



SOUTHEAST CRESCENT
REGIONAL COMMISSION



GUIDELINES FOR THE

2023 LOCAL DEVELOPMENT DISTRICT (LDD) CAPACITY BUILDING PROGRAM

Southeast Crescent Regional Commission
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2023 LDD Capacity Building Program
Funds Available: \$2,000,000

This Southeast Crescent Regional Commission (SCRC) document provides the guidelines for the 2023 LDD Capacity Building Program. Funding for this program has been made available through the *Consolidated Appropriations Act, 2023, PL. 117-328*.

Eligible applicants are limited to Local Development Districts in participating SCRC States – AL, GA, MS, NC, SC, and VA. Financial assistance under the LDD Capacity Building Program will be disbursed through cooperative agreements between eligible LDDs and SCRC.

Eligibility Check	07/12/2023 – 08/13/2023
Option to Participate	08/14/2023 – 08/25/2023
LDD Program Application Due	09/01/2023 by 11:59 p.m.
Approval of Application	09/15/2023
Cooperative Agreements Sent	09/18/2023 – 09/20/2023
Agreement Start Date	10/01/2023

****These dates are subject to change.***

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I. SCRC Overview

The Southeast Crescent Regional Commission (SCRC) is a federal-state partnership authorized by Congress in the 2008 Food, Conservation, and Energy Act (“the Farm Bill”) to promote and encourage economic development in parts of Alabama, Georgia, Mississippi, North Carolina, South Carolina, Virginia and all of Florida. SCRC invests in projects that support basic infrastructure, business development, natural resource preservation and workforce development. SCRC is committed to supporting job creation, building communities and improving the lives of the 51 million people who reside in the 428 counties of the seven-state region. ([Click here for a list of counties and county equivalents by state.](#))

Commission leadership consists of a Senate-confirmed Federal Co-Chair (FCC) and the collective of Governors representing each participating state within the SCRC footprint. The collective is led by a States’ Co-Chair, one Governor elected by the Governors.

a) SCRC Five-Year Strategic Plan Goals

SCRC investments are directed by the [authorizing statute](#), [Five Year Strategic Plan](#), and [State Economic and Infrastructure Development Plans and Strategy Statements](#). These investments guide the funding of projects which advance local economies, infrastructure, business expansion, job creation and retention. Six goals from the Five-Year Strategic Plan are:

- 1) Invest in Critical Infrastructure**
 - 1.1 Expand basic water and sewer infrastructure to be more resilient
 - 1.2 Expand and improve access to affordable and reliable digital infrastructure
 - 1.3 Support transportation infrastructure systems and transit services
- 2) Improve Health and Support Services Access and Outcomes**
 - 2.1 Support initiatives that expand access to affordable, high-quality healthcare and services that support mental and physical health
 - 2.2 Provide support to build capacity for navigating and accessing services
- 3) Strengthen Workforce Capacity**
 - 3.1 Promote workforce development programs for local, high-demand job opportunities
 - 3.2 Increase enrollment and completion of critical training programs
- 4) Foster Entrepreneurial and Business Development Activities**
 - 4.1 Support the expansion of access to business capital to support innovation, entrepreneurship and economic equity
 - 4.2 Invest in programs and business opportunities that address critical challenges facing communities while attracting and retain talent
- 5) Expand Affordable Housing Stock and Access**
 - 5.1 Increase access to wrap-around services and legal assistance to resolve title, heirship, land tenure and eviction issues
 - 5.2 Support enrollment in and access to homebuyer programs
 - 5.3 Invest in efforts to improve the affordability and availability of quality housing across the region
- 6) Promote Environmental, Conservation, Preservation, and Access**
 - 6.1 Invest in air, water and soil clean-up efforts that impact historically disadvantaged communities
 - 6.2 Preserve and expand access to natural resources to increase outdoor recreation and tourism opportunities

b) Economic Distress Designations

SCRC annually assesses levels of distress throughout the region as dictated by the authorizing statute, *Section 40 U.S.C., Subtitle V, §15702*, which identifies and defines three economic designations – *Distressed, Transitional, and Attainment*.

