

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
RUS BULLETIN 1776-1
Rural Development-GD-2026-2**

SUBJECT: Water and Environmental Programs Grant Agreement- Revolving Programs

TO: Rural Development State Directors, Water and Environmental Program Directors, and Community Program Directors

EFFECTIVE DATE: Date of approval

EXPIRATION DATE: 25 years from Date of Approval.

OFFICE OF PRIMARY INTEREST: Water and Environmental Programs (WEP), under the Rural Utilities Service (RUS), a part of Rural Development (RD), an Agency within the United States Department of Agriculture (USDA)

INSTRUCTIONS: This Bulletin should be filed behind 7 CFR 1776.

AVAILABILITY: This Bulletin, as well as any instructions, regulations, or forms referenced in this Bulletin are available at USDA Rural Development State Offices (State Office). The State Office staff is familiar with the use of the documents in their states and can answer specific questions on Agency requirements.

This Bulletin is available on the website: <https://www.rd.usda.gov/resources/regulations/bulletins>

PURPOSE: This Bulletin is issued to establish conditions which must be understood and agreed to before further consideration may be given to the application

**MICHELE
BROOKS**

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RURAL DECENTRALIZED WATER SYSTEMS / REVOLVING FUNDS PROGRAM

GRANT AGREEMENT

between

[Organization Legal Name]

(Grantee)

and

UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL UTILITIES SERVICE
(Grantor)

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RURAL DECENTRALIZED WATER SYSTEMS / REVOLVING FUNDS PROGRAM Grant Agreement

This Agreement is between **[Organization Legal Name]**, **[Organization Address]**, and the United States of America acting through the Rural Utilities Service (Grantor or Agency). The Grantee shall provide financing to eligible entities under the **[Decentralized Water System Grants Program / Revolving Funds Program Grants]** to establish a revolving loan program at an estimated total cost of \$_____. The Grantee shall finance \$_____ of these costs through cash or applicant contributions. The Grantor agrees to award a grant in a sum not to exceed \$_____ to the Grantee. The grant period will be for 12 months, **beginning October 1, 20xx, and ending September 30, 20xx**. The Agreement shall be effective on the date of grant approval.

The Grantor shall make the grant to the Grantee under authority of **[Section 306E(d) / Section 306(a)(2)(b)]** of the Consolidated Farm and Rural Development Act, 7 USC 1926, as amended, for the purpose of providing funding to eligible individuals for the construction, refurbishing, and servicing of [individual decentralized water systems in rural areas that are or will be owned by the eligible individuals / financing of pre-development costs and small capital projects].

All parties may access information and regulations referenced in this letter at our website located at: [Water and Environmental Programs | Rural Development \(usda.gov\)](https://www.usda.gov/water-and-environmental-programs/rural-development) and USDA General Terms and Conditions effective as of December 31, 2025 (USDA GT&C) located at: <https://www.usda.gov/sites/default/files/documents/usda-general-terms-conditions-2025.pdf>.

The following program specific terms and conditions are provided:

1. Program General Terms and Conditions

(a) The following items are incorporated in the Grant Agreement:

- (1) The grant approval letter,
- (2) The approved Scope of Work and budget for the project. (Attachment 1)

(b) By accepting this grant, the Grantee agrees to comply with all terms and conditions incorporated either directly or by reference in the following (See USDA GT&C, Section 1.2):

- (1) Grant program legislation cited above.
- (2) Grant program regulation in Title 7, Code of Federal Regulations, Part [1776 / 1783] [(7 CFR Part 1776) / (7 CFR Part 1783)].
- (3) 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."
- (4) Grant Agreement.
- (5) USDA GT&C.

(c) This Agreement is subject to current Grantor regulations and any future regulations not inconsistent with the express terms contained in this agreement.

