
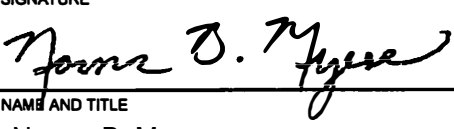


# Grant/Cooperative Agreement Award

1. AWARD NO. <b>FA4819-23-2-0001</b>		2. EFFECTIVE DATE <b>1 OCT 22</b>		3. PURCHASE REQUEST NO. <b>See Block 16</b>		4. CFDA NO. <b>12.840</b>		PAGE OF <b>1 62</b>		
5. ISSUE BY <b>325 CONS/PKB</b> CODE <b>FA4819</b> <b>105 Mississippi Road</b> <b>Tyndall AFB, FL 32403-5549</b> <b>325CONS.CivilAirPatrolOps@us.af.mil</b> <b>850-283-8670 DSN: 523</b>				6. AWARDED TO CAGE CODE <b>07PJ5</b> <b>Civil Air Patrol, Inc</b> <b>105 S. Hansell St</b> <b>Maxwell AFB, AL 36112</b> <b>877-227-9742</b>				7. AUTHORITY <b>10 U.S.C §§9441-9448</b>		
								8. PERIOD OF PERFORMANCE <b>1 OCT 22 - 30 SEP 27</b>		
9. SCOPE / AGREEMENT TERMS  <b>See attached.</b>										
10. RECIPIENT PRINCIPAL INVESTIGATOR <b>N/A</b>					11. OTHER SPONSORING AGENCY(S) <b>N/A</b>					
12. ADMINISTRATIVE OFFICE CODE  <b>See Block 5</b>			13. PAYING OFFICE CODE:  <b>DFAS Limestone</b> <b>3 Arkansas Road</b> <b>Limestone, ME 04751-1500</b>			14. STAFF JUDGE ADVOCATE OFFICE  <b>Staff Judge Advocate, CAP-USAF</b> <b>Maxwell AFB, AL 36112</b> <b>334-953-6644; DSN 493</b>				
15. GOVT PROGRAM MANAGER (Name, Org, Tel, Email) <b>CAP-USAF/CC, 334-953-6987; DSN 493, capusaf.cc.maxwell@us.af.mil</b>										
16. ALLOCATED FUNDING: The following funds with associated Accounting Classification reference number(s) (ACRNs) are allotted to this agreement:										
<u>ACRN</u>		<u>FUND CITATION(s)</u>						<u>AMOUNT</u>		
SPECIAL INSTRUCTIONS: <b>PAYMENT WILL BE MADE BY ELECTRONIC FUNDS TRANSFER.</b>										
PAYING OFFICE INSTRUCTIONS:										
PAYMENT SCHEDULE (if applicable):										
17. TOTAL FUNDS OBLIGATED		Government Share		Recipient Share		Total		18. INVOICE INSTRUCTION		
		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>				
19. AMOUNT OF AWARD		Government Share		Recipient Share		Total				
		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>				
20. OPTIONS		Government Share		Recipient Share		Total		21. PERIOD		
22. SIGNATURE 					23. SIGNATURE 					
24. NAME AND TITLE <b>Edward D. Phelka, CEO/National Commander</b> <b>Civil Air Patrol</b>				25. DATE SIGNED <b>28 Sep 2022</b>		26. NAME AND TITLE <b>Norma B. Myers</b> <b>GRANTS OFFICER</b>			27. DATE SIGNED <b>28 Sep 2022</b>	

## **DIVISION II – AWARD-SPECIFIC TERMS AND CONDITIONS**

### **1. Overview**

- 1.1. This cooperative agreement funds and sets forth the conditions for a collaborative effort between the Civil Air Patrol (CAP) and the United States Air Force (USAF) in fulfilling CAP's purposes as established in 36 U.S.C. § 40302. The purposes of the CAP are: (1)(A) to encourage and aid citizens of the United States in contributing their efforts, services, and resources in developing aviation and in maintaining air supremacy; (B) to encourage and develop by example the voluntary contribution of private citizens to the public welfare; (2) to provide aviation education and training especially to its senior and cadet members; (3) to encourage and foster civil aviation in local communities; (4) to provide an organization of private citizens with adequate facilities to assist in meeting local and national emergencies; and (5) to assist the Department of the Air Force in fulfilling its noncombat programs and missions.
- 1.2. Responsibility for conducting the activities provided in this agreement and 36 U.S.C. § 40302 rests primarily with CAP. The USAF, through its designated representatives and in accordance with this Agreement and applicable regulations, shall provide technical assistance, consultation, and coordination during the period of performance.
- 1.3. The Parties' obligations under this Agreement are contingent upon the availability of appropriated funds from which payment can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Grants Officer and the Grants Officer provides, in writing, notice of such availability to CAP. The Government is not obligated to reimburse CAP for expenditures in excess of the total funds allotted in this Agreement. No legal liability on the part of CAP for performance under this Agreement may arise until CAP receives such notice of availability.
- 1.4. There shall be no cost sharing or matching funds under this Agreement unless approved as a modification to this Agreement.

### **2. Definitions**

- 2.1. Definitions for terms found in this Agreement shall be interpreted in accordance with 2 C.F.R. § 200.1. Other selected terms are defined as follows:

*Agreement* – refers to this cooperative agreement and its attachments

*Budget* – a financial plan that the Federal awarding agency approves during the federal award process or in subsequent amendments to the federal award.

*Claim* – a written demand or written assertion by one of the parties to an award seeking as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of award terms and conditions, or other relief arising under or relating to the award.

*Federal Fiscal Year (FY)* – 12-month period of time beginning 1 October and ending 30 September the following year.

*Goal* – a target level of performance or readiness expressed as tangible, measurable objectives, against which actual achievement can be compared.

*Government* – the Federal Government of the United States of America.

*Grant Appeal Authority* – Commander, Air Force Installation Contracting Center as of the signing of this agreement.

*Monitoring* – those actions taken by CAP to ensure the terms of the Agreement are being met, that adequate progress is being made toward objectives, that Federal funds are being used responsibly, and that CAP is complying with all relevant statutes, regulations, agency requirements, and Office of Management and Budget circulars, to include 2 C.F.R. § 200, *et seq.*

*Objective* – the specific means of measuring and accomplishing a specified goal expressed in terms of outcomes.

*Parties* – refers to the United States Air Force and the Civil Air Patrol.

*Party* – interchangeably refers to either the United States Air Force or the Civil Air Patrol.

*Program* – when used in the singular form, refers to the anticipated performance conducted under this Agreement with federal funds, resources, or other support and in accordance with Federal law, Federal regulation, or Air Force Instruction.

*Statement of Objectives* – an attachment incorporated into this Agreement providing clear and concise direction to CAP in the form of goals, objectives and expected outcomes, and outputs which allow the Federal awarding agency to measure performance in accordance with 2 C.F.R. § 200.301.

*Substantial Involvement* – exists when responsibility for project management, control, direction, or performance is shared by the assisting agency and the recipient. Substantial involvement provides the assisting agency the right to intervene, including interrupting or modifying project activities.

*Writing* – written form, whether hardcopy or electronic, capable of being preserved for the duration of this Agreement.