SCRC uses an index-based county economic classification system to identify the economic status of each county using three indicators – the *three-year average unemployment rate, per capita market income and poverty rate*. The results are summed and averaged to create a composite index value for each county.

Distressed Counties Distressed Counties with high rates of poverty, unemployment, or outmigration and are the most severely and persistently economically distressed and underdeveloped.	Transitional Counties Transitional Counties that have recently experienced high rates of poverty, unemployment, or outmigration or are economically distressed and underdeveloped.	Attainment Counties Highest 25% Counties in the U.S and neither distressed nor transitional.
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c) Isolated Areas of Distress

Additionally, *Section 40 U.S.C., Subtitle V, §15702* directs SCRC to identify Isolated Areas of Distress defined as areas within attainment counties with high rates of poverty, unemployment and outmigration. To identify Isolated Areas of Distress, SCRC pulled census tracts and assessed them using three variables – those at or above the U.S. median poverty rate of 12.6%, those below the U.S. median household income of \$46,244 and those with a designation as a historically-disadvantaged community. In order to be classified as an Isolated Areas of Distress all three variables must be met. A full list of Isolated Areas of Distress can be found by [clicking here](#).

II. LDD Capacity Building Program Overview

In FY 2023, SCRC will invest \$2 million in the LDD Capacity Building Program to support the 55 LDDs in participating SCRC states. This non-competitive financial assistance program will strengthen the operational capacity of LDDs and benefit communities within distressed, transitional, and isolated areas of distress by enhancing local economic development, administration, and planning.

LDDs provide varied services which consists of funding identification, grant writing assistance, planning, and project implementation. The program will provide LDDs with additional resources to help communities plan, develop, implement, and evaluate projects. The pandemic delayed a number of economic development projects and exacerbated issues in under-resourced communities. Federal programs and funding appropriated in its wake included the CARES Act, American Rescue Plan, Bipartisan Infrastructure Law, and Inflation Reduction Act. This program will enhance the region’s ability to compete for and leverage these and other federal resources.

a) Program Objectives

The purpose of this program is to leverage the expertise and networks of LDDs to ensure Commission resources are deployed throughout the Southeast Crescent region. The Commission will maintain regular communication with LDDs and monitor project performance and the administration of technical assistance. LDDs will provide technical assistance, application support and review, and other services to entities applying to SCRC and other Federal funding opportunities.

The duties of local development districts are outlined in [§15505\(c\)](#):

- (1) operate as a lead organization serving multicounty areas in the region at the local level;
- (2) assist the Commission in carrying out outreach activities for local governments, community development groups, the business community, and the public;
- (3) serve as a liaison between State and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens; and
- (4) assist the individuals and entities described in paragraph (3) in identifying, assessing, and facilitating projects and programs to promote the economic development of the region.

b) LDD Eligibility

In accordance with *Section [40 U.S.C., Subtitle V, §15101 \(2\)](#)*, SCRC will only provide funds under this program to LDDs that meet the definition of “local development district” as defined by the Commission’s authorizing statute as an entity that:

- (A) (i) is an economic development district that is—
- (I) in existence on the date of the enactment of this chapter; and
 - (II) located in the region;
- or**
- (ii) if an entity described in clause (i) does not exist—
- (I) is organized and operated in a manner that ensures broad-based community participation and an effective opportunity for local officials, community leaders, and the public to contribute to the development and implementation of programs in the region;
 - (II) is governed by a policy board with at least a simple majority of members consisting of elected officials; or designees or employees of a general-purpose unit of local government that have been appointed to represent the unit of local government; and
 - (III) is certified by the Governor or appropriate State officer as having a charter or authority that includes the economic development of counties, portions of counties, or other political subdivisions within the region;
- and**
- (B) has not, as certified by the Federal Co-chairperson—
- (i) inappropriately used Federal grant funds from any Federal source; or
 - (ii) appointed an officer who, during the period in which another entity inappropriately used federal funds from any Federal source, was an officer of the other entity.

c) Eligible Uses

Funds may be used for staffing, contractual services, staff travel, and materials costs associated with providing technical assistance and program outreach. Technical assistance includes the development of applications for the SCRC SEID Grant and other Federal grant programs. Funds may be used for services in attainment counties if the services will benefit isolated areas of distress or are part of a multi-county program.