(d) By accepting this grant, the Grantee agrees to:

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- (1) Comply with the applicable Federal requirements for grants, all applicable laws, regulations, Executive Orders, and other generally applicable requirements which are incorporated in this Agreement by reference and specifically set forth in statutory provisions.
- (2) Manage prudently all expenditures and actions affecting the grant. Documentation for each expenditure must reflect appropriate organizational reviews or approvals which should be made in advance of the action.

(e) The Grantor will assist Grantee, within available appropriations, with any assistance the Grantor deems appropriate in planning the project.

(f) The Grantee's submission of fraudulent information or failure to comply with applicable requirements of the grant may cause the Grantor to take one or more enforcement actions. The Grantor will undertake any such action in accordance with applicable statutes, regulations, and policies, and will generally afford the Grantee an opportunity to correct the deficiencies before taking enforcement action. The Grantor may exercise options available to it, including, but not limited to:

- (1) Collection of funds the Grantor has paid the Grantee, considered as debt. Debts may result from disallowances, recovery of funds, unobligated balances, or other circumstances. The Grantee will repay the principal amount of the debt with interest accruing on any delinquent amount, computed from the original notification date to the Grantee of the indebtedness. The interest rate will be at the market rate for Water and Waste Disposal Program loans in effect on that date.
- (2) Temporary withholding of payment or other actions specified at 2 CFR Part 200, as applicable,
- (3) Suspension or debarment under 2 CFR Part 200, and
- (4) Other available legal remedies, including civil action under 7 CFR Part 1, Subpart L.

(g) (See USDA GT&C, Sec. 2.0) System for Award Management Registration (SAM) and Unique Entity ID (UEI). As the recipient must maintain the accuracy of your information in the SAM until you submit the final financial report required under this award and all grant funds under this award have been disbursed or de-obligated, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term. The recipient must ensure that the information in the database is current, accurate, and complete. Recipients can register on-line at <http://sam.gov>. You as the recipient may not make a sub-award to an entity unless the entity has provided its UEI number to you. Sub-recipients with sub-awards of \$25,000 or more must also have and maintain a current SAM registration. You as the recipient must report each first-tier sub-awards of \$25,000 or more in non-Recovery Act funds to <http://www.fsr.gov> no later than the end of the month following the month the obligation was made. As part of your registration profile at <http://sam.gov> you must report the total compensation of the five (5) most highly compensated executives (if the award was \$25,000 or more, 80% or more of annual gross revenues subject to the Transparency Act, and \$25 Million of annual gross revenues subject to the Transparency Act) by the end of the month following the month in which award was made. This requirement also pertains to sub-recipients (if the award was \$25,000 or more, 80% or more of annual gross revenues subject to the Transparency Act, and \$25 Million of annual gross revenues subject to the Transparency Act).

2. Scope of Work

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(a) The Grantee has full responsibility for the conduct of the project or activity supported under this grant and for adherence to the grant conditions. The Grantee shall carry out the project described in the application, scope of work (the "Scope of Work"), and other supporting documents (collectively, the "Application Materials"). The Grantee will **[insert proposed project narrative]**.

(b) The purpose and Scope for which this grant is made shall not duplicate programs for which monies have been received, are committed, or are applied for from other sources, public and private.

(c) Grant funds shall not be used to replace any financial support previously provided or assured from any other source for the project described in section 2(a) above. The Grantee agrees that the general level of expenditure by the Grantee for the benefit of the program area or the program covered by this Agreement shall be maintained and not reduced because of the Federal-share funds received under this grant.

(d) The Grantee is responsible for managing and monitoring each project, program, subaward, function, or activity supported by the grant.

3. Revolving Fund

3.1 Purpose of the Revolving Loan Fund

The Revolving Loan Fund ("Fund") shall be used solely for the purpose of [_____]. All loans made to recipients shall be drawn from the Fund.