### **3. Incorporation of Governing Regulations**

3.1. This award is governed by the guidance in 2 Code of Federal Regulations (C.F.R.) part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” as modified and supplemented by the Department of Defense’s (DoD) implementation found at 2 C.F.R. part 1104, “Implementation of Government-wide Guidance for Grants and Cooperative Agreements” (85 FR 51158, 51160, August 19, 2020), all of which are incorporated herein by reference.

3.2. Provisions of Chapter I, Subchapter C of Title 32, C.F.R., “DoD Grant and Agreement Regulations,” continue to be in effect and are incorporated herein by reference.

#### **4. Designations and Responsibilities**

##### **4.1. USAF Designations**

###### **4.1.1. USAF Program Office**

CAP-USAF  
105 S. Hansell St.  
Maxwell AFB, AL 36112-6332

###### **4.1.2. USAF Program Manager**

CAP-USAF/CC  
105 S. Hansell St.  
Maxwell AFB, AFL 36112-6332  
(334) 953-6987  
Email: capusaf.cc.maxwell@us.af.mil

###### **4.1.3. Grants Officer/Agreements Administration Office**

325 CONS/PKB  
105 Mississippi Ave  
Tyndall AFB, FL 32403  
(850) 283-8664  
E-mail: 325CONS.CivilAirPatrolOps@us.af.mil  
DoDAAC: FA4819

###### **4.1.4. Payment Office**

DFAS Limestone 3  
Arkansas Rd.  
Limestone, ME 04751-1500

##### **4.2. USAF Responsibilities and Authorities**

- 4.2.1. The Grants Officer, or authorized representative, has the authority to sign, administer, modify, or terminate this Agreement on behalf of the USAF. This Agreement shall not be modified without the approval of the Grants Officer or authorized representative. The Grants Officer shall have wide latitude to exercise judgement in performing their responsibilities to ensure (1) that the award is used effectively in the execution of DoD programs; (2) that it is made and administered in accordance with applicable laws, executive orders, regulations, and DoD policies; and (3) that sufficient funds are available for the obligation of all funds.
- 4.2.2. The Grants Officer shall report this Agreement and all further actions to the Financial Assistance Award Data Collection module of Federal Procurement Data System and the Electronic Data Access module of Procurement Integrated Enterprise Environment.

- 4.2.3. The Program Manager will ensure the systematic and periodic collection and submission of information on the program to the Office of Management and Budget in accordance with 2 C.F.R. § 200.100(a)(2).
- 4.2.4. Pursuant to 2 C.F.R. § 200.301, the Program Manager will provide CAP with clear performance goals, indicators, and targets to track CAP's progress, identify promising practices, and build the evidence upon which program and performance decisions are made. These goals, indicators, targets, and reporting requirements are delineated in the attached Statement of Objectives and will help determine the level of substantial involvement necessary to assist CAP in achieving program goals.
- 4.2.5. The Program Manager will ensure that all CAP audit requirements are met in accordance with 2 C.F.R. § 200 Subpart F and applicable OMB guidance.
- 4.2.6. When appropriate, the Program Manager shall provide technical direction under this Agreement. Technical direction includes but is not limited to: direction to CAP which shifts work emphasis between missions, programs, or objectives; provides for expertise or training on Air Force-related tasks; or otherwise serves to accomplish the goals or objectives described in this Agreement. Technical direction must be within the general scope of performance described in this Agreement, and may not be used to assign tasks or objectives to CAP that are outside that scope, or to change any of the terms, conditions or specifications herein.
- 4.2.7. The Grants Officer is the final approval authority for amendments to the Statement of Objectives (SOO), which may only be made through a modification to the cooperative agreement. Prior to approval and implementation, all amendments must be coordinated through and approved by both the Program Manager and the CAP Chief Executive Officer.
- 4.2.8. The Grants Officer, either upon the Program Manager's recommendation, or as otherwise appropriate, may wholly or partly suspend program funding, the use of program equipment and supplies, or program performance based on criminal activity, repeated violations of CAP regulations or USAF directives or instructions, safety or fiduciary concerns, or noncompliance with this Agreement.
- 4.2.9. The Grants Officer, either upon the Program Manager's recommendation, or as otherwise appropriate, may wholly or partly suspend the activities of specific CAP units based on criminal activity, repeated violations of CAP regulations or USAF directives or instructions, safety or fiduciary concerns, or noncompliance with this Agreement.

#### 4.3. Civil Air Patrol Designations

##### 4.3.1. Chief Executive Officer

105 S. Hansell St.  
Maxwell AFB, AL 36112  
(877) 227-9142

4.3.2. Chief Operating Officer

105 S. Hansell St.  
Maxwell AFB, AL 36112  
(877) 227-9142

4.3.3 Civil Air Patrol SAM Entity

Cage Code: 07PJ5  
UEI: HFM2BAAM8Q54

4.4. CAP Responsibilities and Authorities

- 4.4.1. CAP shall develop regulations, policies, plans, programs, agreements, and MOUs to govern the safety, training, qualification, conduct and performance of all CAP personnel in the carrying out of its purposes under paragraph 1.1. and in meeting its goals and objectives as delineated in the Statement of Objectives. These documents and any waivers to the same are subject to approval by the Program Manager when they affect this program or any other federal interest whether directly or indirectly.
- 4.4.2. Pursuant to 2 C.F.R. § 200.328, CAP is required to use OMB-approved common information collections, if available, when providing financial and performance information to the Program Manager. Financial data reported must relate to the performance accomplishments of the federal award as determined by the Agreement and Program Manager. When requested, CAP must also provide cost information to demonstrate cost effective practices.
- 4.4.3. On an annual basis, CAP shall provide a Program Objective Memorandum (POM) request, a proposed budget for the next fiscal year, and a Budget Execution Report for the prior fiscal year, to the Program Manager. These reports will require CAP to report sufficient statistical information to justify its budget, including support for any rates used in calculating the proposed budget (i.e., maintenance, flight hours, per diem, lodging, etc).
- 4.4.4. Pursuant to 2 C.F.R. § 200.308(b), CAP must report certain deviations from budget or project scope or objective, and request prior approvals from the Program Manager and Grants Officer for budget and program plan revisions. If the cumulative amount of any budget transfers between SF-424A class categories exceeds ten-percent (10%) of the approved budget in any fiscal year (calculated by the annual budget), the Program Manager must provide written approval for any transfers which exceed the ten-percent (10%) threshold. Transfers are not allowed that would cause any appropriation to be used for unauthorized purposes.

- 4.4.5. CAP shall provide the Program Manager and Grants Officer a copy of each non-federal audit completed pursuant to this award.
- 4.4.6. CAP shall respond to all inquiries into progress or performance, under this Agreement and Statement of Objectives, by the Program Manager or Grants Officer, or their designees, within five (5) business days or as otherwise determined by the Program Manager and Grant Officer. Should an extension be necessary, or a request viewed as unreasonable, the Program Manager will be notified and will be the final authority on whether any relief shall be granted.

