


EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI
	DATE

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO.

TO: STATE WORKFORCE AGENCIES

FROM: PORTIA WU 
Assistant Secretary

SUBJECT: Unemployment Insurance (UI) Supplemental Funding Opportunity for Improved Operations

1. **Purpose.** To notify State Workforce Agencies (SWAs) of the availability of Fiscal Year (FY) 2016 funds for activities that support improved operations through the prevention and detection of UI improper benefit payments, state performance improvements, and addressing outdated Information Technology (IT) system infrastructures.

2. **References.**

- Executive Order (E.O.) 13520, Reducing Improper Payments (November 20, 2009);
- Improper Payment Information Act of 2002 (IPIA), 31 U.S.C. 3321;
- Improper Payment Elimination and Recovery Act of 2010 (IPERA), 31 U.S.C. 3301;
- Improper Payment Elimination and Recovery Improvement Act of 2012 (IPERIA), 31 U.S.C. 3321;
- Consolidated Appropriations Act of 2016, Public Law No. 114-113 (December 18, 2015);
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Parts 200 and 2900;
- Unemployment Insurance Program Letter (UIPL) No. 02-09, and Changes 1-3, *Recovery of Unemployment Compensation Debts Due to Fraud from Federal Income Tax Refunds*;
- UIPL No. 22-10, *Selecting and Monitoring At-Risk States for Continuous Improvement and Compliance with First Payment Timeliness and First Level Appeals Promptness*;
- UIPL No. 19-11, *National Effort to Reduce Improper Payments in the Unemployment Insurance Program*;
- UIPL No. 26-11, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*;
- UIPL No. 28-11, *Unemployment Insurance State Integrity Task Forces and Strategic Plans*;
- UIPL No. 33-11, *Identification of "Improper Payment High Priority States" for Unemployment Insurance*;

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- UIPL No. 02-12, and Changes 1 and 2, *Unemployment Compensation (UC) Program Integrity – Amendments made by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA)*;
- UIPL No. 17-12, *Unemployment Insurance (UI) State Information Data Exchange System Messaging and Communications Toolkit Availability*;
- UIPL No. 18-12, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*;
- UIPL No. 24-13, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*;
- UIPL No. 13-14, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*;
- UIPL No. 16-15, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*;
- UIPL No. 19-15, *Unemployment Insurance Supplemental Budget Request (SBR) Activities: Quarterly Program Reporting Form and Instructions*;
- UIPL No. 01-16, *Federal Requirements to Protect Individual Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures*;
- UIPL No. 02-16, *State Responsibilities for Ensuring Access to Unemployment Insurance Benefits*;
- Training and Employment Notice (TEN) No. 12-13, *Unemployment Insurance (UI) Online Work Search Record*;
- TEN No. 27-13, *Unemployment Compensation for Ex-Servicemembers (UCX) Military-State Data Exchange System (MSDES)*;
- TEN No. 34-13, *Publication of the Final Rule for the Federal-State Unemployment Insurance Program - Data Exchange Standardization as Required by Section 2104 of the Middle Class Tax Relief and Job Creation Act of 2012*;
- TEN No. 08-14, *Reengineering Unemployment Insurance Benefits Program Accountability Processes*; and
- TEN No. 03-15, *Reengineering Unemployment Insurance Benefits Program Accountability Processes: Update on Implementation Progress and State Impacts*.

3. **Background.** The Employment and Training Administration (ETA) has been working to accelerate state actions to reduce improper payments, improve performance, and modernize IT infrastructure. To support states' efforts, ETA provided supplemental funding opportunities and incentives in FY 2011 (UIPL No. 26-11), FY 2012 (UIPL No. 18-12), FY 2013 (UIPL No. 24-13), FY 2014 (UIPL No. 13-14), and FY 2015 (UIPL No. 16-15). As a condition of funding eligibility, those opportunities required states to implement specific strategies in order to qualify for additional funding. The SBR grants available to states for each of these opportunities will be based on the estimated availability of above-base funding remaining after the allocation of funds to cover workloads experienced by the states. This UIPL provides supplemental funding opportunities to states for FY 2016.

ETA continues to work aggressively with states to reduce UI improper payments by implementing a comprehensive and continuously evolving strategic plan that targets the largest root causes of overpayments. States are implementing the strategies contained in the

strategic plan through the Integrity Action Plans that are developed by state cross-functional integrity task forces and submitted as part of the State Quality Service Plan (SQSP). These SBR funding opportunities have led to widespread state adoption of strategies such as the use of the National Directory of New Hires (NDNH) for cross-matching UI claims, the Treasury Offset Program (TOP) for the recovery of fraud and certain non-fraud overpayments, and the State Information Data Exchange System (SIDES) for the timely and accurate exchange of employer information.

Improving UI program accountability and performance also continues to be a strategic priority for ETA. To further this commitment, in FY 2014, ETA embarked on a major multi-year initiative to reengineer its program oversight and accountability processes for state benefit operations. The highlights of this initiative include integrating peer reviews with new operational review processes, the development of a comprehensive self-assessment tool that will be used by states in conducting assessments of their individual UI benefits program operations, and targeted technical assistance to those states with the most significant challenges related to program performance or administrative operational issues to support improved performance (see TEN No. 8-14 and TEN No. 3-15).

Finally, ETA continues to support individual states and state consortia in updating their IT infrastructures, in part by funding the National Association of State Workforce Agencies (NASWA) Information Technology Support Center (ITSC) and by providing SBRs for this purpose when sufficient funds are available. Funding for consortia projects is very limited in FY 2016 due to limited funding availability, and ETA is limiting consortia funding opportunities to pre-existing consortia, as described in Section 7 of this UIPL.

4. Structure of Funding Opportunity. Due to the limited availability of funding for SBR requests overall, ETA has tailored this funding opportunity to focus on specific priorities.

Section 5 of this UIPL describes the required core strategies, how states may satisfy these requirements, and the availability of funds to meet these requirements. To receive any funding through this solicitation, states that were not previously funded to implement SIDES must commit to fully implement and begin using SIDES Web Services and E-Response by March 31, 2018. In addition, states that previously received funding must attest to the status of SIDES implementation (see Attachment A) and fully implement and begin using SIDES Web Services and SIDES E-Response. States must also attest that they will continue convening a cross-functional UI Integrity Task Force to support the development of an Integrity Action Plan submitted as part of the State Quality Service Plan (see Attachment A).

Additionally, all states may request funding to implement one or more of the Additional Strategies. These strategies are listed below and described in detail in Section 6 of this UIPL:

- Benefit Year Earnings (BYE) Improper Payment Strategies
- Fraud Prevention Strategies
- Work Search Automation
- TOP Implementation

- UCX Automation, MSDES
- Workforce Innovation and Opportunity Act (WIOA) Data System Integration/Reemployment Strategies Benefiting UI Claimants
- UI Accessibility
- UI Reporting Improvements, including Data Validation (DV)
- UI IT Contingency Plan
- UI IT Security
- Combined Wage Claim (CWC) 02-12 Application
- Protection of Individual Rights in State Overpayment Prevention and Recovery Procedures
- Strategies to Increase State and Employer Use of SIDES
- SIDES Monetary and Potential Employer Charges Exchange
- SIDES Nonmonetary and Determinations and Appeals Decisions Exchange
- State-Specific Program Integrity or Performance Improvement Strategy for At Risk or High Priority States

State requests must include a realistic timeline for completion with milestones and goals for each strategy it commits to implement. By accepting these funds, a state agrees to meet the commitment(s) made in its application.

Section 7 discusses consortium funding opportunities for UI IT modernization projects.

States' progress in achieving the timelines and completing the deliverables established in the grant's statement of work will be monitored on a quarterly basis using the reporting format discussed in Section 8 of this UIPL.

