to the UI program funds provided under this agreement including, but not limited to, funds authorized under the Trade Act of 1974, as amended, for Trade Readjustment Allowances (TRA), Alternative Trade Adjustment Assistance (ATAA) and Reemployment Trade Adjustment Assistance (RTAA); the Robert T. Stafford Disaster Relief and Emergency Assistance Act for Disaster Unemployment Assistance (DUA); and the American Recovery and Reinvestment Act (ARRA).

2. Grant Funds

This grant agreement applies to Fiscal Year (FY) 2015 appropriated funds.

3. Applicable Authority

Funds provided under this grant agreement must be expended in accordance with all applicable federal statutes, regulations, and program directives; the applicable and approved State plan(s) and the incorporated assurances; and the applicable provisions in the appropriations acts for these funds.

4. State Plans

As a condition for receipt of funds under the Annual Funding Agreement, the Grantee agrees to comply with the approved State Quality Service Plan (SQSP) and with any other plans required for the receipt of funds.

5. Grant Expenditure Period

This grant agreement is, except for TRA and ATAA/RTAA benefit funds as explained below, effective for the period beginning October 1, 2014 and expiring December 31, 2017 to accommodate the maximum statutory life of the various fund accounts. However, expenditures must comply with the statutory/regulatory life of each fund source (subject to availability of Federal funds):

UI Administration – These funds are available for obligation by the Grantee (State) beginning October 1, 2014 through December 31, 2015, unless an extension is otherwise approved. Funds are to be expended

and liquidated by March 31, 2016, except that such funds for automation acquisitions, or competitive grants awarded for improved operations, or reemployment and eligibility assessments and improper payments, shall be available for obligation by the Grantee (State) through September 30, 2017 and unless an extension is otherwise approved, funds are to be expended/liquidated by December 31, 2017 (See Clause 10, Paragraph E).

TRA and ATAA/RTAA – The expenditure period for these benefits funds is the period beginning September 16, 2014 and expiring September 30, 2015.

Disaster Unemployment Assistance (DUA) – Subject to the Department of Homeland Security’s Federal Emergency Management Agency (FEMA) disaster declarations and the Grantee’s application for funds, these funds under the FY 2015 Agreement are provided to the Grantee (State agency) via the Grantor (USDOL/ETA) and made effective on the FEMA disaster declaration date (but no earlier than October 1, 2014). The funds are to be expended and closed in accordance with FEMA and USDOL/ETA rules for payment and subsequent USDOL/ETA closeout (closeout actions will be completed no later than one year after receipt and acceptance of all required final reports; targeted for no later than two years from the beginning of the Fiscal Year 2015). *Note: DUA funds are technically “no-year” funds. The “Disaster Assistance Period, “during which benefits are paid, is the period “beginning with the first week following the date the major disaster began, and ending with the 26th week subsequent to the date the major disaster was declared.” 20 CFR 625.2(f). After all payment activity ends and all final reports have been submitted for a particular disaster, the funds provided will be “closed out” and any unexpended remaining funds returned to FEMA, via the Grantor. A financial closeout and final deobligation of funds is due 90 days after the end of payment activity or the end of the Disaster Assistance Period.*

Emergency Unemployment Compensation, 2008 (EUC08) under the Supplemental Appropriations Act, 2008 (Title IV – Emergency Unemployment Compensation) – The expenditure period for these administrative funds are without fiscal year limitations. Funds may be expended as long as costs to administer the EUC08 program are incurred, within federal appropriation law constraints.

Federal Additional Compensation (FAC) – The expenditure period for these administrative funds are without fiscal year limitations. Funds may be expended as long as costs to administer the FAC program are incurred, within federal appropriation law constraints.

This agreement may be terminated sooner and be subject to grant closeout procedures if all funds are fully expended at a date prior to the December 31, 2017 date. Commencement of expenditures is subject to the effective date on the issuance of Federal obligation authority (Notice of Obligation (NOO)) for each grant funding source account funded under this agreement.

6. Electronic Funds Transfer

Cash payments shall be made to the Grantee under the Department of Health and Human Services (HHS) Payment Management System (PMS).