4.5. Substantial Involvement

- 4.5.1. In accordance with 31 U.S.C. § 6305, substantial involvement is expected between the Air Force and CAP when carrying out activities contemplated by this Agreement.
- 4.5.2. Substantial involvement exists when responsibility for project management, control, direction, and/or performance is shared by CAP and the Air Force.
- 4.5.3. The Air Force will provide substantial involvement as deemed appropriate by the Project Manager. Substantial involvement is expected in the following areas:
  - 4.5.3.1. Exercising operational control of Air Force Auxiliary (AFAUX) activities when performing Air Force-assigned missions.
  - 4.5.3.2. Collaboration in the development of Air Force-assigned missions and programs, both defined and emerging.
  - 4.5.3.3. Conducting Operational Evaluations to determine readiness to perform AFAUX missions.
  - 4.5.3.4. Participation in the presentation of Air Force-assigned mission results.
  - 4.5.3.5. Participation in the collection and/or analysis of performance and safety data.
  - 4.5.3.6. Review and approval of CAP regulations.
  - 4.5.3.7. Review and approval of training plans.
  - 4.5.3.8. Review and approval of Cadet Protection Programs.
  - 4.5.3.9. Participation in CAP Inspector General inspections of CAP wings and regions.

**5. Program Execution**

5.1. Assigned/Delegated Authorities

- 5.1.1. 10 U.S.C. § 9493 authorizes the Civil Air Patrol to use equipment, supplies, and other resources provided to the Civil Air Patrol by any department or agency of the Federal Government or acquired by or for the Civil Air Patrol with appropriated funds (or with funds of the Civil Air Patrol but reimbursed from appropriated funds) to fulfill any of CAP's purposes under 36 U.S.C. § 40302.
- 5.1.2. 10 U.S.C. §§ 9492(b) and 9494 authorize the Secretary of the Air Force to use the services of the CAP to fulfill the noncombat programs and missions of the Department of the Air Force and provide equipment, supplies, and other resources that the Secretary determines necessary to enable the CAP to fulfill the missions assigned by the Secretary to the CAP as the Auxiliary of the Air Force. The Secretary of the Air Force may delegate this authority to Air Force personnel and organizations as required. Pursuant to DAFI 10-2701, *Organization and Function of the Civil Air Patrol*, and this Agreement, unless specifically stated otherwise, all approval of CAP programs, policies, or activities and all coordination between CAP and the Air Force will be accomplished through CAP-USAF under the direction and authority of CAP-USAF/CC.

5.2. Air Force Prior Approvals

- 5.2.1. In accordance with 2 C.F.R. Part 200, CAP is hereby granted prior approval:
  - 5.2.1.1. To use program income to carry out any of its congressional purposes under paragraph 1.1. (2 C.F.R. § 200.307(e)(2)). To the extent CAP is not prohibited by 36 U.S.C. 40305, all program income earned during the project period shall be added to the funds committed to the program by the Government and shall be used to further eligible program objectives. CAP is responsible for reporting program income to the Program Manager. Program income remaining at the end of the period of performance must be added to any subsequent federal award to CAP. If within 90 days of final closeout, as determined by the Grants Officer, there is no subsequent federal award to CAP, CAP may use any remaining program income for any of its purposes under paragraph 1.1. Proceeds from the sale of real property, equipment, or supplies are not program income. (2 C.F.R. § 200.307(d)).
  - 5.2.1.2. To incur allowable pre-award (which includes pre-modification) costs under 2 C.F.R. § 200.308(e)(1) without prior written approval from the Program Manager and Grants Officer. Pursuant to 2 C.F.R. § 200.308(e)(1), all costs incurred before the award is made are at CAP's risk, and the Government is under no obligation to reimburse such costs if CAP does not receive funding or if funding is less than anticipated.



- 5.2.1.3. To retain, sell, or otherwise dispose of all equipment with a current per unit fair market value of \$5,000 or less when that equipment is no longer needed for CAP's purposes under paragraph 1.1. of this Agreement. (2 C.F.R. § 200.313(e)(1)).
- 5.2.1.4. To provide sub-awards based on fixed amounts up to the Simplified Acquisition Threshold, provided (1) the sub-awards meet the requirements for fixed amount awards in 2 C.F.R. § 200.201; and (2) the sub-awards have been approved in the annual budget for the fiscal year in which they are to be awarded.
- 5.2.1.5. To include as allowable costs under this federal award:
  - (a) Costs of any audit performed pursuant to the Single Audit Act or 2 C.F.R. Subpart F. (2 C.F.R. § 200.425).
  - (b) Salaries, and other compensation of employees and personnel when in compliance with the cost principles of 2 C.F.R. § 200.430, and specifically approved in the annual budget.
  - (c) Fringe benefits provided to employees and personnel when in compliance with the cost principles of 2 C.F.R. § 200.431, and specifically approved in the annual budget.
  - (d) Costs of insuring Government property or assets acquired in part, or in whole, with federal funds and costs of liability insurance to cover program activities (2 C.F.R. § 200.447(b)(2)).
  - (e) Participant support costs when incurred by CAP to carry out its purposes in accordance with paragraph 1.1. of this Agreement. (2 C.F.R. § 200.456).
- 5.2.2. The Program Manager may rescind the prior approvals authorized in paragraph 5.2.1., in either specific instances or generally, as deemed appropriate by providing written notification to CAP.
- 5.2.3. All other actions or activities requiring prior approval under 2 C.F.R. Part 200 which are not explicitly listed in paragraph 5.2.1. must be approved by the Program Manager and Grants Officer.

### 5.3. Missions and Programs

- 5.3.1. Air Force funding and other assistance supports CAP in its function both as the civilian auxiliary of the Air Force (10 U.S.C. § 9494) and as a federally chartered corporation (10 U.S.C. § 9493). CAP acts in its capacity as the Auxiliary of the Air Force when it performs assigned Air Force missions or when its services are used by any department or agency in any branch of the Federal Government (10 U.S.C. § 9492).
- 5.3.2. When acting as the Auxiliary of the Air Force, CAP remains under the operational control of the United States Air Force. At times, mission

requirements may require the Program Manager to terminate or suspend certain aspects of CAP performance even when CAP is complying with all federal statutes, regulations, directives and instructions, and the terms of this Agreement.

- 5.3.3. In accordance with 10 U.S.C. § 9493, CAP, in its status as a federally chartered non-profit corporation, may use equipment, supplies, and other resources provided by a department or agency of the Federal Government or acquired by or for the Civil Air Patrol with appropriated funds (1) to provide assistance requested by State or local governmental authorities to perform disaster relief missions and activities, other emergency missions and activities, and nonemergency missions and activities; and (2) to fulfill the purposes set forth in 36 U.S.C. § 40302. Pursuant to 10 U.S.C. § 9493(c), CAP may provide assistance under 10 U.S.C. § 9493(a)(1) without requiring reimbursement or may establish a reimbursement rate less than the rates charged by private sector sources for equivalent services.
- 5.3.4. Unless otherwise approved by the Program Manager and Grants Officer, all funding provided to CAP by any federal department or agency, shall be included in this Agreement and approved by the Program Manager and Grants Officer through the modification to this Agreement.
- 5.3.5. The Parties acknowledge CAP, as a non-profit organization, may independently perform corporate missions and activities which may not be directly related to this Agreement. Notwithstanding, CAP agrees that it shall safeguard the good name and reputation of both Parties at all times.

#### 5.4. Priority for Support

- 5.4.1. The priority for employing CAP resources will be as follows: 1) support to the Air Force, 2) support to other DoD departments and agencies, 3) support to other federal agencies, 4) support to state agencies, 5) support to local agencies, and 6) support to others.
- 5.4.2. CAP may be used to support state and local law enforcement agencies within applicable laws, regulations, directives, and instructions including, but not limited to, AFI 10-801, *Defense Support of Civil Authorities*, DoDI 3025.21, *Defense Support to Civilian Law Enforcement Agencies*, the Posse Comitatus Act (18 U.S.C. § 1385) and Chapter 18 of Title 10, United States Code.