5. **Required Core Strategies.** States must implement each of the Core Strategies identified in this section to receive funding through this solicitation. For each strategy, states must either commit to implementation and recommend a timeline for completion, or attest that the strategy is already complete and provide the completion date.

- **Full Implementation and Use of SIDES.** All states must commit to fully implement and use both SIDES Web Services and SIDES E-Response to improve the timeliness and quality of separation information needed to adjudicate non-monetary determinations. **States that have previously received funding for SIDES** must attest to the status of its implementation as part of the application for funding (see Attachment A). **States that have not previously received supplemental funds for this activity** may request up to \$500,000, and should propose realistic timelines and goals to implement SIDES Web Services and SIDES E-Response as soon as feasible, but with implementation and use no later than March 31, 2018.

SIDES is a web-based system that allows electronic transmission of UI information requests from SWAs to employers and/or Third Party Administrators (TPAs), as well as transmission of responses containing the requested information back to the agencies. SIDES provides for two methods by which employers can receive and respond to information requests from states:

- SIDES Web Services is a computer-to-computer system best suited for employers and TPAs that typically deal with a large volume of UI information requests.
- For employers with a limited number of UI claims throughout the year, the SIDES E-Response Web site provides an easy and efficient portal for electronically posting responses to information requests from state agencies. SIDES E-Response is available in participating states to any employer or TPA with Internet access.

The NASWA ITSC SIDES Team manages the day-to-day operations and maintenance of SIDES.

As with the FY 2015 SBR opportunity, all states are required to fully implement both SIDES Web Services and SIDES E-Response as a condition for obtaining any supplemental funding, and funds are specifically being made available to states that have not yet implemented SIDES and did not previously receive supplemental funds to do so.

ETA interprets full implementation of SIDES Web Services and SIDES E-Response as the state collaborating with the NASWA ITSC SIDES Team and completing all the steps necessary in order to establish SIDES Separation Information data exchanges with employers and TPAs on a continuous basis. Full implementation includes the following:

- **Use of SIDES Web Services as the only mechanism to communicate all separation requests with employers and TPAs with whom the state is currently exchanging information.** As states adopt SIDES Web Services, continuing to operate a parallel or dual system, or using some other method for obtaining job separation information, diminishes the efficiency of the information gathering process and requires state staff, employers, and TPAs to be trained in and to use multiple methods for data exchange. The exclusive use of SIDES Web Services for receiving all requests and responses to other participants is required by the SIDES Agreement to Participate.¹

ETA knows that a number of states operate centralized business communication hubs for a variety of business interactions across multiple state agencies. States with centralized employer/business communication hubs should contact NASWA ITSC SIDES team for technical assistance to support using SIDES in a centralized environment using a single-sign-on option.

- **Implementation of SIDES Web Services with all available² employers and TPAs that are currently participating in SIDES, and beginning the SIDES data exchange with newly participating employers and TPAs within 12 months after those parties have completed testing/certification with the NASWA ITSC SIDES Team.** If a particular employer or TPA is the cause of the delay in implementing the

¹ For states to participate in SIDES, the NASWA ITSC SIDES Team requires a signed "Agreement to Participate."

² Applies to the employers and TPAs representing employers in the state.

exchange, the implementation date will be based on a negotiated schedule with the NASWA ITSC SIDES Team.

- **Expansion of the overall state usage of SIDES (Web Services and E-Response) with a goal for states to receive employer responses through SIDES Web Services and SIDES E-Response for at least 50 percent of all UI initial claims³ processed and, separately, a goal of at least 35 percent of all UI initial claims processed through the SIDES E-Response.** To promote employer participation, states are strongly encouraged to use SIDES E-Response as the default method by which employers respond to separation information requests. By making SIDES E-Response the default method, employers are automatically directed to SIDES E-Response with an opt-out to decline its use. States that have employed the default method approach have dramatically increased employer uptake and use of SIDES.
- **Development and implementation of a sustained outreach plan to increase employer participation in SIDES.** SIDES offers significant efficiencies to employers and their TPAs, especially those that operate in more than one state. Providing standard formats for employer use for information exchanges with state agencies eliminates the need for inefficient manual processes and the need to develop systems to handle each state's forms and processes separately. States also should use at least one SIDES messaging tool (either one included in the SIDES marketing toolkit as outlined in UIPL No. 17-12 or another state developed messaging tool) to ensure that employers are fully aware of the benefits SIDES offers.
- **Commitment to work with the NASWA ITSC SIDES Team on a mutually agreeable schedule to accomplish software enhancements and changes within a specific timeframe.** This mutually agreed schedule may include timeframes for testing of the business functionality and security features, and scheduling of the changes/enhancements. SIDES technical staff are available to assist states during this process. The NASWA ITSC SIDES Team provides states with at least six months' notice of major software changes/upgrades and works with states to determine a feasible and mutually agreeable implementation date.
- **Cross-Functional Task Force.** States must attest that they are continuing to convene a cross-functional UI Integrity Task Force (see UIPL No. 19-11 and UIPL No. 28-11) – including front line claims takers, adjudicators, Benefit Payment Control (BPC) and Benefit Accuracy Measurement (BAM) staff, IT staff, appeals staff, and tax staff – that is responsible for updating and submitting a revised integrity strategic plan required as part of the annual SQSP. ETA requires the continuation of this Task Force, established by all states in 2011, to cultivate a sense of ownership of program integrity within the entire UI system. States must attest that the Task Force is in place and has convened within the last quarter, or that it will convene within 3 months of the publication date of this UIPL (see Attachment A). **No SBR funding will be provided to support this activity.**

³ The total number of new, initial, and additional claims as reported in the ETA 5159 monthly report.

6. **Additional Strategies.** Provided that they meet the SIDES implementation requirement, all states may request funding to implement any of the additional strategies described in this section, if they have not previously done so. **States may request funding for more than one strategy, up to a total of \$500,000 for this section. Please note that funding in this section may not be used to supplement or supplant resources for staffing of routine program operations. However, funding may be used for staff directly involved in activities supporting implementation of an IT project such as development of business requirements, project management, coding, testing, and training.**

- **BYE Improper Payment Strategies.** States may request funds to implement a strategy to address BYE improper payments. Key to addressing this root cause of overpayments is for states to identify as quickly as possible that a claimant has returned to work. ETA encourages states to implement strategies such as:
 - Enhanced NDNH processes to flag the next continued claim when an NDNH cross-match “hit” is detected and require the claimant to speak to a state claims representative when attempting to file his or her next continued claim. In addition to programming to identify hits and flag continued claims, funding for this strategy may also be used to conduct more frequent State Directory of New Hires cross-matches to enable faster detection and prevention of future improper payments. Please refer to this summary www.dol.gov/dol/maps/pdf/20111212NewJersey.pdf for a description of a similar strategy implemented in New Jersey.
 - Data analytics and predictive modeling tools for use in the detection and prevention of improper payments. Data analytics tools can assist states to identify and/or prioritize high risk claims, both before and after payment, and refer those claims for review and verification.
 - A state specific strategy, such as a new cross-match, designed to prevent BYE overpayments. ETA will prioritize requests to implement the enhanced NDNH and data analytics strategies, but will consider additional state approaches with the proper justification. States that propose these strategies must provide a detailed description of the project design, expected outcomes, and the anticipated impact of the strategy on the state’s improper payment rate.
- **Fraud Prevention Strategies.** States may request funds to implement tools that can help prevent and detect fraudulent overpayments. ETA encourages states to implement strategies such as:
 - Internet Protocol (IP) Address blocking software for use in identifying and blocking foreign IP addresses during incoming claim or weekly certification requests. Please refer to this summary for a description of a similar strategy implemented by the state of New York at: <http://www.dol.gov/dol/maps/pdf/20120127NewYork.pdf>.
 - Identity verification systems to authenticate the identity of individuals and prevent the use of personal identifying information for willful misrepresentation in establishing eligibility to apply for UI benefits.