3.2 Fund Management

(a) *Grantee Responsibilities.* The Grantee shall manage, operate and maintain the Fund in an efficient and economic manner, consistent with sound business practices. If the Fund will be managed or operated by participants other than the Grantee, the Grantee shall maintain decision-making control and authority over all proceeds derived directly from this Grant, all future earnings, and repayments of loans.

(b) *Administration.* The Grantee will administer and operate the Fund in accordance with applicable statutes, regulations, the Program Funding Notice, and Attachment 1.

(c) *Fund Maintenance.* The Grantee will maintain the Fund in accordance with 7 CFR Part _____ as long as any part of the Grant remains available for lending, and loans made from the Fund have an outstanding balance.

3.3 Revolving Loan Fund Account

(a) *Fund Account Assets.* The Grantee has designated a Revolving Loan Fund Account (the "Fund Account") into which grant funds and cash contributions shall be placed. The Grantee may transfer additional assets into the Fund Account, which shall become part of the Fund and be available for authorized purposes, pursuant to 7 CFR _____. The Fund assets may include, but not be limited to: cash, receivables, collections on the receivables, interest fees, personal and real property, notes, other financial instruments developed through the use of the Fund, program income, and any other income or assets derived from the operation of the Fund.

(b) *Grant Funds.* The Grantee shall expend the Grant funds only for approved purposes as set forth in the program regulations and Scope of Work. The Grant shall not be used to cover any costs incurred in connection with the Project before the Agency received the Application Materials.

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(c) *Cash Contribution*. The Grantee shall deposit a cash contribution in the amount stated in the Application Materials, which is not less than ten (10) percent of the Grant. The contribution deposited in the Fund Account will remain part of the Fund and will not be removed from the Fund. Cash contributions may include, but not be limited to, Grantee funds, funds donated from third parties, or other federal grant funds specifically authorized by law to be used for cost-sharing or to match funds.

(d) *Interest Accrued on Revolving Loan Funds*. Interest accrued on revolving loan funds must be used to continue or expand the activities of the approved Project.

3.4 Loans

The Grantee shall make loans to eligible applicants who own or will own [an individual decentralized / public] water or wastewater systems in accordance with 7 CFR _____. The Grantee shall make the original and any subsequent loans from the Fund in accordance with program regulations and the Grantee's Scope of Work as approved by the Agency. Each loan will be limited to [enter program amount, term, interest rate].

3.5 Administrative Expenses

Administrative expenses incurred in any calendar year and exceeding 10 percent of the loans made from the Fund during the same period do not qualify for reimbursement in accordance with 7 CFR _____. Agency Grant funds may not be used for payment or reimbursement of any of the Grantee's administrative costs or expenses unrelated to providing program loans. Administrative costs or expenses incurred before the execution of this Agreement may not be paid or reimbursed without prior approval of the Agency pursuant to section 7 of this Agreement.

3.6 Funds Used Beyond the Project Period

The Grantee may continue operation of the Fund and continue to make loans beyond the original Project Period. The Grantee must maintain the Fund after the Expiration Date of the Project Period in accordance with 7 CFR _____ so long as the original loans made from the Fund with any Federal funds have outstanding balances due. The Grantee may:

- (a) Continue making loans from revolved funds.
- (b) Use program income to make loans to loan recipients.

3.7 Fund Report and Recordkeeping

As long as outstanding balances remain on the original loans made with any Federal funds:

- (a) The Grantee shall maintain a record of Fund activities and program income use.
- (b) The Grantee shall provide a Fund activity report annually to the Agency, which shall include, but not be limited to: an aggregate list of projects funded, the amount funded for each DWS project, the project repayment schedule, a brief description of each project, the project objectives, and the project completion status. This report will be submitted annually as long as unpaid balances remain on the original loans provided directly from Grant funds. This report shall be submitted annually, no later than 90 days after the end of the Grantee's fiscal year.

3.8 Coordination with Other Organizations

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(a) *Housing Development Organizations.* The Grantee may coordinate rural decentralized water and wastewater systems activities with local or State rural housing development organizations to the maximum extent practicable.