#### 5.5. Air Force Support to CAP

- 5.5.1. The Air Force may provide personnel, equipment, supplies, and financial support to CAP, in accordance with 10 U.S.C. §§ 9493-9494, DAFI 10-2701, other applicable law, and this Agreement.
- 5.5.2. Air Force installations may provide CAP with those services and facilities necessary for mission accomplishment, in accordance with AFI 10-2701. Arrangements for use of facilities or services of another military

department or other federal department or agency shall be made in accordance with DAFI 10-2701 and the internal regulations of the supporting department or agency.

- 5.5.3. The Air Force will provide CAP with office and administrative space at Maxwell AFB, AL. CAP-USAF will approve all building work orders. In conjunction with the 42nd Air Base Wing, CAP and CAP-USAF will function as joint building custodians and will maintain control of building access. CAP-USAF will ensure the control of all classified material and will manage applications for any security clearances it determines are necessary for CAP personnel.
- 5.5.4. CAP-USAF shall monitor Air Force sponsored training opportunities for CAP members. CAP participation in Air Force-sponsored training will be coordinated by CAP-USAF and conducted at the discretion of the training organization.
- 5.5.5. Subject to their availability, the Program Manager will coordinate acquisition of Air Force uniforms, or secure funds for the purchase of Air Force uniforms, for CAP.

5.6. Status of CAP Personnel

- 5.6.1. CAP is not a military service. CAP members are not subject to the Uniform Code of Military Justice (UCMJ) and CAP membership does not confer upon an individual the rights, privileges, prerogatives, or benefits of military personnel.
- 5.6.2. CAP uses Air Force-style grade structure and uniforms when authorized. Air Force customs and courtesies do not apply to Civil Air Patrol members. CAP members have no authority over members of the armed forces.
- 5.6.3. When acting as the Auxiliary of the Air Force, CAP members shall wear either an Air Force-style uniform or an authorized CAP uniform unless otherwise directed by the requesting agency for an individual mission. CAP changes or modifications to the Air Force-style uniform or its wear, to include grooming and appearance standards, must be approved by the Program Manager in accordance with DAFI 10-2701.

## **6. Liability**

6.1. Limitation of Liability

- 6.1.1. For the purposes of the Federal Tort Claims Act (FTCA), CAP is deemed an instrumentality of the United States when acting in its capacity as the civilian auxiliary of the Air Force. The Federal Employees Compensation Act (FECA) covers volunteer CAP members 18 and older when acting in the service of CAP in its capacity as the civilian auxiliary.
- 6.1.2. Except as provided in paragraph 6.1.1., or as otherwise required by law, the Federal Government does not waive its sovereign immunity. CAP is solely responsible for any damages which may arise from any suit, action,

or claim and for any costs from or incidental to these suits, actions or claims, including but not limited to settlement and defense costs, except to the extent the Federal Government has waived its sovereign immunity under the FTCA, FECA, or other express provisions of the law.

## **7. Administrative Matters**

### **7.1. Modifications**

7.1.1. Modifications to this Agreement may be proposed by either Party. CAP recommendations for any modifications to the Agreement shall be submitted in writing to the Program Manager with a copy to the Grants Officer. CAP shall detail the impact of the proposed modification to the Agreement. Changes are effective only after the Agreement has been modified. Only the Grants Officer has the authority to act on behalf of the Government to modify this Agreement. If the Government agrees to the proposed modification without change, the Grants Officer may sign the modification unilaterally approving the request.

7.1.2. The Grants Officer may unilaterally issue minor or administrative modifications to the Agreement (e.g., changes in the paying office or appropriate data, changes to Government personnel identified in the agreement, etc.)

### **7.2. Notices**

7.2.1. All notices and prior approvals required herein, or by 2 C.F.R. part 200, shall be in writing and shall be addressed to the individuals identified in paragraph 4. Notices shall be effective when received, not when sent. If sent certified or registered mail, postage prepaid, return receipt requested, notice shall be effective on the received date documented on the return receipt. Notices may be sent by electronic mail but shall be effective only if the sender can produce documentary evidence to establish the addressee actually received the notice.

### **7.3. Waiver of Rights**

7.3.1. Waiver of any requirement contained in this Agreement shall be by mutual agreement of the Parties. Any waiver shall be reduced to writing and a copy of the waiver shall be provided to each Party. Failure to insist upon performance of any of the terms and conditions of this Agreement shall not be deemed a waiver of any rights by any Party.

### **7.4. Severability**

7.4.1. If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof

and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein.

7.5. Force Majeure

7.5.1. Neither Party shall be in breach of this Agreement for any failure to perform caused by any event beyond its reasonable control and not caused by the fault or negligence of that Party. In the event such a force majeure event occurs, the Party unable to perform shall promptly notify the other Party in accordance with paragraph 7.2. and shall, in good faith, continue performance to the extent reasonably possible.

7.6. Economy Act

7.6.1. Any federal agency requesting assistance from CAP through the Air Force must certify its request comports with the Economy Act, 31 U.S.C. § 1535, or a more specific authority when such authority is available. The appropriate Air Force approval authority must certify compliance with the Economy Act prior to approving performance in support of a federal agency. Absent other statutory authority, any request that does not comply with the Economy Act will not be approved.

7.7. Activities Abroad

7.7.1. CAP shall assure that project activities undertaken outside the United States are coordinated as necessary with appropriate Government authorities and that appropriate licenses, permits, or approvals are obtained prior to undertaking such activities. The awarding agency does not assume responsibility for CAP's compliance with the laws and regulations of the country in which the activities are to be conducted.

7.8. Dissemination

7.8.1. Copies of this Agreement, or any plans, specifications, or other documents relating to work under this Agreement, if marked "TOP SECRET," "SECRET," "CONFIDENTIAL," "U.S. Grants Officer GOVERNMENT USE ONLY," "CONTROLLED UNCLASSIFIED INFORMATION" shall not be furnished to any assignee of any claim arising under this Agreement, or to any person not entitled to receive the same, without the prior written authorization of the Grants Officer.

7.9. Entire Agreement

7.9.1. This Agreement and its attachments, which includes the Award Cover Sheet (Division I), the Award Specific Terms and Conditions (Division II), the General Terms and Conditions (Division III), and the Statement of Objectives (Attachment), constitute the entire agreement between the Parties concerning the subject matter hereof and supersedes any prior understanding or written or oral agreement relative to said matter.