- Cross-matching with public or private sources of incarceration and mortality data to prevent fraudulent UI overpayments.
- **Work Search Automation.** States may request funding to implement an online work search record or other automation strategy to address work search overpayments. For an example of an implementation of an online work search record, please refer to TEN No. 12-13.
- **TOP Implementation.** States that have not already done so may request funds to implement TOP for the recovery of fraudulent and certain non-fraudulent overpayments, or to implement TOP for recovery of unpaid employer taxes (see UIPLs No. 02-09, Changes 1-3).
- **UCX Automation.** States may request funds to implement the MSDES, as described in TEN No. 27-13, to improve, streamline, and automate UCX claims filing and billing. The MSDES makes UCX claim filing and billing significantly more efficient by allowing the various branches of the military and the states to electronically communicate with each other instead of relying on a paper-based system. Funding for this UCX automation strategy may be used for the following purposes:
 - To cover costs for Interstate Connection (ICON) Network programming necessary to implement MSDES;
 - Programming to provide additional information in the Type 2 Request Record sent to the Federal Claims Control Center, which must include: changing the Branch of Service field from optional to required, populating the Maximum Benefit Amount and Weekly Benefit Amount information in the Type 2 Record, and adding dependent allowance;
 - Programming to ensure that states can send and receive all six UCX record types via ICON;
 - Programming to update the UCX message codes to display new message types for error handling in the state system;
 - Developing the appropriate interfaces with the state benefits systems to generate the quarterly billing statement electronically in a standardized (.csv) file format; and
 - Testing state systems to verify display and processing functionality.
- **WIOA Data System Integration/Reemployment Strategies Benefiting UI Claimants.** WIOA requires states to work toward integrated data systems across partner programs, including UI, in support of broader service delivery, including to UI claimants in support of their reemployment. WIOA also amends the Wagner-Peyser Act to clearly emphasize the need to serve UI claimants. States may request funds to establish linkages across state IT systems supporting both UI and workforce services (e.g. UI benefits system, state job bank, and/or case management system) in order to more effectively link UI claimants to reemployment services – delivered either electronically or through American Job Centers. States are also encouraged to establish a UI feedback loop when claimants are referred to reemployment services to ensure the claimant maintains UI eligibility. States

may consider adoption of two reemployment information technology tools recently developed collaboratively by the ITSC and pilot states that support integrated registration for UI and workforce programs and create a common front door for job seekers. The Workforce Connect tools provide an interactive hub for reemployment service delivery and a way to push available jobs to claimants throughout the service delivery life cycle. States may find more information about these tools at http://www.itsc.org/Pages/WF_Connect.aspx or they may contact Subri Raman (raman.subri@dol.gov), Chief, Division of Performance Management, in the National Office.

- **UI Accessibility.** States may request funds to help comply with statutory and regulatory obligations to ensure equal, effective, and meaningful access to the UI program and its benefits, services, and information. In delivering UI services, states must ensure that information and the provision of services regarding UI initial claims filing, Benefits Rights Information, UI continued weekly/biweekly claims filing, fact-finding and adjudication/determinations, appeals hearings/decisions as well as referrals and linkages to reemployment services are accessible regardless of age, disability, race, national origin, or English language ability. They must also be accessible to those with other access barriers such as literacy issues or inability to access or use technology. SBR funding is available to make automated system enhancements and/or to provide tools and training to staff to accomplish accessibility compliance. Please refer to UIPL No. 02-16 for additional guidance.
- **UI Reporting Improvements, including DV.** States may request funds to improve the data quality of UI federal reports submitted to ETA. The proposal must clearly explain the deficiencies with the existing required report(s) that will be addressed by implementing this project. States may also request funding for IT support of DV efforts to create/revise the DV population datasets or extract files, modify computer systems to add new fields needed for DV, ensure that state computer programs are extracting the correct transactions for DV population datasets, correct errors in data validation extract files, and ensure that the corrections pass DV guidelines.
- **UI IT Contingency Plan.** States may request funding to develop or update their UI IT Contingency Plan using the guidelines provided in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-34. Upon completion of the plan, SWAs must have an Independent Verification & Validation (IV & V) conducted of their UI IT Contingency Plan based on guidelines provided in the NIST SP 800-34. States must submit a copy of the IV&V certification report on their contingency plan to their respective Regional Office.
- **UI IT Security.** States may request funds to address the UI IT security weaknesses that have been identified by recent IT security audits (performed within the last three years from the date of this UIPL) or by a SWA's UI IT security self-assessment that complies with the NIST IT security guidelines found in NIST SP 800-53, *Recommended Security Controls for Federal Information Systems* and NIST SP 800-53A, *Guide for Assessing the Security Controls in Federal Information Systems*.

- **CWC 02-12 Application.** States may request funding to implement the guidance contained in UIPL No. 02-12 and UIPL No. 02-12, Changes 1 and 2. The Trade Adjustment Assistance Extension Act (TAAEA) of 2011 and implementing guidance contained in UIPL No. 02-12 and UIPL No. 02-12, Change 1, necessitated a new communication process between the paying state and the transferring state involved in a CWC to ensure the paying state's determination of non-charging is promptly communicated to the transferring state and the employer's account is appropriately charged. The effective date of this requirement was October 21, 2013. In a collaborative effort involving ETA, NASWA, and states, an application (CWC 02-12) was implemented on the ICON network to address the TAAEA provision on non-charging. States are required to meet the provisions of TAAEA and are encouraged to use the ICON CWC 02-12 application to communicate with each other.
- **Protection of Individual Rights in State Overpayment Prevention and Recovery Procedures.** States may request funds to implement changes to their existing overpayment prevention or recovery procedures in order to comply with the requirements in UIPL No. 01-16.
- **Strategies to Increase State and Employer Use of SIDES.** States that have implemented SIDES may request funds for strategies to increase employer usage of SIDES. Proposed projects may include automation needed to better integrate SIDES with internal workflow or case management system interfaces, developing portals for the employer sign-up for SIDES that include a default to respond through SIDES, and developing new strategies for employer take-up. States can review how employers are using E-Response, and current practices for employer engagement, outreach, and marketing at http://www.itsc.org/Pages/SIDES_eResponse.aspx.
- **SIDES Monetary and Potential Charges Exchange.** States may elect to implement SIDES Monetary and Potential Employer Charges Data Exchange. This feature of SIDES allows a state to notify employers when claims are filed, shows the wages the employer paid that were used to establish a claim, identifies the claimants' potential weekly and total benefits, and calculates the potential charges to the employer's UI account. This data exchange supports prompt notification to employers of the initial application for UI benefits and gives employers the opportunity to instantly respond regarding any discrepancies.
- **SIDES Nonmonetary Determinations and Appeals Decisions Exchange.** States may elect to implement the Nonmonetary Determinations and Appeals Decisions exchange. This feature of SIDES allows for communications with employers regarding the outcome of an individual application to receive UI benefits, specifically, information on determinations made regarding claimants' UI eligibility resulting from a separation or non-separation issue. States can electronically provide decisions regarding claimant eligibility, and employers can respond by filing protests or appeals to those decisions. The Nonmonetary Determinations and Appeals Decisions exchange streamlines this essential step in the UI claim resolution process and eliminates potential mail delays.