Eligible uses include:

- Personnel / Fringe Benefits (split-funded or fully-funded)
- Professional Development (e.g., travel costs, registration fees)
- Staff Travel (e.g., mileage, lodging, per diem)
- Advertising/Program Outreach (as permitted in [2 CFR 200.421](#))
- Contractual Services (e.g., professional and consultant services, facility rentals)
- Supplies/Materials (e.g., general office supplies, software, desk/chairs, laptops/printers, other specialty items)
- Indirect (F&A) Costs (see rates below)

Relevant Federal grant guidance pertaining to allowable expenditures can be found in the full application for this program.

Applicants must use one of the following indirect cost rates:

- If the applicant has a Negotiated Indirect Cost Rate Agreement (NICRA), they must provide an explanation of how the indirect costs are calculated in the Budget Information section of the application narrative. The explanation should include which portion of each line item, along with the associated costs, are included in your cost allocation base. Applicants must attach their current version of the NICRA to the application.
- Any organization that does not currently have a federally negotiated indirect cost rate, except for those entities described in [2 CFR §200](#), may elect to charge a de minimis rate of 10% based on modified total direct costs, as defined in [2 CFR §200](#). No documentation is required to justify the 10% de minimis indirect cost rate, which may be used indefinitely. However, costs must be consistently charged as either indirect or direct costs and may not be double-charged or inconsistently charged as both. If you choose this option, this methodology must be used consistently for all federal awards until such time as you choose to negotiate for an indirect cost rate, for which you may apply at any time. (See [2 CFR §200.414\[f\]](#) for more information on use of the de minimis rate.)

All recipients must adhere to guidance outlined in [2 CFR 200](#) (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*). Any expenses supported with program funds must be reasonable and necessary meet program objectives.

d) Ineligible Uses

Funds cannot be used for anything outside the scope of the program. For example, funds cannot be used for staffing or contractors who are working on projects outside of eligible counties.

Questions about eligible or ineligible use of funds, email grants@scrc.gov.

e) SCRC Grants Management System

To opt into the LDD Capacity Building Program and submit an application, enter the grant portal on scrc.gov. *Neither mailed, faxed nor emailed transmissions applications will be accepted.*

f) Opt-in Certification

LDDs must opt-in through the online grant portal. Once confirmation of program participation has been received by SCRC, the LDD will be notified of their funding allocation and given access to the full application.

g) Application Information

The full application will be used to develop the scope of work of the cooperative agreement between SCRC and the LDD. The following sections are included in the application for this purpose:

- Program Name
- Program Summary
- Program Narrative
- Work Plan (including timeline)
- Anticipated Outcomes
- Budget and Budget Narrative

Required forms to upload to the grant portal on scrc.gov: (Construction activities are prohibited.)

- SF-424 “Application for Federal Assistance”
- SF-424A “Budget Information for Non-Construction Programs”
- SF-424B “Assurances Non-Construction Programs”
- Certification Regarding Debarment, Suspension, and Other Responsibility Matters
- Certification Regarding Drug-Free Work Place
- Disclosure of Lobbying Activities

Program Narrative: Considering the program objectives listed on page 6, Section IIa and SCRC counties served, state what is needed to meet the objectives of the LDD Capacity Building Program. Include relevant experience implementing such programs, current organizational capacity, and partnerships that will help meet the objectives. Briefly describe the activities to be performed in distressed, transitional counties/county equivalents and isolated areas of distress. Also illustrate alignment with the SCRC Five-Year Strategic Plan, State Plan and Strategy Statement where participating, and local economic development planning efforts.

Work Plan: Describe existing or new personnel to be assigned to each task and a timeline for the completion of activities.

Budget and Budget Narrative: List each budgetary item and provide justification for each. The Budget Narrative must describe the costs associated with each line item and include leveraged resources provided (as applicable/not required) to support activities under the cooperative agreement. Leveraged resources are more than this award, both cash and in-kind. Each category should include the total estimated cost for the period of performance.