### **DIVISION III – GENERAL TERMS AND CONDITIONS**

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## SUBDIVISION A

### PREAMBLE TO THE GENERAL TERMS AND CONDITIONS

1. **Scope.** The Civil Air Patrol by way of this cooperative agreement is subject to the general terms and conditions outlined herein. This cooperative agreement establishes the terms and conditions for programmatic, financial, and reporting requirements in furtherance of Civil Air Patrol’s congressionally outlined purposes in 36 U.S.C. § 40302, which includes its purpose to assist the Department of the Air Force in fulfilling its noncombat programs and missions.
2. **Effective Date.** Pursuant to 2 C.F.R. 1120, *et seq.*, the general terms and conditions set forth in Division III of this Agreement became effective on October 19, 2020. Note: References to specific sections of 2 CFR 200 in Subdivision B of this Agreement accurately reflect citations to 2 CFR 200 as of 31 December 2020.
3. **English Language.** Pursuant to 2 C.F.R. 200.111(b), if a significant portion of Civil Air Patrol’s employees working under the terms of this Federal award are not fluent in English, Civil Air Patrol must provide the Federal award in English and the language(s) with which its employees are more familiar. In the event of inconsistency between any terms and conditions of this Agreement and any translation into another language, the English language meaning will control.
4. **Plain Language.** Pursuant to 2 C.F.R. 1120.310, the general conditions contained in Subdivision B and Subdivision C contain personal pronouns. The personal pronoun “you” refers to Civil Air Patrol. The personal pronouns “us” and “we” refers to the United States Air Force and designated authorities – CAP-USAF/CC (Program Manager) and 325 CONS/PKB (Grants Officer).
5. **Definitions.**
  - a. *Claim* – as defined in 2 C.F.R. § 200.1, means, depending on the context, either:
    - i. A written demand or written assertion by one of the parties to a Federal award seeking as a matter of right (i) the payment of money in a sum certain; (ii) the adjustment or interpretation of the terms and conditions of the Federal award; or (iii) other relief arising under or relating to a Federal award.
    - ii. A request for payment that is not in dispute when submitted.

- b. *Closeout* – as defined in 2 C.F.R. § 200.1, means the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes action as described in 2 C.F.R. 200.344.
- c. *Corrective Action* – as defined in 2 C.F.R. § 200.1, action taken by the auditee that (1) corrects identified deficiencies; (2) produces recommended improvements; or (3) demonstrates that audit findings are either invalid or do not warrant auditee action.
- d. *Disallowed costs* – as defined in 2 C.F.R. § 200.1, those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.
- e. *Equipment* – as defined in 2 C.F.R. § 200.1, tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.
- f. *Expenditures* – as defined in 2 C.F.R. § 200.1, charges made by a non-Federal entity to a project or program for which a Federal award was received.
- g. *Federal Fiscal Year (FY)* – 12-month period of time beginning 1 October and ending 30 September the following year.
- h. *Government* – the Federal Government of the United States of America.
- i. *Grant Appeal Authority* – Commander, Air Force Installation Contracting Center as of the signing of this agreement.
- j. *Internal Controls* – as defined in 2 C.F.R. § 200.1, processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) effectiveness and efficiency of operations; (b) reliability of reporting for internal and external use; and (c) compliance with applicable laws and regulations.
- k. *Monitoring* – those actions taken by CAP to ensure that the terms of the Agreement are being met, that adequate progress is being made toward objectives, that Federal funds are being used responsibly, and that CAP is complying with all relevant statutes, regulations, agency requirements, and Office of Management and Budget circulars, to include 2 C.F.R. § 200, *et seq.*
- l. *Period of Performance* – as defined in 2 C.F.R. § 200.1, the total estimate time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per 2 C.F.R. 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.
- m. *Personally Identifiable Information (PII)* – as defined in 2 C.F.R. § 200.1, information that can be used to distinguish or trace an individual's identity, either alone or when



combined with other personal or identifying information that is linked or linkable to a specific individual.

- n. *Program* – when used in the singular form, refers to the anticipated performance conducted under this Agreement with federal funds, resources, or other support and in accordance with Federal law, Federal regulation, or Air Force Instruction.
- o. *Program Income* – as defined in 2 C.F.R. § 200.1, gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in 2 C.F.R. 200.307(f).
- p. *Program Manager* – CAP-USAF/CC or designee.
- q. *Real Property* – as defined in 2 C.F.R. § 200.1, land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.
- r. *Recipient* – as defined in 2 C.F.R. § 200.1, an entity, usually but not limited to non-Federal entities that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.
- s. *Simplified Acquisition Threshold* – as defined in 2 C.F.R. § 200.1, the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods (see 2 C.F.R. § 200.320).
- t. *Sub-award* – as defined in 2 C.F.R. § 200.1, an award provided by a pass-through entity to a sub-recipient 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.
- u. *Supplies* – as defined in 2 C.F.R. § 200.1, all tangible personal property other than those described in the definition of equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.
- v. *Termination* – as defined in 2 C.F.R. § 200.1, the ending of a Federal award, in whole or in part at any time prior to the planned end of period of performance. A lack of available funds is not a termination.

## **SUBDIVISION B**

### **GENERAL TERMS AND CONDITIONS FOR ADMINISTRATIVE REQUIREMENTS**

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**NOTE: All 2 CFR 200 references are current in Subdivision B as of 31 December 2020 despite the “(December 2014)” references in each Article.**

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## **RECIPIENT FINANCIAL AND PROGRAM MANAGEMENT (FMS)**

### **FMS Article I: Financial Management System Standards. (December 2014)**

#### **Section A:** [Reserved].

#### **Section B:** **System standards for all recipients.** Your financial management system must provide for:

1. Inclusion, in your accounts, of the following information about each DoD grant or cooperative agreement that you receive:
  - a. That you received the award from the DoD;
  - b. The number and title listed in the Catalog of Federal Domestic Assistance for the DoD program under which the award was made;
  - c. The DoD award number;
  - d. The year (your fiscal year) in which you received the award.
2. Accurate, current, and complete disclosure of the financial results of the award needed to comply with financial and programmatic reporting requirements that are specified in REP Articles I and II of these general terms and conditions, as supplemented by any award-specific terms and conditions of this award concerning reporting requirements. If you are asked at any time under this award to report financial information on an accrual basis, you:
  - a. Need not establish an accrual accounting system if you maintain your records on a different basis; and
  - b. May develop the accrual data based on an analysis of the data you have on hand.
3. Records that identify adequately the sources of funds for all activities funded by DoD awards, including any required cost sharing or matching, and the application of those funds. This includes funding authorizations your obligations and expenditures of the funds; unobligated balances; property and other assets under the award; program income; and interest.
4. Effective control over, and accountability for, all funds, property, and other assets under this award. You must adequately safeguard all assets and ensure they are used solely for authorized purposes (see Section C of this article for additional requirements concerning internal controls).
5. Comparison of expenditures under this award for project or program purposes with amounts in the approved budget for those purposes.
6. The ability to relate financial data to performance accomplishments under this award if you are required to do so by the programmatic reporting requirements in REP Article I of these general terms and conditions, as supplemented by any award-specific terms and conditions of this award concerning reporting requirements.
7. Written procedures:
  - a. To implement requirements specified in FMS Article II, "Payments;"
  - b. For determining the allowability of costs, which for this award are determined in accordance with FMS Article III, "Allowable costs, period of availability of funds, and fee or profit," of these general terms and conditions, as supplemented by any award-specific terms and conditions of this award that relate to allowability of costs.

**Section C. Internal Controls.** Your system of internal controls must conform to OMB guidance in 2 CFR 200.303. With respect to paragraph (e) of 2 CFR 200.303, your internal control system must include measures to safeguard any information that Federal statute, Executive order, or regulation requires to be

protected (e.g., personally identifiable or export controlled information), whether generated under the award or provided to you and identified as being subject to protection.

## **FMS Article II: Payments. (December 2014)**

### **Section A.** [Reserved]

### **Section B.** Awards to institutions of higher education, nonprofit organizations, local governments, and Indian Tribes.