- **State-Specific Program Integrity or Performance Improvement Strategy for At Risk or High Priority States.** States formally designated as “At Risk” for performance, as defined in UIPL No. 22-10, or “High Priority” for improper payments, as defined in UIPL No. 33-11, may propose a strategy designed to prevent improper payments or improve state performance. These strategies must be directly tied to Corrective Action Plans included in the state’s SQSP and may not be requested for general process improvements. At Risk or High Priority states that propose these strategies must provide a detailed description of the project design, expected outcomes, and the impact of the strategy on the state’s improper payment rate or performance. States may only submit one state-specific strategy as part of the SBR request.

7. **Consortium Projects.** Due to the limited availability of funds for all FY 2016 SBR requests, states may only submit proposals for UI IT modernization projects as part of an existing consortium of states and only for the limited circumstances outlined below. Funding is not available to support any new consortia. An existing consortium planning to submit a proposal must comply with the requirements provided below and those established in Section 5 and in Section 9 of this UIPL.

In recent years, a few individual states have used innovative approaches to cost-effectively modernize their IT systems. These approaches include modernization of specific subsystems, modules or components that support critical business functions and integrates them within their existing system. For the consortium system, a subsystem, module or component that is proposed for development must use open source components to the extent feasible, be transferable, and be available to be shared by multiple SWAs without the need for significant customization, and/or be hosted in one state, which will provide automated services to other states. This is the first time ETA is offering existing state consortia the opportunity to use funds for the development of a subsystem, module, or component of a UI Benefits and/or Tax system.

The purposes for which a consortium of states may submit a proposal are outlined below:

- An existing consortium, whether funded by ETA or using state funds, may submit a proposal for the design, development and implementation of subsystems, modules or components that support critical business functions of an UI Benefits and/or Tax system.
- An existing consortium, whether funded by ETA or using state funds, that has substantially completed development of its system may submit a proposal to conduct a fit-gap analysis to enable on-boarding a new state. The proposal must demonstrate a commitment by the consortium and the state to be on-boarded to integrate the new state into the consortium and reflect an agreement to revise the existing consortium agreement, governance structure, and operating model to accommodate the inclusion of the new state agency.
- In very limited circumstances, such as unanticipated costs for additional subject matter experts (SMEs) to assist with the project, ETA may provide additional funding to an

existing consortium that received IT modernization funding under an earlier SBR. The rationale for a request must be compelling and demonstrate that changes in circumstances or situations that were unforeseeable are the cause for the need for additional funding.

Consortia are reminded that the project planned by a state consortium must specifically address the following requirements that may be applicable for their specific SBR proposal:

- Data outputs that meet UI Required Reporting requirements in ETA Handbook No. 401;
- UI Data Validation requirements as referenced in ETA Handbook No. 361;
- System interfaces with the ICON network applications;
- System interfaces with SIDES;
- Compliance with appropriate assurances as referenced in ETA Handbook No. 336, Chapter VII, including the requirements for Contingency Planning and Automated Information Systems Security;
- Compliance with the final rule for Data Exchange Standardization published in TEN No. 34-13, to designate data exchange standards for UI administration; and
- If the project includes an integrated UI Tax system, it must provide for the continued reporting of wage records, monthly employment, and any other factors required under the Quarterly Census of Employment and Wages program.

All consortium proposals must identify a lead state agency, identify the states participating in the consortium, and explain the projected allocation of and fiscal responsibility for expenditures. Additionally, the proposals must include a copy of the signed agreement(s) by all participating states. A cover letter must be included and signed by the Administrator of the lead state agency and it must explain the roles of the participating state(s) in the project as described in the consortium agreement.

8. **Quarterly Reporting Requirements.** Each state recipient of SBR funds must submit a narrative Quarterly Progress Report (ETA 9165) and Quarterly Financial Report (ETA 9130) containing updates on the progress and implementation of each grant project as listed in the award letter. For SBRs provided to state consortia for IT modernization projects, the lead state is expected to provide the status report on behalf of the partner states. Please refer to UIPL No. 19-15 for additional guidance on the submission of quarterly progress reports to meet the reporting and record keeping requirements of these grants.
9. **Application and Award of Supplemental Funds.** To apply for supplemental funds, a state must submit an SBR package (see Attachment A) consisting of an individual application for the SIDES Implementation Requirement and/or any optional Additional Strategies for which the state seeks funding. Each project application will be evaluated separately. When the same expenditures are requested in two different individual applications and would be duplicated if both were funded, the state must provide a brief explanation in both applications where the costs are duplicated to ensure that the same costs are not funded twice. States must use the application document provided in Attachment A to prepare an SBR package. An electronic version of Attachment A will be made available to states through the Regional Offices. States must also submit both the form SF-424 (OMB No. 4040-0004) http://apply07.grants.gov/apply/forms/sample/SF424_2_1-V2.1.pdf and SF-424A

(OMB No. 4040-0006) <http://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf> covering all projects in the SBR.

For consortium projects, the lead state will be responsible for submitting a joint application (see discussion in Section 7) on behalf of the participating states. The proposal must clearly indicate total project costs including a breakdown of individual state costs. States must indicate the minimum funds necessary to complete the proposed project(s). Depending on the availability of funding and number of proposals deemed eligible for funding, it may be necessary to negotiate project funding. The FY 2016 Appropriation provides the authority for states to provide subgrants to other states within the consortium for activities in accordance with the purpose and conditions of the grant.

Applications that do not follow the format prescribed in this section will be judged as non-responsive and will not be considered for funding. ETA also reserves the right to negotiate grant amounts with each applicant. States will be required to submit revised forms SF-424 and SF-424A if the final award amount is different from the initial request. New grant agreements will be executed for supplemental funds awarded under this UIPL.

The one-time funds available for automation acquisitions and competitive grants for improved operations and improper payment activities **must be obligated by states by September 30, 2018**, and liquidated within 90 days of that date. Upon written request, the Grant Officer may extend the liquidation period. Funds obligated by a state by September 30, 2018, to an outside entity allows for work supported by these funds to continue for 90 days beyond that date. Any work beyond that date would require an approved liquidation extension beyond the 90-day period. Funds obligated for state staff and services related to automation acquisitions/projects such as SMEs, application developers, or project management oversight must be obligated by September 30, 2018, and liquidated within 90 days thereafter.

By applying for any of these funds for individual state projects, the state agrees that the proposed projects will be completed with no additional federal funding. For consortium projects, ETA may allocate additional funding to ensure successful completion of projects, on a case-by-case basis if funding is available. When projects have been approved, a Letter of Award will be issued to the state(s) listing the proposals that are being funded by the SBR. It will include the funding level for each proposal, the total funding level for the state's SBR, and the allocation among states for any consortium projects. Additionally, the state will also receive a grant award package that includes a Notice of Obligation.

- 10. Project Modifications.** If, during the performance period, a state wishes to reallocate funds among categories/projects within its SBR, it must submit a new SF-424A (OMB No. 4040-0006) to the appropriate Regional Office for approval, with a copy to the National Office if the amount to be moved is equal to or exceeds 10 percent of the total grant award received under this UIPL. The state must also submit a request for modification of the grant signed by the state's signatory authority. This information will be submitted to the Grants Officer with a request for modification of the SBR grant to reflect the requested changes. For consortium

grants, this request must be provided to the National Office by the lead state. **Also, all future modification requests to the grant should be sent by email to OUI.IntegritySBRs@dol.gov with a copy to the appropriate Regional Office.**

By accepting these funds, each state agrees to meet the commitment(s) made in its application. States may not elect to abandon an approved (single) project and move funds to a different project. State progress in achieving the timelines and completing the deliverables established in the grant's statement of work will be monitored on a quarterly basis using the reporting format discussed in Section 8 of this UIPL. A state's failure to meet these performance requirements could result in questioned costs that would need to be repaid.