7. Notice of Award/ Notice of Obligation (NOA/NOO)

Funds for some accounts shall be obligated and allocated upon execution of this Agreement via a NOA/NOO in the "Modification 0" document which is a supplement to this Agreement. Funding made available under the initial NOA/NOO may be used to cover costs incurred on and after October 1, 2014 for those accounts funded at the time of the grant agreement execution. Obligations and costs may not exceed the amount obligated by the NOO in "Modification 0" unless otherwise modified by the Grantor. Funds are obligated for the amount indicated in the "Modification 0" document in accordance with the Grantee's FY 2015 allotment levels or initial increments thereof and the effective date indicated on the NOO. The Federal obligation level will be amended by the Grant Officer to increase (or adjust) amounts available to the Grantee as funds become available for obligation and additional NOA/NOO grant modifications are issued.

8. Salary and Bonus Limitation

Consistent with section 105 of the General Provisions of Public Law No. 113-76 (Division H, Title I), none of the funds provided under this agreement shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. This limitation shall not apply to vendors providing goods and services as defined in Office of Management and Budget (OMB) Circular No. A-133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer Federal programs involved including Employment & Training Administration programs. See TEGL No. 5-06 for further clarification.

9. Administrative Requirements

a. Central Contractor Registration and Universal Identifier Requirements

1. Requirement for Central Contractor Registration (CCR)

Unless exempted from this requirement under 2 CFR 25.110, the awardee must maintain the currency of its information in the CCR until the awardee submits the final financial report required under this award, or receives the final payment, whichever is later. This requires that the awardee reviews and updates the information at least annually after the initial registration, and more frequently if required by changes in the awardee's information or another award term.

2. Requirement for Data Universal Numbering System (DUNS) Numbers

If the awardee is authorized to make subawards under this award, it:

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 the awardee.

May not make a subaward to an entity unless the entity has provided its DUNS number to the awardee.

3. Definitions

For purposes of this award term:

Central Contractor Registration (CCR) 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 CCR Internet site (currently at <http://www.ccr.gov>).

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 <http://fedgov.dnb.com/webform>).

Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:

- a. A Governmental organization, which is a State, local government, or Indian Tribe;
- b. A foreign public entity;
- c. A domestic or foreign nonprofit organization;
- d. A domestic or foreign for-profit organization; and
- e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

Subaward:

- a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which an awardee received this award and that the recipient awards 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 Subpart B, Sec. 210 of the attachment to OMB Circular No. 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 an awardee considers a contract.

Subrecipient means an entity that:

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

b. Federal Funding Accountability and Transparency Act

1. Reporting of first-tier subawards.

- i. **Applicability.** Unless exempt as provided in paragraph d. of this award term, an awardee 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).
- ii. **Where and when to report.**
 - a. Awardee must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - b. 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, 2014, the obligation must be reported by no later than December 31, 2014.)
- iii. **What to report.** An awardee must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

2. Reporting Total Compensation of Recipient Executives.

- i. **Applicability and what to report.** An awardee must report total compensation for each of its five most highly compensated executives for the preceding completed fiscal year, if—
 - a. the total Federal funding authorized to date under this award is \$25,000 or more;
 - b. in the preceding fiscal year, the awardee received—

- (A) 80 percent or more of 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
- c. 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>.)
- ii. Where and when to report. An awardee must report executive total compensation described in paragraph b.1. of this award term:
 - a. As part of the registration profile at <http://www.ccr.gov>.
 - b. By the end of the month following the month in which this award is made, and annually thereafter.
3. Reporting of Total Compensation of Subrecipient Executives.
- i. Applicability and what to report. Unless exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, the awardee 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—
 - a. 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
- b. 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>.)

- ii. Where and when to report. An awardee must report subrecipient executive total compensation described in paragraph c.1. of this award term:
 - a. To the recipient.

By the end of the month following the month during which the awardee makes 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), the awardee must report any required compensation information of the subrecipient by November 30 of that year.

4. Exemptions

If, in the previous tax year, the awardee had gross income, from all sources, under \$300,000, it is exempt from the requirements to report:

- i. Subawards, and
- ii. The total compensation of the five most highly compensated executives of any subrecipient.