(b) *Financial Institutions.* The Grantee may coordinate lending activities with local financial institutions to the maximum extent practicable and will not compete with, but supplement other sources of legal financing.

4. Allowable Costs

(a) (See USDA GT&C, Sec. 6.1) Allowability of costs and cost allocation methods for work performed under this grant will be determined in accordance with the applicable Federal cost principles in effect on the effective date of this grant. The Federal cost principles, as applicable, are contained in 2 CFR Part 200.

(b) Compensation for employees engaged in work under this grant will be considered reasonable to the extent that such compensation:

- (1) Is consistent with that paid for similar work in the organization's other activities; and
- (2) Is comparable to that paid for similar work in the labor markets in which the organization competes for the kind of employees involved but not found in other activities of the organization.

5. Restricted Use of Funds

(See USDA GT&C, Sec. 6.1) Grant funds may not be used to pay any expenses prohibited under RUS Instruction [1776 / 1783] or 2 CFR Part 200. Some examples of restricted uses are costs of matching funds for other Federal grants; construction, personal gifts (e.g., t-shirts, buttons, and hats), entertainment, advertising and public relations for fund-raising or promoting the organization, litigation, lobbying, intervention in Federal regulatory or adjudicatory proceedings, suing the Federal Government or any government entities.

6. Travel

(See USDA GT&C, Sec. 12.3) Travel costs incurred by employees and officers must be approved as part of the proposed project and attributed directly to specific work under the grant or in the normal course of administration of the organization. Such costs will be subject to the travel policies of the Grantee's organization. If the Grantee organization does not have a written policy for travel costs, the Federal Travel Regulation (FTR), contained in 41 CFR Subtitle F, shall apply in determining the rates and amounts charged to the grant. The FTR contains the rates and amounts for travel expenses, subsistence expenses, and mileage allowances.

7. Funds Disbursement

(a) (See USDA GT&C, Sec. 4.1) The Grantee shall use the reimbursement method for requesting and receiving payments under the grant. The Standard Form (SF) 270, "Request for Advance or Reimbursement," will be submitted to the Agency to request payments not more frequently than monthly. The Grantee will receive payments under this grant through electronic fund transfers (EFT) by the Automated Clearing House Payment System. The Agency will ordinarily make payments within 30 days after receipt of the billing, unless the billing is improper.

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(b) Payment for proper charges will not be withheld during the project period unless:

- (1) The Grantee has failed to comply with project objectives, terms and conditions of the Agreement or Federal reporting requirements, or
- (2) The Grantee is delinquent on a debt to the United States as defined in OMB Circular A-129, "Policies for Federal Credit Programs and Non-Tax Receivables." The Grantee will be informed that payments shall not be made for obligations incurred after a specified date until the conditions are corrected or indebtedness to the Federal Government is liquidated.

(c) Interest earned on grant funds deposited in interest bearing accounts will be subject to the following conditions, in accordance with 2 CFR Part 200, as applicable:

Interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment.

8. Financial and Performance Report Requirements

(See USDA GT&C, Secs. 5.1, 5.2, 5.5, 6.3, and 6.4) The Grantee will provide periodic reports as required by the Agency, in accordance with 2 CFR Part 200.328. Specifically:

(a) SF-425, "Federal Financial Report" is required on a quarterly basis (due 30 calendar days after each calendar quarter). Quarterly end dates are 12/31, 3/31, 6/30 and 9/30.

<u>Period</u>	<u>Date Due</u>
10/01/xx – 12/31/xx	01/31/xx
01/01/xx – 03/31/xx	04/30/xx
04/01/xx – 06/30/xx	07/31/xx
07/01/xx – 09/30/xx	10/31/xx
Final Project Report	12/31/xx

(b) Quarterly Narrative Project Performance Reports are due within 30 days after each quarter end.