- 11. OMB Information Collection.** OMB Information Collection No 1225-0086, expires May 31, 2019. According to the Paperwork Reduction Act of 1995, no person is required to respond to a collection of information unless such collection displays a valid OMB control number. Public reporting burden for this collection of information is estimated to average 20 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments about the burden estimated or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, to the attention of the Departmental Clearance Officer, 200 Constitution Avenue NW, Room N1301, Washington, D.C. 20210. Comments may also be emailed to DOL_PRA_PUBLIC@dol.gov. **PLEASE DO NOT RETURN THE COMPLETED APPLICATION TO THIS ADDRESS. SEND IT TO THE SPONSORING AGENCY AS SPECIFIED IN THIS ANNOUNCEMENT.**

- 12. Action Requested.** State Administrators are requested to:

- a) Review the funding opportunities and determine whether the state will apply for any funds under this solicitation;
- b) Coordinate with UI program and IT staff to develop a proposal(s) under this solicitation;
- c) Work with the appropriate Regional Office to develop an SBR that will best serve the needs of the state. An electronic version of Attachment A will be made available to states through the Regional Offices; and
- d) Submit the SBR application by e-mail to OUI.IntegritySBRs@dol.gov by the close of business on **Wednesday, August 31, 2016**, with an electronic copy provided to the appropriate Regional Office. Late applications will not be accepted. **The subject line of the e-mail should include the name of the state and the title "Integrity-Related SBR 2016."**

- 13. Inquiries.** Questions should be directed to the appropriate Regional Office.

- 14. Attachments.**

Attachment A: 2016 Supplemental Budget Request (SBR) Application
Attachment B: Grant Terms and Conditions

2016 Supplemental Budget Request (SBR) Application

Instructions: States must complete a separate document using the suggested format and instructions below for each activity for which the state is seeking funding. This document is to be combined in a single SBR along with a completed SF-424 and an SF-424A covering all projects. The lead state in a consortium must submit a separate application for a Consortium Project. Applications that do not follow the format prescribed in this section will be judged as non-responsive and will not be considered for funding.

Unemployment Insurance Supplemental Budget Request Abstract		
State Name:		
Total Funds Requested for All Projects:		
Name, Title, and Address of Grant Notification Contact <i>(Typically the State Workforce Agency Administrator)</i> Name: Title: Address:		
Name, E-Mail Address, and Phone Number of SBR Project or Fiscal Manager Name: E-Mail Address: Telephone Number:		
Name, E-Mail Address, and Phone Number of Benefit Payment Control Supervisor Name: E-Mail Address: Telephone Number:		
Provide the following information for each project <i>(add additional rows as needed)</i> :		
Individual Project Name	Total Cost of Project	Proposed Completion Date

Unemployment Insurance Supplemental Budget Request Abstract		

SIDES Attestation for previously funded states	
SIDES Web Services and SIDES E-Response implemented	Yes / No with target date
State is using SIDES Web Services to Exchange with all available employers and TPAs	Yes / No with target date within 12 months of this UIPL's publication date. ⁴
State is implementing strategies to expand overall state usage of SIDES Web Services and SIDES E-Response ⁵ (Yes / No with projected target date for achieving the SIDES expansion goals of 50% overall and 35% for E-Response)	

Cross-Functional Task Force Attestation	
Is the Cross-Functional Task Force in place and convened in the last quarter?	Yes / No, but will convene within 3 months of this UIPL's publication date.

SBR Project Application
Complete a separate document for each activity for which the state seeks funding

⁴ If a particular employer or TPA is the cause for the delay for implementing the exchange, the date will be based on a negotiated schedule with the NASWA SIDES Team.

⁵ States meet SIDES expansion goals by receiving employer responses for at least 50 percent of all UI initial claims and at least 35 percent of all UI initial claims processed through the SIDES E-Response.

Name of Project
Amount of Funding Request for this Project
State Contact
Name: E-Mail Address: Telephone Number:

Project Description
Project Timeline

Description of Costs			
State Agency Staff Costs:			
Type of Position	Total Hours	Cost Per Hour	Total
Contract Staff Costs:			
Type of Position	Total Hours	Cost Per Hour	Total
Hardware, Software and Telecommunications Equipment:			
Item Description	Cost Per Item	Quantity	Total

Other Costs:			
Item	Cost	Explanation	

Strategic Design:

Measurable Improvements Expected in UI Operations:

SECTION INSTRUCTIONS

SIDES Attestation for previously funded states: Provide an attestation that the state has completed implementation of SIDES Web Services and SIDES E-Response. If implementation is ongoing, provide the target completion date for that component. Indicate if the state is currently matching with all available employers and TPAs, and if not, attest that the state will be matching with all available employers and TPSs within 12 months.

Name of Project: Provide a name to identify the state’s proposed project. If the state is submitting requests to fund more than one project, each project should be identified by a different name that describes each project.

Amount of Funding Request for this Project: Provide the total amount of funds requested in this individual project.

State Contact: Provide name, telephone number, and e-mail address of the individual who can answer any questions relating to the proposal.

Project Description: Provide a brief description of the activity/project for which the state is seeking funding and explain how the project will improve prevention, detection, or collection of overpayments; or improve performance in other UI activities.

Project Timeline (20 percent of total score): Provide a list of the dates and the milestones for this project. The timeline should include the completion of the work, the designation of specific tasks to appropriate parties, the issuance of a request for proposal, if appropriate, the projected start date, the proposed dates to begin and complete testing (if necessary), and the proposed date

for full implementation of the project. These milestones and dates will be used to monitor the implementation of the project.

Description of Costs (20 percent of total score): Provide an explanation of all costs included in the project.

- **State Agency Staff Costs:** Use the table format above to request state staff to support project implementation.
- **Contract Staff Costs:** Use the table format above to request contract staff to support project implementation.
- **Hardware, Software, and Telecommunications Equipment:** Provide an itemized list of hardware, software, and telecommunications equipment including the cost per item and the number of each item requested. A description of each item must provide any information needed to identify the specific item and a description of the size and capacity of each item if applicable.
- **Other:** Identify each item of cost not covered elsewhere and provide the expected cost per item. The need for each item must be explained.

Strategic Design (30 percent of total score): The strategic design should provide evidence of a thorough analysis of current operations and show that the design will meet the needs of the state. For example, a proposed improper payment strategy could include an explanation of overpayments that are currently not being prevented, detected or recovered because the proposed automated system is not operational. The state must explain how it has determined that the proposed system would be the most beneficial to its operation and accomplish the goals.

Measurable Improvements Expected in UI Operations (30 percent of total score): Identify the areas which will be improved or on-going costs reduced through implementation of the proposed project. All improvements and cost reductions must be quantified rather than generalized. For example, if it is anticipated that overpayments will be collected more quickly with the new system, the measurable improvements must identify the anticipated time savings per overpayment and the percentage of overpayments that will be affected by the project(s).

Unemployment Insurance – {Project Name} Grants

TERMS AND CONDITIONS

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Attachment A: SF 424

Attachment B: SF 424-A

Attachment C: Abstract

1. Order of Precedence

The terms and conditions of this Notice of Award and other requirements have the following order of precedence if there is any conflict in what they require: (1) State Unemployment Insurance Program activities authorized under Title III of the Social Security Act (as amended); (2) the Funding Announcement provided in the Unemployment Insurance Program Letter (UIPL) for Supplemental Funding Opportunities for Improved Operations for Fiscal Year 2016; (3) other applicable Federal statutes and their implementing regulations; and (4) terms and conditions of award.

2. Funding Announcement

The Funding Announcement and any amendments are hereby incorporated into this Grant Agreement. Recipients are bound by the authorizations, restrictions, and requirements contained in the Funding Announcement.