Use the following guidance for preparing the Budget Narrative:

- **Personnel:** List any staff positions to be funded in whole or in part through this program. For each position provide the annual salary, the percentage of salary funded by the agreement, and role the staff member will play in implementing the program.
- **Fringe Benefits:** Provide a breakdown of the amount and percentage that comprise fringe benefit costs such as health insurance, FICA, retirement, etc.
- **Staff Travel:** For staff positions funded in whole or in part through this agreement, specify the purpose of the travel.
- **Supplies/Materials:** Identify the estimated cost of supplies and materials. For the purposes of this program, funds can be used only to purchase assets under the Federal threshold of \$5,000 per item (including technology and component parts).
- **Contractual Services:** Contracts are defined according to 2 CFR 200.1, as a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. For each proposed contract, specify the purpose and estimated cost of any anticipated contracts under this program to be entered by the LDD.

III. Cooperative Agreement

The LDD will enter into a cooperative agreement with SCRC for services to be provided by the LDD under this program. LDDs must follow all applicable federal, state, and local regulatory guidance when administering this award. *(Please see Appendix II).*

IV. Disbursement of Funds

SCRC will make electronic payments using the Automated Standard Application for Payment (ASAP) system. No payments can be made without a completed ACH enrollment form (SF 3881) on file. The SF3881 enrollment form will be electronically sent with the SCRC Grant Agreement to the individual named as the project contact person or authorized representative. Information about your financial institution submitted to SCRC on the SF3881 must be consistent with what is in the System for Award Management (SAM) or payment cannot be made. Financial forms are reviewed to confirm that expenditures are consistent with the approved budget and reflect the progress described in the narrative. Payments may be tracked by logging in to ASAP and viewing the electronic record.

Recipients must submit SF270 (Request for Advance or Reimbursement) and relevant supporting documentation (e.g., receipts, time and effort logs, mileage forms) to request reimbursement for program expenditures. SCRC will provide forms for budget modification and reimbursement.

In accordance with 2 CFR 200.305 (b)(1), advance payments **may** be made upon request and limited to the minimum amount needed and timed to be in accordance with actual cash requirements of the requesting entity in carrying out the purpose of the approved program.

Requesting an Advance Payment

SCRC will, where there is a demonstrated need, advance funds for no more than one reporting period, and never for the final payment. The advance payment request should include:

- A statement explaining why an advance is necessary;
- Standard Form 270 - Request for Advance or Reimbursement; **and**
- An SCRC Reimbursement and Payment Advance Request Worksheet showing estimated expenditures for each approved line item in the official budget for the forecasted period.

A reimbursement and advance may be included in a single payment request accompanied by separate worksheets for the reimbursement and for the advance and one SF270. The advance request worksheet will be provided to those participating in the program.

V. Award Information and Period of Performance

Each eligible LDD's funding allocation is determined by adding a formula-driven amount to a base of approximately \$18,000. The formula calculation uses percentages of equal distribution, total population in the region, total distressed population and distressed area in square miles. This formula ensures the equitable distribution of funds to the most distressed areas in the SCRC region.

The period of performance is 12 months / October 1, 2023 – September 30, 2024.

VI. Reporting

LDDs will be required to submit three financial (SF425) and program progress reports.

First Report Due: February 29, 2024
(Reporting Period: October 1, 2023 – January 31, 2024)

Second Report Due: June 28, 2024
(Reporting Period: February 1, 2024 – May 31, 2024)

Third/Final Report Due: October 30, 2024
(Reporting Period: June 1, 2024 – September 30, 2024)

LDDs should submit reports that reflect the approved scope of work and budget as outlined in the cooperative agreement. LDDs that do not submit complete and timely reports will not be eligible to receive future awards when available. Metrics for this program may include but are not limited to the following:

1. Total number of applications developed or in collaboration with economically distressed, isolated areas of distress, and transitional counties/county equivalents.
2. Total dollar amount of applications submitted or in collaboration with economically distressed, isolated areas of distress, and transitional counties/county equivalents.
3. Total number of partnerships that have formed or been strengthened.