5. Definitions. For purposes of this award term:

- i. Entity means all of the following, as defined in 2 CFR part 25:
 - a. A Governmental organization, which is a State, local government, or Indian tribe;
 - b. A foreign public entity;
 - c. A domestic or foreign nonprofit organization;
 - d. A domestic or foreign for-profit organization;
 - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- ii. Executive means officers, managing partners, or any other employees in management positions.
- iii. Subaward:
 - a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which the awardee received this award and that the recipient awards 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 Subpart B, Sec. 210 of the attachment to OMB Circular No. 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 an awardee or a subrecipient considers a contract.
 - iv. Subrecipient means an entity that:
 - a. Receives a subaward from the recipient under this award; and
 - b. Is accountable to the awardee for the use of the Federal funds provided by the subaward.
 - v. 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)):
 - a. Salary and bonus.
 - b. 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.
 - c. 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.
 - d. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - e. Above-market earnings on deferred compensation which is not tax-qualified.

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.

c. Personally Identifiable Information

Grantees must recognize and safeguard personally identifiable information except where disclosure is allowed by prior written approval of the Grant Officer or by court order. Grantees must meet the requirements in Training and Employment Guidance letter (TEGL No. 39-11, Guidance on the Handling

and Protection of Personally Identifiable Information (PII), (located at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7872).

d. Intellectual Property Rights

The Federal Government reserves a paid-up, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for federal purposes: i) the copyright in all products developed under the grant, including a subgrant or contract under the grant or subgrant; and ii) any rights of copyright to which the grantee, subgrantee or a contractor purchases ownership under an award (including but not limited to curricula, training models, technical assistance products and any related materials). Such uses include, but are not limited to, the right to modify and distribute such products worldwide by any means, electronically or otherwise. Federal funds may not be used to pay any royalty or licensing fee associated with such copyrighted material, although they may be used to pay costs for obtaining a copy which is limited to the developer/seller costs of copying and shipping. If revenues are generated through selling products developed with grant funds, including intellectual property, these revenues are program income. Program income is added to the grant and must be expended for allowable grant activities.

e. Reports

All ETA grantees are required to submit quarterly financial and narrative progress reports for each grant award.

f. Final Year / Close Out Requirements

At the end of the grant period, the awardee will be required to close the grant with ETA. The awardee will be notified of the initiation of grant closeout before the end of the grant. Information concerning the awardee's responsibilities at closeout may be found in ETA's Closeout Frequently Asked Questions at <http://www.doleta.gov/grants/docs/GCFAQ.pdf>. Also, a sample closeout / end user manual is provided at <http://www.doleta.gov/grants/docs/GCS.pdf>. Awardees will be provided the end user manual specific to your grant at the initiation of closeout.

g. Special Requirements for Conference and Conference Space

Grantee must obtain prior approval from the Grantor before holding any conference (which includes meeting, retreat, seminar, symposium, training activity or similar event held in either Federal or non-Federal space), or any activity related to holding a conference, including, but not limited to, obligating or expending Grantor funds, signing contracts for space or services, announcing Grantor's involvement in any conference, and using Grantor official's name or Grantor's name or logo. Grantor retains the right to obtain information from the Grantee about any conference that is funded in whole or in part

with Grantor funds.

h. Funding for Travel to and from Meetings with an Executive Branch Agency

Grant funds may not be used for the purposes of defraying the costs of a conference held by any Executive branch department, agency, board, commission, or office unless it is directly and programmatically related to the purpose for which the grant or contract was awarded.

No funds made available through DOL appropriations may be used for travel and conference activities that are not in compliance with Office of Management and Budget Memorandum M-1-12 dated May 11, 2012. (P.L. 113-6, 3003 (c)(d)(e)).

10. Program Requirements

Certifications and Assurances. In performing its responsibilities under this agreement, the Grantee will fully comply with the following SQSP assurances, which are incorporated into this agreement by reference with the two “exceptions/revisions” and one “expansion” annotated below. The SQSP assurances are listed below and are detailed in Chapter 1, Part VII of the “Unemployment Insurance SQSP Planning and Reporting Guidelines,” ET Handbook No. 336 (18th Edition).

- A. Assurance of Equal Opportunity (EO).
- B. Assurance of Administrative Requirements and Allowable Cost Standards.

Exception/Revision (Real Property Acquired with Reed Act Funds)

An exception/revision to this assurance in Chapter 1 (VII.B.1.c) which is no longer applicable reads as follows: Section 193(b) of WIA, as amended by section 20610 of Public Law No. 110-5, prohibits the use of UI administrative grant funds to amortize the cost of real property acquired on or after February 15, 2007. However, OMB Circular No. A-87, Appendix B, item 11, still permits Reed Act funds used to acquire buildings (but not land) on or after February 15, 2007 to be replenished using UI or Wagner-Peyser grant funds through “cost recovery through depreciation.” Cost recovery through depreciation may also be used for automation equipment acquired with Reed Act funds regardless of the date of purchase.