3. Approved Statement of Work

The award recipient's project narrative is taken as the Statement of Work. If there is any inconsistency between items in this project narrative and any Department of Labor (DOL) regulation, guidance or OMB cost principle, the DOL regulation, guidance or cost principle will prevail.

4. Approved Budget

The recipient's budget documents are attached in this Notice of Award Package. The documents are: 1) the SF-424; 2) the SF-424 A; and 3) Abstract. The recipient must confirm that all costs are allowable before expenditure. Pursuant 2 CFR 2900.1, approval of the budget as awarded does not constitute prior approval of those specified in 2 CFR 200 or this grant award as requiring prior approval. The Grant Officer is the only official with the authority to provide such approval.

5. Evaluation, Data, and Implementation

The recipient must cooperate with the DOL in the conduct of a third-party evaluation, including providing DOL or its authorized contractor with appropriate data and access to program operating personnel and participants in a timely manner.

6. Federal Project Officer

The grant award is assigned to the Region {Region Number}, {City} Regional Office, which will assign a Federal Project Officer to your award. Please contact the Regional office for more information at (Insert email address) or (insert telephone number)

The FPO is not authorized to change any of the terms or conditions of the award or approve prior approval requests. Any changes to the terms or conditions or prior approvals must be approved by the Grant Officer through the use of a formally executed award modification.

7. Notice of Award

Funds shall be obligated and allocated via a Notice of Award (NOA) grant modification. Obligations and costs may not exceed the amount awarded by the NOA modification unless otherwise modified by ETA. Funds are obligated for the amount indicated in the "Modification 0" NOA in accordance with the recipient's award amount. The Federal obligation level will be amended by the Grant Officer to increase (or adjust) amounts available to the recipient as funds become available for obligation and additional Notice of Award (or Deobligation) grant modifications are required and issued.

8. OTCnet Program Check Capture Legal Notices

The Department of Labor, Employment Training and Administration will be using U.S. Treasury Paper Check Conversion. Henceforth, processing of Check Payments received in Person or by Mail will be converted into an electronic funds transfer (EFT).

9. 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 plan and incorporated assurances; and the applicable provision in the appropriations acts for these funds.

10. Funding Restrictions

a. Consultant Rate Limitation:

The total salary and bonus of any consultant that is considered a subrecipient who provides services under a program cannot exceed the daily rate equivalent of the Executive Level II salary level in effect at the time services are rendered.

b. Budget Flexibility

As directed in 2 CFR 200.308(e), the transfer of funds among direct cost categories or

programs, functions and activities is restricted such that if the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency, the recipient must receive prior approval from the Grant Officer.

Any changes to personnel costs within the personnel line item do not require a grant modification unless the changes result in a change to the amount listed on the SF 424a Personnel line. It is recommended that your assigned Department of Labor (DOL) Federal Project Officer (FPO) review within-line changes prior to implementation to ensure they do not require a modification.

c. Mileage Reimbursement Rates

Pursuant to 2 CFR 200.474(a), recipients must have policies and procedures in place related to travel costs; however, for reimbursement on a mileage basis, this federal award cannot be charged more than the maximum allowable Mileage Reimbursement Rates for Federal employees. The 2015 Mileage Reimbursement Rates are:

Modes of Transportation	Effective/Applicability Date	Rate per mile
Privately owned automobile	January 1, 2015	\$0.575
Privately owned motorcycle	January 1, 2015	\$0.545

Mileage rates must be checked annually at www.gsa.gov/mileage to ensure compliance.

11. Administrative Requirements

a. System for Award Management and Universal Identifier Requirements

1. Requirement for System of Award Management

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, 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.

2. Requirement for unique entity identifier

If you are authorized to make subawards under this award, you:

- i. Must notify potential subrecipients that no entity (*see* definition in paragraph [3] of this award term) may receive a subaward from you unless the entity has provided its unique entity identifier to you.
- ii. May not make a subaward to an entity unless the entity has provided its unique entity identifier to you.

3. Definitions

For purposes of this award term:

- i. *System of Award Management (SAM)* means the Federal repository into which an entity must provide information required for the conduct of business as a

recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).

ii. *Unique entity identifier* means the identifier required for SAM registration to uniquely identify business entities.

iii. *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.

iv. *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 you received this award and that you as the recipient award to an eligible subrecipient.
- b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).
- c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

v. *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 you are exempt as provided in paragraph [4.] of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph [5.] of this award term).
- ii. *Where and when to report.*
 - a. You must report each obligating action described in paragraph [1.i.] 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, 2010, the obligation must be reported by no later than December 31, 2010.)
- iii. *What to report.* You 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.* You must report total compensation for each of your 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, you received—
 - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - 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/excomp.htm>.)
 - ii. *Where and when to report.* You must report executive total compensation described in paragraph [2.i.] of this award term:
 - a. As part of your registration profile at <http://www.sam.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 you are exempt as provided in paragraph [4.] of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—
 - 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.* You must report subrecipient executive total compensation described in paragraph [3.i] of this award term:
 - a. To the recipient.
 - b. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

4. *Exemptions.*

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

- 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 you received this award and that you as the recipient award to an eligible subrecipient.
 - b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see [2 CFR 200.330]).
 - c. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- iv. *Subrecipient* means an entity that:
 - a. Receives a subaward from you (the recipient) under this award; and
 - b. Is accountable to you 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.*
- f. 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

Recipients must recognize and safeguard personally identifiable information (PII) except where disclosure is allowed by prior written approval of the Grant Officer or by court order. Recipients must meet the requirements in Training and Employment Guidance letter (TEGL 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. Recipient Integrity and Performance Matters

- A. General reporting requirement. If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal agencies exceeds \$10,000,000 for any period of time during the project period of this award, then you as the recipient during that period of time must maintain the currency of information in the Federal Awardee Performance and Integrity Information System (FAPIIS)(then you as the recipient during that period of time must maintain the currency of information in the Federal Awardee Performance and Integrity Information System (FAPIIS) about civil, criminal, or administrative proceedings described in paragraph B. of this award term by updating the information in SAM) about civil, criminal, or administrative proceedings described in paragraph B. of this award term. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 417b). As required by section 3010 of Public Law 111-212, all information posted in FAPIIS on or after April 15, 2011, except past performance reviews, will be publicly available.
- B. Proceedings about which you must report. Submit the information required about each proceeding that:

1. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from either the Federal Government or a State;
2. Reached its final disposition during the most recent 5-year period; and
3. Is one of the following:
 1. A criminal proceeding that resulted in a conviction, as defined in paragraph E. of this award term
 2. A civil proceeding that resulted in a finding of fault and liability and you're paying a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
 3. An administrative proceeding, as defined in paragraph e. of this award term, that resulted in a finding of fault and liability and your payment of either monetary fine or penalty of \$5,000 or more or a reimbursement, restitution, or damages in excess of \$100,000; or
 4. Any other criminal, civil, or administrative proceeding if:
 - i. It could have led to an outcome described in paragraph B.3.a, b, or c of this award term;
 - ii. It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
 - iii. The requirement in this award term to disclose information about the proceeding does not conflict with applicable laws and regulations.

C. Reporting procedures. Enter in SAM Entity Management area (formerly CCR), or any successor system, the FAPIIS information that SAM requires about each proceeding described in paragraph B. of this award term. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM (formerly CCR) because you were required to do so under Federal procurement contracts that you were awarded.

D. Reporting frequency. During any period of time when you are subject to the requirement in paragraph A. of this award term, you must report FAPIIS information through SAM no less frequently than semiannually following your initial report of any proceedings for the most recent 5-year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report.