- (1) The Grantee shall constantly monitor performance to ensure that time schedules are being met and projected goals by time periods are being accomplished. Submit each report to your assigned Grant Servicing Manager, who is named in your approval letter.
- (2) The project performance reports should detail, in the Agency designated format, activities that have transpired for the specific time period and shall include, but not be limited to, the following:
 - i. Describe the activities that the funds reflected in the financial status report were used for;
 - ii. A comparison of actual accomplishments to the objectives for that period;
 - iii. Reasons why established objectives were not met, if applicable;
 - iv. Significant developments are any events which have a significant impact upon the activities supported under the grant:

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- a. Problems, delays, or adverse conditions which will affect attainment of overall program objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular objectives during established time periods. This disclosure shall be accomplished by a statement of the action taken or planned to resolve the situation; and/or
- b. Favorable developments or events which enable meeting time schedules and goals sooner or at less cost than anticipated or producing more beneficial results than originally planned.
- c. Activities planned for next reporting period.

(c) The Grantee shall submit a Final Project Performance Report, which **may serve as the last quarterly report**. Final performance reports are due 90 calendar days after the expiration or termination of the grant and, in addition to the details listed above, this report should also address the following:

- (1) Analysis of challenges or setbacks that occurred during the entire grant period;
 - (2) What advice would you give to other organizations planning a similar program? Please include strengths and limitations of the program. If you had the opportunity, what would you have done differently?
- (d) The Agency may make site visits as needed.

9. Financial Management

(a) (See USDA GT&C, Secs. 4.0, 5.0, and 6.0) The Grantee will establish and maintain financial management and recordkeeping systems in accordance with applicable Federal regulations. The financial management systems will include:

- (1) Accurate, current, and complete disclosure of the financial results of each project or program. Financial reporting will be on an accrual basis.
- (2) Records which identify adequately the source and application of funds for grant-supported activities.
- (3) Comparison of outlays with budget amounts for the grant award. The inability to process information in accordance with Federal requirements could result in a requirement to return funds that have not been accounted for properly.
- (4) Accounting records supported by source documentation.
- (5) Effective control over and accountability for all funds, property, and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
- (6) Adequate fidelity bond coverage to protect the Federal Government's interest, where applicable.

10. Audits

(a) (See USDA GT&C Sec. 4.2) The Grantee shall provide an audit report or financial management report in accordance with the audit requirements under the Single Audit Act Amendments of 1996 and 2 CFR Part 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS." Specifically:

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- (1) Grantees expending more Federal funds than the Single Audit threshold in a fiscal year, as given in 2 CFR 200.425, will submit an audit conducted in accordance with Subpart F of 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. The audit will be submitted within 9 months of the Grantee's fiscal year. Additional audits may be required if the project period covers more than one fiscal year.
- (2) Grantees expending less Federal funds than the Single Audit threshold in a fiscal year, as given in 2 CFR 200.425, will provide annual financial statement covering the grant period, consisting of the organization's statement of income and expense and balance sheet signed by an appropriate official of the organization. Financial statements will be submitted within 90 days after the Grantee's fiscal year.

11. Program Income

Program income earned during the project period will be retained by the Grantee and deducted from the total allowable costs to determine the net allowable costs on which the Federal share of costs is based. Program income which the Grantee did not anticipate at the time of the grant will be used to reduce the Agency and Grantee contributions rather than to increase the funds committed to the project.

- (1) Costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the grant.
- (2) Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards in 2 CFR Part 200.
- (3) Grantee will have no obligation to the Federal Government regarding program income earned after the end of the project period or from license fees and royalties for copyrighted material produced under the grant.