4. Number of meetings or trainings held with community stakeholders around economic and/or infrastructure development in SCRC areas served.
5. Number of public outreach activities held for local governments, other public entities, nonprofit organizations, businesses, and community development groups in SCRC areas served.
6. Number of SCRC sponsored or co-sponsored programs, trainings, and events attended by LDD staff during reporting period.
7. Number of communities with enhanced capacity or access to resources due to SCRC efforts or investments in service areas.
8. Number or type of trainings or professional development activities received or offered by LDD staff working in SCRC service areas resulting from this program.

VII. System for Award Management (SAM) and Unique Entity Identifier (UEI)

As required by the *Federal Funding Accountability and Transparency Act of 2006* and *2 CFR §200*, LDDs must meet the following criteria:

- Register in the System for Award Management (SAM) before submitting the application (SAM.gov);
- Provide a valid Unique Entity ID (UEI); and
- Maintain an active SAM registration with current information during times when in receipt of an active Federal award or an application or plan is under consideration by a federal awarding agency.

VIII. Communications with SCRC State Program Managers

LDDs are required to collaborate with the SCRC State Program Managers in the state where they are located. State Program Managers can answer questions about SCRC, its programs, and the use of Commission funds. Additional questions may be submitted to grants@scrc.gov. State Program Managers will ensure LDD activities align with SCRC Strategic Goals and the State Plan(s). (See *Appendix I* for a list of State Program Managers.)

IX. Administrative and Planning Expenses

In accordance with [40 U.S.C., Subtitle V, §15505 \(b\)\(1\)](#), SCRC assistance to LDDs may not exceed 80% of the administrative and planning expenses of the LDD during the project period.

X. Administrative Program Requirements

Administration of SCRC awards is subject to the same regulations, restrictions and requirements as other federal assistance awards. These include but are not limited to the [Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards at 2 CFR §200](#), as currently updated; *Freedom of Information Act (FOIA)*; past performance and non-compliance; restrictions on making awards to corporations convicted of felony criminal violations and unpaid federal tax liabilities; environmental and historic preservation; and national policy requirements, including but not limited to those protecting free speech, religious liberty, public welfare, the environment and prohibiting discrimination, e.g., *Equal Employment Opportunity and the Americans with Disabilities Act (ADA)*. SCRC reserves the right to change the reporting time periods and, depending on the nature of the program, may request additional relevant data.

In addition, financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly, biannual or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities.

SCRC requires awardees to cooperate with post-award evaluations. All SCRC awards are subject to both program and financial audits. If the applicant's organization has been subject to a federal audit within the past five years, the applicant must include in the application, recommendations made and the response(s) to those recommendations. Additional program requirements can be found in *Appendix II: Award Administration*.

XI. SCRC Contact Information

Questions regarding this program should be directed to the Southeast Crescent Regional Commission (SCRC) via grants@scrc.gov or call 803-851-3356.

Appendix I: SCRC STATE PROGRAM MANAGERS

Alabama

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Alabama

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North Carolina

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South Carolina

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Virginia

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Virginia Department of Housing and
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Virginia

Rachel Jordan
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Virginia Department of Housing and Community
Development
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Appendix II: ADMINISTRATIVE PROGRAM REQUIREMENTS

All awardees will be subject to all applicable federal laws and regulations, including the OMB Uniform Guidance, and the terms and conditions of the award. The funds awarded under this notice will be subject to the following administrative standards and provisions.

- a) Non-Profit Organizations, Educational Institutions, For-profit entities and State, Local, and Indian Tribal Governments—2 *CFR Part 200* (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)
- b) All recipients must comply with the applicable provisions of the *Workforce Innovation and Opportunity Act (WIOA)*, *Public Law No. 113-328, 128 Stat. 1425* (codified as amended at *29 U.S.C. 3101 et. seq.*) and the applicable provisions of the regulations at *20 CFR Part 675 et. seq.*
- c) All entities must comply with *29 CFR Part 93* (New Restrictions on Lobbying), *29 CFR Part 94* (Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)), *2 CFR Part 180* (OMB Guidance to Agencies on Government-wide Debarment and Suspension (Non-procurement)), and, where applicable, *2 CFR Part 200* (Audit Requirements).