1. ***Payment method.*** Unless the award-specific terms and conditions of this award provide otherwise, you are authorized to request advance payments under this award. That authorization is contingent on your continuing to maintain, or demonstrating the willingness to maintain, written procedures that minimize the time elapsing between your receipt of each payment and your disbursement of the funds for program purposes. Note that you are not required to request advance payments and may instead, at your option, request reimbursements of funds after you disburse them for project or program purposes.
2. ***Amounts requested.*** You must:
  - a. Limit the amount of any advance payment request to the minimum amount needed to meet your actual, immediate cash requirements for carrying out the purpose of the approved program or project, including direct project costs and a proportionate share of any allowable indirect costs.
  - b. Exclude from any payment request amounts you are withholding from payments to contractors to assure satisfactory completion of the work. You may request those amounts when you make the payments to the contractors or to escrow accounts established to ensure satisfactory completion of the work.
  - c. Exclude from any payment request amounts from any of the following sources that are available to you for program purpose under this award: program income, including repayments to a revolving fund; rebates; refunds; contract settlements; audit recoveries; and interest earned on any of those funds. You must disburse those funds for program purposes before requesting additional funds from us.
3. ***Timing of requests.*** For any advance payment you request, you should submit the request approximately 10 days before you anticipate disbursing the requested amount for project or program purposes. With time for agency processing of the request, that should result in payment as close as is administratively feasible to your actual disbursements for project or program purposes.
4. ***Frequency of requests.*** You may request payments as often as you wish unless you have been granted a waiver from requirements to receive payments by electronic funds transfer (EFT). If you have been granted a waiver from EFT requirements, the award-specific terms and conditions of this award specify the frequency with which you may submit payment requests.
5. ***Withholding of payments.*** We will withhold payments for allowable costs under the award at any time during the period of performance only if one or more of the following applies:
  - a. We suspend either payments or the award, or disallow otherwise allowable costs, as a remedy under OAR Article III due to your material failure to comply with Federal statutes, regulations, or the terms and conditions of this award. If we suspend payments and not the award, we will release withheld payments upon your subsequent compliance. If we suspend the award, then amounts of payments are subject to adjustment in accordance with the terms and conditions of OAR Article III.

- b. You are delinquent in a debt to the United States as defined in OMB Circular A-129, “Policies for Federal Credit Programs and Non-Tax Receivables,” in which case we may, after reasonable notice, inform you that we will not make any further payments for costs you incurred after a specified date until you correct the conditions or liquidate the indebtedness to the Federal Government.
- c. The award-specific terms and conditions of this award include additional requirements that provide for withholding of payments based on conditions identified during our pre-award risk evaluation, in which case you should have been notified about the nature of those conditions and the actions needed to remove the additional requirements.

**6. *Depository requirements.***

- a. There are no eligibility requirements for depositories you use for funds you receive under this award.
- b. You are not required to deposit funds you receive under this award in a depository account separate from accounts in which you deposit other funds. However, FMS Article I requires that you be able to account for receipt, obligation, and expenditure of all funds under this award.
- c. You must deposit any advance payments of funds you receive under this award in insured accounts whenever possible and, unless any of the following apply, you must deposit them in interest-bearing accounts:
  - i. You receive a total of less than \$250,000 per year under Federal grants and cooperative agreements.
  - ii. You would not expect the best reasonably available interest bearing account to earn interest in excess of \$500 per year on your cash balances of advance payments under Federal grants and cooperative agreements.
  - iii. The best reasonably available interest-bearing account would require you to maintain an average or minimum balance higher than it would be feasible for you to do within your expected Federal and non-Federal cash balances.
  - iv. A foreign government or banking system precludes your use of interest-bearing accounts.
- d. You may retain for administrative expenses up to \$500 per year of interest that you earn in the aggregate on advance payments you receive under this award and other Federal grants and cooperative agreements. You must remit annually the rest of the interest to the Department of Health and Human Services Payment Management System, using the procedures set forth in OMB guidance in 2 CFR 200.305(b)(9).

**Section C. Electronic funds transfer and other payment procedural instructions or information.**

- 1. ***Electronic funds transfer.*** Unless the award-specific terms and conditions of this award provide otherwise, you will receive payments under this award by electronic funds transfer.
- 2. ***Additional instructions/information.***
  - a. Electronic funds transfers will be made to the bank account registered in the System for Award Management (SAM.gov). You must maintain registration under the SAM including information necessary to facilitate payment. If a change in registry or other incident necessitate the payment to an account other than that maintained in SAM, it is your responsibility to notify the Grants Officer and obtain a modification to this Agreement reflecting the change.

- b. The Wide Area Work Flow module (WAWF), which is within the Procurement Integrated Enterprise Environment (PIEE), is designated as the DoD standard for electronic invoicing and payment. Electronic submission of payment request requires you to register in WAWF and obtain an activated CAGE code.

**FMS Article III: Allowable Costs, Period of Availability of Funds, and Fee or Profit. (December 2014)**

**Section A. Allowable costs.** This section, with the clarification provided in Section B, specifies which Federal cost principles must be used in determining the allowability of costs charged to this award, a sub-recipient's costs charged to any cost-type sub-award that you make under this award, and a contractor's costs charged to any cost-type procurement transaction into which you enter under this award. These cost principles also govern the allowable costs that you or a sub-recipient of a sub-award at any tier below this award may consider when establishing the amount of any fixed-amount sub-award or fixed-price procurement transaction at the next lower tier. The set of cost principles to be used in each case depends on the type of entity incurring the cost under the award, sub-award, or contract.

1. **General case.** If you, your sub-recipient, or your contractor is:
  - a. An institution of higher education, the allowability of costs must be determined in accordance with provisions of Subpart E of OMB guidance in 2 CFR part 200 other than 2 CFR 200.400(g), supplemented by appendix III to that part.
  - b. A hospital, the allowability of costs must be determined in accordance with provisions of appendix IX to 2 CFR part 200, which currently specifies the cost principles in appendix IX to 45 CFR part 75 as the applicable cost principles.
  - c. A nonprofit organization other than a hospital or institution of higher education, the allowability of costs must be determined in accordance with provisions of Subpart E of OMB guidance in 2 CFR part 200 other than 2 CFR 200.400(g), supplemented by appendices IV and VIII to that part. In accordance with guidance in 2 CFR 200.401(c), a nonprofit organization listed in appendix VIII to 2 CFR part 200 is subject to the cost principles for for-profit entities specified in paragraph 1.e. of this section.
  - d. State, local government, or Indian tribe, the allowability of costs must be determined in accordance with applicable provisions of Subpart E of OMB guidance in 2 CFR part 200 other than 2 CFR 200.400(g), supplemented by appendices V through VII to that part.
  - e. A for-profit entity (other than a hospital) or a nonprofit organization listed in appendix VIII to 2 CFR part 200:
    - i. The allowability of costs must be determined in accordance with:
      - (A) The cost principles for commercial organizations in the Federal Acquisition Regulation (FAR) at Subpart 31.2 of 48 CFR part 31, as supplemented by provisions of the Defense Federal Acquisition Regulation Supplement (DFARS) at Subpart 231.2 of 48 CFR part 231; and
      - (B) For a for-profit entity, the additional provisions on allowability of audit costs, in 32 CFR 34.16(f).
    - ii. The indirect cost rate to use in that determination is:
      - (A) The for-profit entity's federally negotiated indirect cost rate if it has one.