E. Definitions. For purposes of this award term:

1. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- a. Conviction, for purposes of this award term, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

- b. Total value of currently active grants, cooperative agreements, and procurement contracts includes —
 - i. Only the Federal share of the funding under any award with a recipient cost share or match; and
 - ii. The value of all options, even if not yet exercised.

e. Audits

Organization-wide or program-specific audits shall be performed in accordance with the Single Audit Act Amendments of 1996. Recipients that expend \$750,000 or more in a year in Federal awards shall have an audit conducted for that year in accordance with the requirements contained in 2 CFR 200.501. The provisions of 2 CFR Subpart F, Audit Requirements, will apply to audits of non-Federal entity fiscal years beginning on or after December 26, 2014. The revised audit requirements are not applicable to fiscal years beginning prior to that date.

f. Equipment

Purchases of Automated Data Processing (ADP) equipment must be made in accordance with 2 CFR 200.313 or 2 CFR 200.439.

If the recipient's budget or statement of work specifies the need for the purchase of any equipment, the recipient may use the approved funds for those purchases. If the recipient's budget or statement of work did not specify the need for any equipment at the time of this award, recipients must request and receive **prior approval** from the DOL/ETA Grant Officer for the purchase of any equipment with a per unit acquisition cost of \$5,000 or more, and a useful life of more than one year. Failure to request and receive prior approval for purchases not specified in the recipient's budget or statement of work may be subject to disallowed costs with regards to this grant funding.

g. Program Income

The recipient is required to utilize the addition method if any Program Income is generated throughout the duration of this award. The recipient is allowed to deduct costs incidental to generating Program Income to arrive at a Program Income. Additional information about program income is located in 2 CFR 200.307(b).

h. Pre-Award

All costs incurred by the recipient prior to the start date specified in the award issued by the Department are *incurred at the recipient's own expense*.

i. Reports

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

- A. **Quarterly Financial Reports.** All ETA recipients are required to report quarterly financial data on the ETA 9130. ETA 9130 reports are due no later than 45 calendar days after the end of each specified reporting quarter. Reporting quarter end dates are June 30, September 30, December 31, and March 31. A final financial closeout report is required to be submitted no later than 90 calendar days after the grant period of performance ends. For guidance on ETA's financial reporting, reference Training and Employment Guidance Letter (TEGL) 13-12.

ETA requires all grant recipients to submit the 9130 form electronically through an on-line reporting system. Expenditures are required to be reported on an accrual basis, cumulative from the beginning of the life of a grant, through the end of each reporting period.

The instructions for accessing both the on-line financial reporting system and the HHS Payment Management System can be found in the transmittal memo accompanying this Notice of Award. To gain access to the online financial reporting system, a request for a password and pin must be submitted via e-mail to ETApasword.pin@dol.gov. The Financial Report Access Document, copies of the ETA 9130, and detailed reporting instructions are available at www.doleta.gov/grants/financial_reporting.cfm.

- B. **Quarterly Narrative Progress Reports.** Recipients are required to submit to the designated Regional Federal Project Officer (FPO) a narrative Quarterly Progress Report (ETA 9165) on the progress and implementation of each project funded under this award. All reports are due no later than 45 calendar days after the end of each specified reporting quarter. Please refer to UI Program Letter No. 19-15 for additional guidance on the submission of quarterly progress reports to meet the reporting and record keeping requirements of these grants.

j. Managing Subawards

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

The provisions of the Terms and Conditions of this award will be applied to any subrecipient under this award. The recipient is responsible for the monitoring of the subrecipient, ensuring that the Terms and Conditions are in all subaward packages and that the subrecipient is in compliance with all applicable regulations and the terms and conditions of this award (2 CFR 200.101(b)(1)).

k. Final Year/Closeout Requirements

At the end of the grant period, the recipient will be required to close the grant with ETA. The recipient will be notified approximately 15 days prior to the end of the period of performance that the initiation of closeout will begin at the end of the grant. Information concerning the recipient's responsibilities at closeout may be found in 2 CFR 200.343.

l. Publicity

No funds provided under this grant shall be used for publicity or propaganda purposes, for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress or any state or local legislature or legislative body, except in presentation to the Congress or any state or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any state or local government, except in presentation to the executive branch of any state or local government itself. Nor shall grant funds be used to pay the salary or expenses of any recipient or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive Order proposed or pending before the Congress, or any state government, state legislature, or local legislature body other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a state, local, or tribal government in policymaking and administrative processes within the executive branch of that government.

m. Procurement

The Uniform Administrative Requirements (2 CFR 200.317-36) require all recipient procurement transactions to be conducted in a manner to provide, to the maximum extent practical, open and free competition. If the statement of work identifies a specific entity to provide goods or services, the DOL ETA's award does not provide the justification or basis to sole-source the procurement, i.e., avoid competition.

n. Vendor/Contractor

The term "contractor", sometimes referred to as a vendor, is a dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a Federal program. (2 CFR 200.23) These goods or services may be for an organization's own use or for the use of beneficiaries of the Federal program. Additional guidance on distinguishing between a subrecipient and a contractor (vendor) is provided in 2 CFR 200.330. When procuring contractor provided goods and services, DOL ETA recipients and subrecipients must follow the procurement requirements 2 CFR 200.319, which call for free and open competition.

o. 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 recipient, subrecipient 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 license fee for use of a copyrighted work, or the cost of acquiring by purchase a copyright in a work, where the Department has a license or rights of free use in such work, 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 must be used in accordance with the provisions of this grant award and 2 CFR 200.307.

If applicable, the following needs to be on all products developed in whole or in part with grant funds:

“This workforce product was funded by a grant awarded by the U.S. Department of Labor’s Employment and Training Administration. The product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it.”

p. Creative Commons License Requirement

Pursuant to 2 CFR 2900.13, to ensure that the Federal investment of DOL funds has as broad an impact as possible and to encourage innovation in the development of new learning materials the recipient will be required to license to the public all work created with the support of this grant under a Creative Commons Attribution 4.0 (CC BY) license. Work that must be licensed under the CC BY includes both new content created with the grant funds and modifications made to pre-existing, recipient-owned content using grant funds.

This license allows subsequent users to copy, distribute, transmit, and adapt the copyrighted Work and requires such users to attribute the Work in the manner specified by the recipient. Notice of the license shall be affixed to the Work. For general information on CC BY, please visit <http://creativecommons.org/licenses/by/4.0>. Instructions for marking your work with CC BY can be found at http://wiki.creativecommons.org/Marking_your_work_with_a_CC_license.

Only work that is developed by the recipient in whole or in part with grant funds is required to be licensed under the CC BY license. Pre-existing copyrighted materials licensed to, or purchased by the recipient from third parties, including modifications of such materials, remains subject to the intellectual property rights the recipient receives under the terms of that particular license or purchase. In addition, works created by the recipient without grant funds do not fall under the CC BY license requirement.

The purpose of the CC BY licensing requirement is to ensure that materials developed with funds provided by this award result in work that can be freely reused and improved by others. When purchasing or licensing consumable or reusable materials, the recipient is required to respect all applicable Federal laws and regulations, including those pertaining to the copyright and accessibility provisions of the Federal Rehabilitation Act.

q. Requirements for Conference and Conference Space

Conferences sponsored in whole or in part by the recipient of Federal awards are allowable if the conference is necessary and reasonable for the successful performance of the Federal Award. Recipients are urged to use discretion and judgment to ensure that all conference costs charged to the grant are appropriate and allowable. For more information on the requirements and allowability of costs associated with conferences, refer to 2 CFR 200.432. Recipients will be held to the requirements in 2 CFR 200.432. Costs that do not comply with 2 CFR 200.432 will be questioned and may be disallowed.

r. Travel

This award waives the prior approval requirement for domestic travel as contained in 2 CFR 200.407. For domestic travel to be an allowable cost, it must be necessary, reasonable, allocable and conform to the non-Federal entities written policies and procedures. All travel must also comply with Fly America Act (49 USC 40118), which states in part that any air transportation, regardless of price, must be performed by, or under a code-sharing arrangement with, a US Flag air carrier if service provided by such carrier is available.