I. Other Federal Requirements

- a) Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance.
- b) Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance from the SCRC pursuant to the Age Discrimination Act of 1975, as amended. The Act prohibits discrimination on the basis of age by recipients of Federal financial assistance and in federally assisted programs or activities but permits the use of certain age distinctions and factors other than age that meet the requirements of the Act and this part.
- c) Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance pursuant to Title IX of the Education Amendments of 1972, as amended (except sections 904 and 906 of those Amendments) [20 U.S.C. 1681](#), [1682](#), [1683](#), [1685](#), [1686](#), [1687](#), [1688](#)), which is designed to eliminate (with certain exceptions) discrimination on the basis of sex in any education program or activity receiving Federal financial assistance, whether or not such program or activity is offered or sponsored by an educational institution as defined in these Title IX regulations.
- d) Implementation of the Nondiscrimination and Equal Opportunity Provisions of the Workforce Innovation and Opportunity Act.
- e) Labor Standards for the Registration of Apprenticeship Programs, and Equal Employment Opportunity in Apprenticeship and Training, as applicable.
- f) SCRC will follow the procedures outlined in the agency's Freedom of Information Act (FOIA) policy. If SCRC receives a FOIA request for your application, the procedures in SCRC's FOIA policies for responding to requests for commercial/business information submitted to the government will be followed, as well as all FOIA exemptions and procedures. See generally *5 U.S.C. § 552*.

II. Other Legal Requirements

- a) Religious Activities - SCRC notes that the Religious Freedom Restoration Act (RFRA), 42 U.S.C. § 2000bb, applies to all federal law and its implementation. If an applicant organization is a faith-based organization that makes hiring decisions on the basis of religious belief, it may be entitled to receive federal financial assistance under this solicitation and maintain that hiring practice. Religious organizations are eligible on the same basis as any other organization, to seek SCRC support or participate in SCRC programs for which they are otherwise eligible.
- b) Lobbying or Fundraising the U.S. Government with Federal Funds - In accordance with Section 18 of the Lobbying Disclosure Act of 1995 (*Public Law 104-65*) (2 U.S.C. § 1611), non-profit entities incorporated under Internal Revenue Service Code section 501(c)(4) that engage in lobbying activities are not eligible to receive federal funds and grants. No activity, including awareness-raising and advocacy activities, may include fundraising for, or lobbying of, U.S. federal, state, or local governments (see 2 CFR 200.450 for more information).
- c) Transparency Act Requirements - Ensure that the necessary processes and systems are in place to comply with the reporting requirements of the *Federal Funding Accountability and Transparency Act of 2006* (Pub. Law 109-282, as amended by the *Government Funding Transparency Act of 2008*, Pub. Law 110-252, Title VI, Chap. 2, Sec. 6202), as follows.
 - i. Except for those excepted from the Transparency Act under subparagraphs 1, 2, and 3 below, you must ensure that you have the necessary processes and systems in place to comply with the subaward and executive total compensation reporting requirements of the Transparency Act, should you receive funding.
 - ii. Upon award, you will receive detailed information on the reporting requirements of the Transparency Act, as described in 2 CFR Part 170, Appendix A, which can be found at <https://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf>.

III. Types of Awards Not Subject to the Federal Funding Accountability and Transparency Act.

- a) Federal awards to individuals who apply for or receive federal awards as natural persons (e.g., unrelated to any business or non-profit organization he or she may own or operate in his or her name);
- b) Federal awards to entities that had a gross income, from all sources, of less than \$300,000 in the entities' previous tax year;
- c) Federal awards, if the required reporting would disclose classified information, and
- d) Safeguarding Data Including Personally Identifiable Information (PII) - Applicants submitting applications in response to this program must recognize that confidentiality of PII and other sensitive data is of paramount importance to the Southeast Crescent Regional Commission and must be observed and protected - except where disclosure is allowed by the prior written approval of the SCRC Director of Grants and Programs or by court order.
 - i. By submitting an application, you are ensuring that all data exchanges conducted through or during the course of performance of this award will be consistent with applicable federal law and TEGL 39-11 (issued June 28, 2012). All such activity

conducted by recipient(s) will be performed in a manner consistent with applicable state and federal laws.