(B) Subject to negotiation between you and the for-profit entity if it does not have a federally negotiated indirect cost rate. The rate that you negotiate may provide for reimbursement only of costs that are allowable in accordance with the cost principles specified in paragraph A.1.e.i. of this article.

2. **Exception.** You may use your own cost principles in determining the allowability of a contractor's costs charged to a cost-type procurement transaction under this award – or in pricing for a fixed-price contract based on estimated costs – as long as your cost principles comply with the Federal cost principles that paragraph A.1. of this section identifies as applicable to the contractor.

**Section B. Clarifications concerning charges for professional journal publications.** For an entity that Section A of this article makes subject to the cost principles in Subpart E of 2 CFR part 200:

1. Cost of publishing in professional journals are allowable under 2 CFR 200.461(b) only if they are consistently applied across the organization. An organization may not charge costs of journal publications as direct costs to this award if it charges any of the same type of costs for other journal publications as indirect costs.
2. “Costs of publication or sharing of research results” in 2 CFR 200.461(b)(3) are the “charges for professional journal publications” described in 2 CFR 200.461(b) and subject to the conditions of 2 CFR 200.461(b)(1) and (2).

**Section C. Period of availability of funds.** You may charge to this award only:

1. Allowable costs incurred during the period of performance specified in this award, including any subsequent amendments to it;
2. Any pre-award costs that you are authorized (by either the terms and conditions of FMS Article IV or the DoD awarding official) to incur prior to the start of the period of performance, at your own risk, for purposes of the project or program under this award; and
3. Costs of publishing in professional journals incurred after the period of performance, as permitted under 2 CFR 200.461(b)(3), if:
  - a. We receive the request for payment for such costs no later than the date on which REP Article II requires you to submit the final financial report to us (or, if we grant your request for an extension of the due date, that later date on which the report is due); and
  - b. You reported expenditures on the final financial report include the amount you disbursed for those costs.

**Section D. Fee or profit.**

1. You may not receive any fee or profit under this award.
2. You may not use funds available to you under this award to pay fee or profit to an entity of any type to which you make a sub-award.
3. You may pay fee or profit to an entity with which you enter into a procurement transaction to purchase goods or general support services for your use in carrying out the project or program under this award.

## **FMS Article IV: Revisions to Budget and Program Plans (December 2014)**

**Section A. Approved budget.** The approved budget of this award:

1. Is the most recent version of the budget that you submitted, and we approved, to summarize planned expenditures for project or program purposes.
2. Includes all Federal funding that we make available to you under this award to use for project or program purposes and any cost sharing or matching that you are required to provide under this award for those same purposes.

**Section B. Revisions requiring prior approval.**

1. ***Non-construction activities.*** You must request prior approval from us for any of the following program or budget revisions in non-construction activities:
  - a. A change in scope or objective of the project or program under this award, even if there is no associated budget revision that requires our prior approval.
  - b. [Reserved].
  - c. [Reserved].
  - d. The inclusion of direct costs that require prior approval in accordance with the applicable cost principles, as identified in FMS Article III.
  - e. The transfer to other categories of expense of funds included in the approved budget for participant support costs, as defined at 2 CFR 200.1.
  - f. A sub-award to another entity under which it will perform a portion of the substantive project or program under the award, if it was not included in the approved budget. This does not apply to your contracts for acquisition of supplies, equipment, or general support services you need to carry out the project or program.
  - g. [Reserved].
  - h. A transfer of funds among direct cost categories or programs, functions, and activities, if the Federal share of the total value for your award exceeds the simplified acquisition threshold and the cumulative amount of the transfers exceeds or is expected to exceed 10 percent of the approved budget.
  - i. The need arises for additional Federal funds to complete the project or program.
2. ***Construction activities.*** [Reserved].

**Section C. Pre-award costs, carry forward of unobligated balances, and one-time no cost extensions.**

You are authorized, without requesting prior approval from us, to:

1. Charge to this award after you receive it pre-award costs that you incurred, at your own risk, up to 90 calendar days before the start date of the period of performance, as long as they are costs that would be allowable charges to the project or program under the terms and conditions of FMS Article III if they were incurred during the period of performance.
2. Carry forward any unobligated balance to subsequent period of performance under this award.
3. Initiate a one-time extension of the period of performance by up to 12 months, as long as:
  - a. You notify us in writing with the supporting reasons and revised end date of the period of performance at least 10 calendar days before the current end date.
  - b. The extension does not require any additional Federal funding.
  - c. The extension does not involve any change in scope or objectives of the project or program.

**Section D. Procedures.**

1. We will review each request you submit for prior approval for a budget or program change and, within 30 calendar days of our receipt of your request, we will respond to you in writing to either:
  - a. Notify you whether your request is approved; or
  - b. Inform you that we still are considering the request, in which case we will let you know when you may expect our decision.
2. [Reserved].

#### **FMS Article V: Non-Federal Audits. (December 2014)**

**Section A. Requirements for entities subject to the Single Audit Act.** You and each sub-recipient under this award that is an institution of higher education, nonprofit organization, State, local government, or Indian tribe must comply with the audit requirements specified in Subpart F of 2 CFR part 200, which is the OMB implementation of the Single Audit Act, as amended (31 U.S.C. chapter 75).

**Section B. Requirements for for-profit entities.** Any for-profit entity that receives a sub-award from you under this award is subject to the audit requirements specified in 32 CFR 34.16. Your sub-award terms and conditions will require the sub-recipient to provide the reports to you if it is willing to do so, so that you can resolve audit findings that pertain specifically to your sub-award (e.g., disallowance of costs). If the for-profit entity is unwilling to agree to provide the auditor's report to you, contact the grants officer for this award to discuss an alternative approach for carrying out audit oversight of the sub-award. If the grants officer does not provide an alternative approach within 30 days of receiving your request, you may determine an approach to ensure the for-profit sub-recipient's compliance with the sub-award terms and conditions, as described in OMB guidance at 2 CFR 200.501(h).

#### **FMS Article VI: Cost-Sharing or Matching – [Reserved]**

#### **FMS Article VII: Program Income (December 2014)**

**Section A. Definition.** The term “program income” as used in this award:

1. Is gross income that:
  - a. You earn that is directly generated by a supported activity or earned as a result of this award; or
  - b. A sub-recipient earns as a result of a sub-award you make under this award.
2. Includes, but is not limited to, income earned under this award from:
  - a. Fees for services performed;
  - b. The use or rental of real or personal property acquired under any Federal award and currently administered under this award;
  - c. The sale of commodities or items fabricated under this award;
  - d. License fees and royalties on patents and copyrights; and
  - e. Payments of principal and interest on loans made with Federal award funds.
3. Does not include for purposes of this award any:



- a. Interest earned on advance payments, disposition of which is addressed in FMS Article II;
- b. Proceeds from the sale of real property, equipment or supplies, which is addressed in PROP Articles III and IV;
- c. Rebates, credits, discounts, and interest earned on any of them; and
- d. Governmental revenues, including any taxes, special assessments, levies, fines and similar revenues you raise.

**Section B. Encouragement to earn program income.** You are encouraged to earn program income under this award when doing so does not interfere with the program or project the award supports.