12. Program Requirements

This UIPL contains the program requirements for this award.

13. FY 2016 Appropriations Requirements

a. Salary and Bonus Limitations

Pursuant to P.L. 114-113, Division H, Title I, Section 105 none of the funds appropriated under the heading "Employment and Training" shall be used by a recipient or sub-recipient 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. The Executive Level II

salary may change yearly and is located on the OPM.gov website (<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2016/executive-senior-level>). The salary and bonus limitation does not apply to contractors (vendors) providing goods and services as defined in 2 CFR 200.330. 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 and Training Administration programs. See Training and Employment Guidance Letter No. 5-06 for further clarification, available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2262

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

Pursuant to P.L. 114-113, Division E, Title VII, Section 739, 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-12-12 dated May 11, 2012 or any subsequent revisions to that memorandum.

c. Reporting of Waste, Fraud and Abuse

Pursuant to P.L. 114-113, Division E, Title VII, Section 743, no entity receiving federal funds may require employees or contractors of such entity seeking to report fraud, waste, or abuse to sign internal confidentiality agreements or statements prohibiting or otherwise restricting such employees or contractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

d. Prohibition on Contracting with Corporations with Unpaid Tax Liabilities

Pursuant to P.L. 114-113, Division E, Title VII, Section 745, the recipient may not knowingly enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, unless a Federal agency has considered suspension or debarment of the

corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

e. Prohibition on Contracting with Corporations with Felony Criminal Convictions

Pursuant to P.L. 114-113, Division E, Title VII, Section 746, the recipient may not knowingly enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months, unless a Federal agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

f. Prohibition on Procuring Goods Obtained Through Child Labor

Pursuant to P.L. 114-113, Division H, Title I, Section 103, no funds may be obligated or expended for the procurement of goods mined, produced, manufactured, or harvested or services rendered, in whole or in part, by forced or indentured child labor in industries and host countries identified by DOL prior to December 18, 2015. DOL has identified these goods and services here: <http://www.dol.gov/ilab/reports/child-labor/list-of-products/index-country.htm> .

g. Requirement to Provide Certain Information in Public Communications

Pursuant to P.L. 114-113, Division H, Title V, Section 505, when issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all recipients receiving Federal funds shall clearly state:

1. The percentage of the total costs of the program or project which will be financed with Federal money;
2. The dollar amount of Federal funds for the project or program; and
3. The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

The requirements of this part are separate from those in the 2 CFR 200 and, when appropriate, both must be complied with.

h. Restriction on Health Benefits Coverage for Abortions

Pursuant to P.L. 114-113, Division H, Title V, Sections 506 and 507, Federal funds may not be expended for health benefits coverage that includes coverage of abortions, except when the abortion due to a pregnancy that is the result of rape or incest, or in the case where a woman suffers from a physical disorder, physical injury, including life-endangering physical conditions caused by or arising from the pregnancy itself that

would, as certified by a physician, place the women in danger of death unless and abortion is performed. This restriction does not prohibit any non-Federal entity from providing health benefits coverage for abortions when all funds for that specific benefit do not come from a Federal source. Additionally, no funds made available through this award may be provided to a State or local government if such government subjects any institutional or individual health care entity to discrimination on the basis that the health care entity does not provide, pay for, provide coverage of, or refer for abortions.

i. Restriction on the Promotion of Drug Legalization

Pursuant to P.L. 114-113, Division H, Title V, Section 509, no Federal funds shall be used for any activity that promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established under section 202 of the Controlled Substances Act except for normal recognized executive-congressional communications or where the grant agreement provides for such use because there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance.

j. Restriction on Purchase of Sterile Needles or Syringes

Pursuant to P.L. 114-113, Division H, Title V, Section 520, no Federal funds shall be used to purchase sterile needles or syringes for the hypodermic injection of any illegal drug.

k. Requirement for Blocking Pornography

Pursuant to P.L. 114-113, Division H, Title V, Section 521, no Federal funds may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

l. Prohibition on Providing Federal Funds to ACORN

Pursuant to P.L. 114-113, Division H, Title V, Section 522, these funds may not be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, allied organizations or successors.

14. Public Policy

a. Executive Orders

12928: Pursuant to Executive Order 12928, the recipient is strongly encouraged to provide subcontracting/subgranting opportunities to Historically Black Colleges and Universities and other Minority Institutions such as Hispanic-Serving Institutions and Tribal Colleges and Universities; and to Small Businesses Owned and Controlled by Socially and Economically Disadvantaged Individuals.

13043: Pursuant to Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, recipients are encouraged to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented, or personally owned vehicles.

13513: Pursuant to Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, dated October 1, 2009, recipients and subrecipients are encouraged to adopt and enforce policies that ban text messaging while driving company-owned or -rented vehicles or GOV, or while driving POV when on official Government business or when performing any work for or on behalf of the Government. Recipients and subrecipients are also encouraged to conduct initiatives of the type described in section 3(a) of this order.

13166: As clarified by Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, dated August 11, 2000, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI, recipients must take reasonable steps to ensure that LEP persons have meaningful access to programs in accordance with DOL's Policy Guidance on the Prohibition of National Origin Discrimination as it Affects Persons with Limited English Proficiency [05/29/2003] Volume 68, Number 103, Page 32289-32305. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Recipients are encouraged to consider the need for language services for LEP persons served or encountered both in developing budgets and in conducting programs and activities. For assistance and information regarding your LEP obligations, go to <http://www.lep.gov>.

b. Veteran's Priority Provisions

The Jobs for Veterans Act (Public Law 107-288) requires recipients 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. Recipients 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.

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 DOL 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, 41 U.S.C. 702 *et seq.*, and 2 CFR 182 require that all organizations receiving grants from any Federal agency 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 suspension or debarment.

f. Hotel-Motel Fire Safety

Pursuant to 15 U.S.C. 2225a, the recipient must ensure that all space for conferences, meetings, conventions or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (P.L. 101-391, as amended). Recipients may search the Hotel Motel National Master List at <https://apps.usfa.fema.gov/hotel/> to see if a property is in compliance, or to find other information about the Act.

g. Prohibition on Trafficking in Persons

I. Trafficking in persons.

a. Provisions applicable to a recipient that is a private entity.

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

- i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
- ii. Procure a commercial sex act during the period of time that the award is in effect; or

- iii. Use forced labor in the performance of the award or subawards under the award.
 - 2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —
 - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—
 - A. Associated with performance under this award; or
 - B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 29 CFR Part 98.
- b. *Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—
 - 1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
 - 2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—
 - i. Associated with performance under this award; or
 - ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 29 CFR Part 98.
- c. *Provisions applicable to any recipient.*
 - 1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
 - 2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
 - 3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.
- d. *Definitions.* For purposes of this award term:
 - 1. “Employee” means either:
 - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

- ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
3. “Private entity”:
- i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.
 - ii. Includes:
 - A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).
 - B. A for-profit organization.
4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

h. Buy American Notice Requirement

None of the funds made available under this act may be expended by an entity unless the entity agrees that in expending the funds it will comply with sections 8301 through 8303 of title 41, United States Code (commonly known as the “Buy American Act”).

i. Violation of the Privacy Act

These funds cannot be used in contravention of the 5 USC 552a or regulations implementing that section.

15. Attachments to Final Grant Agreement

Attachment A: SF 424

Attachment B: SF 424-A

Attachment C: Abstract