12. Prior Approval Requirements

(a) (See USDA GT&C, Sec. 1.15) The Grantee will report and request written prior approval electronically from the Agency approval official for any change in the project proposal or budget, including the following reasons:

- (1) Change in the project or program's scope, objective, or proposed service to be delivered.
- (2) Change of key project personnel overseeing the project or program.
- (3) Absence of more than three months or a 25 percent reduction in time devoted to the project by the project director, manager, coordinator, or key personnel.
- (4) Transfer of funds between direct and indirect budgeted costs.
- (5) Transfer of funds among direct cost categories for grants exceeding \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Agency. Transfers for purposes other than those consistent with the approved Scope will not be authorized.
- (6) Transfer of funds for training to other cost categories.
- (7) Inclusion of costs requiring prior approval in accordance with 2 CFR Part 200, as applicable.

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(8) The subaward, transfer, or contracting out of any work under the grant, which has not been approved in the initial budget. This provision does not apply to the purchase of supplies, material, equipment or general support services.

(9) Any change in the project period to accomplish the stated objectives of the project.

(b) Grantee may incur pre-award costs within the 90 calendar days preceding the approval date of the grant with prior approval from the Agency. The Grantee makes pre-award expenditures at its own risk. The Agency is under no obligation to reimburse such costs if, for any reason, the Grantee does not receive a grant, the grant is less than anticipated, or the grant is inadequate to cover such pre-award costs.

(c) Grantee will notify the Agency promptly in writing whenever grant funds are expected to exceed Grantee's needs for the project period by more than \$5,000 or five percent of the grant, whichever is greater.

(d) Grantee may use the budget forms that were used in the application or a letter when requesting approval for budget revisions.

(e) Requests for prior approval must be submitted electronically to the specified Agency contact.

(f) Grantee will normally be notified within 30 calendar days of receipt of the request for revision whether the request is approved. If the request is still under consideration at the end of the 30 days, the Agency will inform the Grantee in writing of the date the decision may be expected.

13. Retention and access of records

(a) (See USDA GT&C, Sec. 11.1) To retain financial records, supporting documents, and all other records pertinent to the grant for a period of three (3) years from the date of submission of the final project and expenditure reports. The only exceptions are as follows:

(1) If any litigation, claim, or audit is started before the expiration of the three years, the records will be retained until all litigation, claims, or audit findings have been resolved.

(2) Records for equipment acquired with grant funds shall be retained for three years after final disposition.

(b) The Agency has the right of timely and unrestricted access to any books, documents, papers, or other records pertinent to the grant to make audit, examination, excerpts, and transcripts. The right of access will last as long as the records are retained.

14. No Cost Extensions

(a) The Grantee may initiate a one-time extension of the expiration date of the grant up to 12 months if additional time beyond the established expiration date is required to assure completion of the Scope or objectives within the funds already made available. The Agency will not approve an extension if the following conditions apply:

(1) The extension requires additional Federal funds.

(2) The extension involves any change in the approved objectives or scope of the project.

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(b) For one-time extensions, the Grantee may notify the Agency electronically by facsimile or electronic mail or in writing. The notification must provide supporting reasons for the extension and the revised extension date at least 10 days before the expiration date specified in the grant.

(c) This one-time extension may not be exercised merely for the purpose of using unobligated balances.

15. Property Standards

The Grantee is responsible for compliance with property standards identified in 2 CFR Part 200, as applicable. The Grantee will maintain a property management system which, at a minimum, meets the requirements of 2 CFR Part 200, as applicable. The Grantee will establish written procedures for procurement of supplies and other expendable property, equipment and other services with grant funds in accordance with 2 CFR Part 200.

16. Equipment

(a) (See USDA GT&C, Sec 9.4) Title to equipment purchased with grant funds will vest in the Grantee, subject to conditions set out in 2 CFR Part 200. Title must be a conditional title. A conditional title means a clear title is withheld by the Federal agency until conditions and requirements specified in the terms and conditions of a Federal award have been fulfilled. Equipment means an article of non-expendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$10,000.