Exception/Revision (Prior Approval Waiver):

An exception/revision to this assurance in Chapter 1 (VII.B.2.d) is as follows: Notwithstanding the waiver of the requirement of prior approval, the Grantor reserves the right to reimpose the requirement of prior approval by the Grantor, after providing advance notice to the State (Grantee).

- C. Assurance of Management Systems, Reporting, and Recordkeeping.
- D. Assurance of Program Quality.

- E. Assurance on Use of Unobligated Funds.
- F. Assurance of Prohibition of Lobbying Costs (29 CFR Part 93).
- G. Drug-Free Workplace (29 CFR Part 98).
- H. Assurance of Disaster Recovery Capability.
- I. Assurance of Conformity and Compliance.
- J. Assurance of Automated Information Systems Security.
- K. Assurance of Confidentiality.

11. Public Policy

a. Veteran's Priority Provisions

The Jobs for Veterans Act (Public Law 107-288) requires grantees to provide priority of service to veterans and spouses of certain veterans for the receipt of employment, training, and placement services in any job training program directly funded, in whole or in part, by DOL. The regulations implementing this priority of service can be found at 20 CFR part 1010. In circumstances where a grant recipient must choose between two qualified candidates for a service, one of whom is a veteran or eligible spouse, the veterans priority of service provisions require that the grant recipient give the veteran or eligible spouse priority of service by first providing him or her that service. To obtain priority of service, a veteran or spouse must meet the program's eligibility requirements. Grantees must comply with DOL guidance on veterans' priority. ETA's Training and Employment Guidance Letter (TEGL) No. 10-09 (issued November 10, 2009) provides guidance on implementing priority of service for veterans and eligible spouses in all qualified job training programs funded in whole or in part by DOL. TEGL No. 10-09 is available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2816.

b. Age Discrimination Act of 1975

The Age Discrimination Act of 1975, 42 U.S.C. 6101 *et seq.*, prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.

c. Flood Insurance

The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 *et seq.*, provides that no Federal financial assistance to acquire, modernize, or construct property may be provided in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within 1 year of the identification. The flood insurance purchase requirement applies to both public and private applicants for HHS support. Lists of flood-prone areas that are eligible for flood insurance are published in the Federal Register by FEMA.

d. Architectural Barriers

The Architectural Barriers Act of 1968, 42 U.S.C. 4151 et seq., as amended, the Federal Property Management Regulations (see 41 CFR 102-76), and the Uniform Federal Accessibility Standards issued by GSA (see 36 CFR 1191, Appendixes C and D) set forth requirements to make facilities accessible to, and usable by, the physically handicapped and include minimum design standards. All new facilities designed or constructed with grant support must comply with these requirements.

e. Drug-Free Workplace

The Drug-Free Workplace Act of 1988, 42 U.S.C. 701 *et seq.*, requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. The recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment.

f. Restriction on Health Benefits Coverage

Pursuant to the Full-Year Continuing Appropriations Act, 2013 (Public Law 113-6), the recipient must ensure that the any use of these funds for health benefits coverage complies with 506 and 507 of Division F of Public Law 112-74.

g. Buy American Notice Requirement

In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds available under the Workforce Investment Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products, as required by the Buy American Act (41 USC 10a et seq.). See WIA Section 505—Buy American Requirements.

12. Signatory Information

The signatories below agree to the terms and conditions of this agreement on behalf of their respective agencies:

GRANTEE:

FLORIDA

(State/Commonwealth)

Department of Economic Opportunity

Grant Recipient /Agency

107 East Madison Street, MSC 85 Caldwell Building

Tallahassee, Florida 32399

(Address)

TAX EIN #: 36-4706134

DUNS #: 96-8930664

Authorized Signatory For Grantee:

Jesse Panuccio, Executive Director

Chad Poppell, Chief of Staff



10/14/14

Print Name/Title

Signature

Date

GRANTOR:

Employment & Training Administration; U.S. Department of Labor; OGM-DWSFA; N- 4716

200 Constitution Avenue NW; Washington, DC 20210

Authorized Signatory For Grantor:

THOMAS C. MARTIN, Grant Officer

Signature

Date