- ii. By submitting an application, you agree to take all necessary steps to protect confidentiality by complying with provisions applicable in governing the handling of confidential information: You must ensure that PII and sensitive data developed, obtained or otherwise associated with SCRC financial assistance is securely transmitted.
- iii. To ensure that such PII is not transmitted to unauthorized users, all PII and other sensitive data transmitted via e-mail or stored on CDs, DVDs, thumb drives, etc., must be encrypted using a Federal Information Processing Standards (FIPS) 140-2 compliant and National Institute of Standards and Technology (NIST) validated cryptographic module. You must not e-mail unencrypted sensitive PII to any entity, including SCRC or contractors.
- iv. You must ensure the privacy of all PII obtained from participants and/or other individuals and protect the information from unauthorized disclosure. You must maintain such PII in accordance with information security standards and any updates to such standards.
- v. You must ensure that any PII used during the performance of your award has been obtained through applicable federal and state laws governing the confidentiality of information.
- vi. You acknowledge that all PII data obtained through your SCRC award must be stored in an area that is physically safe from unauthorized access and the data will be processed using recipient-issued equipment, managed information technology (IT) services and designated locations. Accessing, processing and storing of SCRC award PII data on personally owned equipment, at off-site locations, (e.g., employee's home), and non-recipient managed IT services, (e.g., Yahoo mail), is strictly prohibited unless approved by SCRC.
- vii. Your employees and other personnel who will have access to sensitive / confidential / Proprietary / private data must be advised of the confidential nature of the information, the safeguards required to protect the information, and that there are civil and criminal sanctions for noncompliance with such safeguards that are contained in federal and state laws.
- viii. You must have policies and procedures in place under which your employees and other personnel, before being granted access to PII, acknowledge their understanding of the confidential nature of the data and the safeguards with which they must comply when handling such data, as well as the fact that they may be liable to civil and criminal sanctions for improper access and disclosure.
- ix. You must not extract information from data supplied by SCRC for any purpose not stated in the cooperative agreement.
- x. Access to any PII created by the cooperative agreement must be restricted to only those employees of the award recipient who need it in their official capacity to perform duties in connection with the scope of work in the cooperative agreement.
- xi. All PII data must be processed in a manner that will protect the confidentiality of the records/ documents and is designed to prevent unauthorized persons from retrieving such records by computer, remote terminal or any other means. Data may be downloaded to, or maintained on, mobile or portable devices only if the data are encrypted using NIST validated software products based on FIPS 140-2 encryption. In addition, wage data may be accessed only from secure locations.

- xii. PII data obtained by the recipient through a request from SCRC must not be disclosed to anyone but the individual requestor, except as permitted by the SCRC Director of Grants and Programs or by court order.
- xiii. You must permit SCRC to make onsite inspections during regular business hours for the purpose of conducting audits and/or investigations to assure compliance with the confidentiality requirements described above. In accordance with this responsibility, you must make records applicable to this Agreement available to authorized persons for the purpose of inspection, review, and/or audit.
- xiv. You must retain data received from SCRC only for the period required to use it for assessment and other purposes, or to satisfy applicable federal records retention requirements. Thereafter, you agree that all data will be destroyed, including the degaussing of magnetic tape files and deletion of electronic data.

IV. Record Retention

You must follow federal guidelines on record retention, which require that you maintain all records pertaining to agreement activities for a period of at least three years from the date of submission of the final expenditure report. See *2 CFR 200.333-.337* for more specific information, including information about the start of the record retention period for awards that are renewed quarterly or annually, and when the records must be retained for more than three years.

V. Use of Contracts and Subawards

You must abide by the following definitions of contract, contractor, subaward, and subrecipient.