(b) Grantee may purchase furniture and office equipment only if specifically approved in the Scope. Approval will be given only when Grantee demonstrates that purchase is necessary to complete the program for which the grant is established. Commercial purchase under these circumstances will be approved only after consideration of Federal supply sources.

(c) The recipient will use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Agency funds. The property may not be encumbered without the Agency's approval.

(d) When the equipment is no longer needed for the original project, the equipment may be used for other activities sponsored by the Agency and if no such activities exist, then equipment may be used for activities sponsored by other Federal agencies. The use and disposition of equipment will be handled in accordance with 2 CFR Part 200, as applicable.

(e) For Equipment with a current per unit fair market value less than \$10,000, the Grantee may retain the equipment for other uses, sell it, or dispose of it without compensation to the Agency. For items having an acquisition cost of \$10,000 or more, the standards identified in 2 CFR Part 200 will be used. [Disposition]

(f) The Agency may reserve the right to transfer title to the Federal Government or a third party named by the Agency. In cases where the Agency elects to transfer the title, it will issue disposition instructions within 120 calendar days after receipt of a final inventory, listing all equipment acquired with grant funds and federally owned equipment.

17. Supplies and Expendable Property

(See USDA GT&C, Sec 9.4) Title to supplies and other expendable property will vest in the Grantee upon acquisition. At the project completion or grant expiration, the Grantee may retain or sell an inventory of unused supplies as noted below and as outlined in 2 CFR Part 200. Unused supplies means supplies that are in new condition, not having been used or opened before. The aggregate value of unused supplies consists of all supply types, not just like-item supplies.

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- (1) If the inventory is less than \$10,000, without further obligation to the Agency.
- (2) If the inventory is \$10,000 or greater and is not needed for any other federally sponsored project or program, the Grantee will compensate the Federal Government for its share.

18. Intangible Property

(a) (See USDA GT&C, Sec. 9.4) Title to intangible property acquired under the grant will vest in the Grantee upon acquisition.

(b) Copyrights. The Grantee may copyright any work that is subject to copyright and is produced in the performance of work under this grant. The Agency reserves a royalty-free, nonexclusive, and irrevocable right to:

- (1) Obtain, reproduce, publish, or otherwise use the work for Federal purposes; and
- (2) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

(c) Grantee shall use intangible property for the originally authorized purpose and shall not encumber it without approval from the Agency. When no longer needed for the originally- authorized purpose, disposition will occur as outlined in 2 CFR Part 200.

19. Cost sharing

(a) (See USDA GT&C Sec. 4.3) The Grantee must maintain records of all project costs that are claimed by the Grantee as cost-sharing.

(b) All contributions, including cash shall be accepted as part of the Grantee's cost sharing or matching when such contributions meet the following criteria:

- (1) Are verifiable from the Grantee's records.
- (2) Are not included as contributions for any other federally assisted project or program.
- (3) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- (4) Are allowable under the applicable cost principles.
- (5) Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
- (6) Are provided for in the approved budget when required by the Agency.
- (7) Conform to all other applicable provisions of 2 CFR Part 200.

20. Grant Closeout

(See USDA GT&C Sec 9.0) The Federal agency will close-out the Federal award in accordance with 2 CFR Part 200 when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. This section specifies the actions the Grantee and Federal awarding agency must take to complete this process at the end of the period of performance.

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(a) The grant recipient must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal grant award (See Section 9 - Retention and access of records). The Federal awarding agency entity may approve extensions when requested by the grant recipient (See Section 13 – No Cost Extension).

(b) Unless the Federal awarding agency authorizes an extension, the grant recipient must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal grant award.

(c) The Federal awarding agency must make prompt payments to the grant recipient for allowable reimbursable costs under the Federal award being closed out.

(d) The grant recipient must promptly refund any balances of unobligated cash that the Federal awarding agency paid or obligated in advance and that is not authorized to be retained by the grant recipient for use in other projects. See OMB Circular A-129 and 2 CFR Part 200, §200.345.

(e) Consistent with the terms and conditions of the Federal grant award, the Federal awarding agency must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.

(f) The grant recipient must account for any real and personal property acquired with Federal funds or received from the Federal government in accordance with §200.310 through §200.316 and §200.329 of 2 CFR Part 200.

(g) The Federal awarding agency should complete all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports.

21. Suspension or Termination

(a) (See USDA GT&C Secs. 7.0, 9.2, 9.3, and 10.10) The grant may be terminated in whole or in part in any of the following situations:

- (1) By the Agency if Grantee materially fails to comply with the terms and conditions of this Agreement. The Agency shall promptly notify the Grantee in writing of the determination and the reasons for the termination, together with the effective date. Grants can be terminated for cause, such as: failure to use funds for authorized purposes, poor or no progress, untimely reports, and failure to properly account for expenditures or property.
- (2) By the Agency and the Grantee by mutual agreement, in which case, the two parties will agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated.
- (3) By the Grantee upon written notification to the grant approval official setting forth the reasons for such action, the effective date, and in the case of partial termination, the portion to be suspended or terminated. If the Agency determines that the reduced or modified portion of the grant will not accomplish the purposes for which the grant was made, it may terminate the entire grant.

(b) The Grantee will not incur new obligations after the effective date of a suspension or termination unless the Agency expressly authorizes the costs. The Agency will allow costs for the Federal share of obligations incurred, if the costs were properly incurred by the Grantee before the effective date of the suspension or termination and the Grantee could not reasonably avoid or eliminate them. Disposition of expendable and non-expendable property will be in accordance with the standards of Sections 14(d), (e) and (f) of this Agreement.

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22. Appeal

The Grantee may appeal certain adverse post-award administrative decisions made by the Grantor. Any appeal shall be made under 7 CFR Part 11.

23. Publications

(a) The Grantee shall place an acknowledgment of RUS support and a disclaimer:

- (1) In any publication (including World Wide Web pages) of any material based on or developed under this project.
- (2) During all news media interviews, including popular media such as radio, television, and news magazines.

(b) The acknowledgement shall be in the following terms: "This material is based upon work supported under a grant by the Rural Utilities Service, United States Department of Agriculture." The disclaimer shall be "Any opinions, findings, and conclusions or recommendations expressed in this material are solely the responsibility of the authors and do not necessarily represent the official views of the Rural Utilities Service."

(c) The Grantee shall place the following non-discrimination clause on the front cover of publications: "[*Insert Entity Name*] is an equal opportunity provider and employer" in print no smaller than the text.

(d) The Grantee shall submit one copy of every publication of material written or published under this grant to the Grantor.

24. Civil Rights Requirements

(a) (See USDA GT&C Sec 12.2) The grant and any program assisted by the grant are subject to the provisions of:

- (1) Title VI of the Civil Rights Act of 1964,
- (2) Title IX of the Education Amendments of 1972,
- (3) Section 504 of the Rehabilitation Act of 1973, as amended,
- (4) the Age Discrimination Act of 1975, and
- (5) Form RD 400-4, "Assurance Agreement," which the Grantee has filed with the Agency.

25. Availability of Information

(a) (See USDA GT&C Secs. 1.13 and 11.2) The Grantee shall release to the public all non-confidential information resulting from grant activities.

Grantee, on _____, has caused this agreement to be
(Date)

executed by its duly authorized _____ and attested and its
(Title)

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corporate seal affixed by its duly authorized _____.
(Title)

Executed by:

Grantee
GRANTEE LEGAL NAME

By _____
(Grantee Signature)

(Name and Title)

Grantor
**UNITED STATES OF AMERICA
RURAL UTILITIES SERVICE**

By _____
(Grantor Approving Official Signature)

(Name and Title)

Attested by:

Grantee
GRANTEE LEGAL NAME

By _____
(Grantee Attesting Signature)

(Name and Title)

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