- a) Contract: Contract means a legal instrument by which a non-federal entity (defined as a state or local government, Indian tribe, institution of higher education (IHE), non-profit organization, for-profit entity, foreign public entity or a foreign organization that carries out a federal award as a recipient or subrecipient) purchases property or services needed to carry out the project or program under a federal award. The term as used in this notice does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward (see definition of Subaward below).
- b) Contractor: Contractor means an entity that receives a contract as defined above in Contract.
- c) Subaward: **Subawards are not allowed under this program.** Subaward means an award provided by a pass-through entity to a 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.
- d) Subrecipient: Subrecipient means a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program but does not include an individual that is a beneficiary of such program.

VI. Closeout of Cooperative Agreement Award

- a) Any entity that receives an award under this Announcement must close its award with SCRC at the end of the final year of the cooperative agreement.
- b) The goal of the Grants Oversight and New Efficiency (GONE) Act is to close out expired grants and cooperative agreements. The GONE Act requires the Office of Management and Budget (OMB) to instruct each agency to submit to Congress and HHS a report that:
 - i. Lists each federal award held by such agency,
 - ii. Provides the total number of federal awards, including the number of grants or cooperative agreements by time of expiration, the number with zero-dollar and undisbursed balances,
 - iii. Describes the challenges leading to delays in closeout.

VII. Administrative Requirements

- a) Notice to Proceed - The Commission will issue a Notice to Proceed letter to each awardee once agreements have been executed. Awardees shall not incur any project-related expenses funded by their SCRC award until a Notice to Proceed letter has been signed by the Federal Co-Chair and received by the awardee's authorized organizational representative. Costs incurred before the Notice to Proceed letter has been received will not be eligible for reimbursement and not an allowable expense.

VIII. Other Administrative Standards and Provisions

Except as specifically provided in this notice, our acceptance of an application and an award of federal funds to sponsor any program(s) does not provide a waiver of any award requirements and/or procedures. For example, the OMB Uniform Guidance requires that an entity's procurement procedures ensure that all procurement transactions are conducted, as much as practical, to provide full and open competition. If an application identifies a specific entity to provide goods or services, the award does not provide the justification or basis to sole-source the procurement (i.e., avoid competition).

IX. Special Program Requirements

- a) **SCRC Evaluation** - As a condition of financial award, awardees are required to participate in an evaluation. The evaluation may include an implementation assessment, an impact and/or outcomes analysis of all or selected sites, and a cost/benefit analysis. Applicants are required to collect data elements to aid the evaluation. As a part of the evaluation and condition of award, awardees agree to:
 - i. make records available to the evaluation contractor on participants, employers, and funding;
 - ii. provide access to program operating personnel, participants, and operational and financial records, and any other relevant documents to calculate program costs and benefits;
 - iii. in the case of an impact analysis, facilitate the assignment by lottery of participants to program services, including the possible increased recruitment of potential participants; and

- iv. follow evaluation procedures as specified by the evaluation contractor under the direction of SCRC.

b) Performance Goals

Please note that applicants will be held to outcomes provided, and failure to meet those outcomes may result in technical assistance or other intervention by SCRC and may also have an impact on future financial assistance decisions from SCRC.

c) Definitions

Infrastructure: Infrastructure includes, at minimum, the structure, facilities, and equipment for, in the United States (1) roads, highways, and bridges; (2) public transportation; (3) dams, ports, harbors, and other maritime systems; (4) intercity passenger and freight railroads; (5) freight and intermodal facilities; (6) airports; (7) water systems; including drinking water and wastewater systems; (8) electrical transmission facilities and systems; (9) utilities; (10) broadband infrastructure; and (11) buildings and real property. Infrastructure includes facilities that generate, transport and distribute energy.

Appendix III: FORMS/DOCUMENTS

- SF-424 “Application for Federal Assistance”
- SF-424A “Budget Information for Non-Construction Programs”
- SF-424B “Assurances Non-Construction Programs”
- Certification Regarding Debarment, Suspension, and Other Responsibility Matters
- Disclosure of Lobbying Activities
- Certification Regarding a Drug-Free Work Place