**Section C. Costs of generating program income.** You may deduct costs incidental to the generation of program income from the amount that you use in accordance with Section E of this Article, as long as those costs are not charged to this award (which includes their being counted toward any cost sharing or matching you are required to provide).

**Section D. License fees and royalties.** You have no obligation to the Federal Government with respect to program income earned under this award from license fees and royalties for patents or patent applications, copyrights, trademarks, or inventions developed or produced under the award.

**Section E. Use of program income.**

1. You must use program income that you earn during the period of performance under this award to increase the amount of the award (the sum of the Federal share and any cost sharing or matching you are required to provide), thereby increasing the amount budgeted for the project. The program income must be used for the purposes and under the terms and conditions of the award.
2. Your use of the additional funding is subject to the terms and conditions of this award, including:
  - a. FMS Article II concerning your use of balances of program income before you request additional funds from us; and
  - b. FMS Article III concerning allowability of costs for which the funds may be used.
3. You must report on each Federal Financial Report (SF-425) that you submit in accordance with REP Article II the program income that you earn and any that you use during the reporting period covered by that SF-425.

**Section F. Duration of accountability for program income.** The requirements concerning disposition of program income in Section E of this Article apply only to program income you earn during the period of performance. There are no requirements under this award applicable to program income you earn after the end of the period of performance.

## **PROPERTY ADMINISTRATION (PROP)**

### **PROP Article I: Title to Property (December 2014)**

**Section A. Title to property acquired under this award.**

1. ***General.*** Other than any property identified in paragraph A.2. of this section as exempt property:
  - a. Title to real property, equipment, and supplies that you acquire (whether by purchase, construction or fabrication, development, or otherwise) and charge as direct project costs under this award vests in you, the recipient. Title to intangible property that you acquire (other than by developing or producing it) under this award also vests in you.

- b. That title is a conditional title, subject to the terms and conditions in PROP Articles II-IV, Section D of PROP Article VI, and REP Article III of this award.
- c. There is a Federal interest in the property, other than intangible property, that you develop or produce under the award. For real property, equipment, and intangible property, we retain this Federal interest until final disposition of the property under PROP Article III (for real property), PROP Article IV (for equipment and supplies), or Section D of PROP Article VI (for intangible property that is acquired, other than by developing or producing it), a period that in some cases may extend beyond closeout of this award.

2. ***Exempt property.*** [Reserved].

**Section B. Property trust relationship.**

1. ***Basic requirement.*** Other than intangible property that you develop or produce under the award, you hold any real property, equipment, or intangible property that you acquire or improve under this award in trust for the beneficiaries of the project or program that you are carrying out under the award.
2. ***Notices of Record.*** [Reserved].

**Section C. Federally owned property.** Title to any federally owned property that we provide to you under this award (or for which accountability is transferred to this award from another Federal award) remains with the Federal Government.

**Section D.** [Reserved].

**Section E. Federal interest in property improved under the award.**

1. The Federal Government has an interest in improvements (as distinct from ordinary repairs and maintenance) you make to an item of real property or equipment if you charge the costs of the improvements as direct costs to this award.
2. We thereby acquire an interest in the property if the Government did not previously have one. If the Government already had an interest in the property, the value of that Federal interest in the property increases by the amount of the Federal interest in the improvements.
3. The property is subject to Section B of this article and the terms and conditions of PROP Articles II-IV and REP Article III that are applicable to real property or equipment acquired under the award.
4. The Federal interest must be addressed at the time of property disposition.

**PROP Article II: Property Management System (December 2014)**

**Section A. Insurance coverage for real property and equipment.** You must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved under this award as you provide for real property and equipment that you own.

**Section B.** [Reserved].

**Section C. Other property management system standards for a nonprofit organization.** Your procedures for managing equipment (including replacement equipment) acquired or improved in whole or in part under this award and any federally owned property for which you are accountable under this award must, at a minimum, meet the requirements in this section.

1. ***Records.*** You must maintain records that include for each item of equipment or federally owned property:

- a. A description of the item.
  - b. The serial or other identification number.
  - c. Who holds title (e.g., you or the Federal Government and, if the latter, which Federal agency)
  - d. The source of funding for the equipment, including the Federal award identification number, or the source of the federally owned property, including the award number of the award under which you are accountable for the property.
  - e. The acquisition date and cost of the equipment (or improvement to the equipment) or the date you received the federally owned property.
  - f. The location, use, and condition of the equipment or federally owned property.
  - g. Information from which one can calculate the amount of the Federal interest in the acquisition or improvement of the item (this amount is zero after you compensate us for the Federal interest in the item or improvement).
  - h. Any data on the ultimate disposition of the item including the date of disposal and sale price.
2. **Labelling.** You must ensure that property owned by the Federal Government is labeled to identify it as federally owned property.
3. **Inventory.**
- a. You must take a physical inventory of equipment in which there is a Federal interest and reconcile the results with your records at least once every 2 years.
  - b. You must take an annual inventory of any federally owned property for which you are accountable under this award.
4. **Control System.** You must:
- a. Maintain an internal property control system with adequate safeguards to prevent loss, damage, or theft of equipment and federally owned property.
  - b. Investigate any loss, damage, or theft and notify CAP-USAF if it involved equipment in which there is a Federal interest under the award or federally owned property.
5. **Maintenance.** You must maintain equipment acquired or improved in whole or in part under the award and federally owned property in good condition.

## **PROP Article III: Use and Disposition of Real Property (December 2014)**

### **Section A. Use of Real Property**

1. You must use real property acquired or improved under this award for the originally authorized purpose as long as needed for that purpose. During that time, you may not:
  - a. Dispose of the property except, with the approval of the award administration office, to acquire replacement property under this award, in which case you must use the proceeds from the disposition as an offset to the cost of the replacement property; or
  - b. Encumber the title or other interest in the property without the approval of the award administration office identified in this award.

2. During the time that the real property is used for the originally authorized purpose, you may make the property available for use on other projects or programs, but only if that use will not interfere with the property's use as needed for its originally authorized purpose.
  - a. First preference must be given to other projects or programs supported by DoD Components and second preference to those supported by other Federal agencies.
  - b. Third preference is for other projects or programs not currently supported by the Federal Government. You should charge user fees for use of the property in those cases, if it is at all practicable.
3. When the real property is no longer needed for the originally authorized purpose, with the written approval of the award administration office, you may delay final disposition of the property to use it on other federally sponsored projects or programs. A condition for the award administration office's approval is that the other projects or programs have purposes consistent with those authorized for support by the DoD Component that made the award under which the property was acquired or improved.

**Section B. Disposition of real property.** When you no longer need real property for the originally authorized purpose, you must obtain disposition instructions from the award administration office, except as provided in paragraph A.3. of this article. Those instructions will provide for one of the following three alternatives, which are that you:

1. Retain title after compensating us for the Federal interest in the property, which is to be computed as specified in the definition of "Federal interest."
2. Sell the property and compensate us for the Federal interest in the property, as described in 2 CFR 200.311(c)(2).
3. Transfer title to us or a third party we designate, as described in 2 CFR 200.311(c)(3).

## **PROP Article IV. Use and Disposition of Equipment and Supplies. (December 2014)**

**Section A. Property subject to this article.** This article specifies requirements for use and disposition of equipment and supplies. If a provision of PROP Article I identifies any type of equipment or supplies as exempt property, requirements of this Article apply to that exempt property only to the extent specified in that provision of PROP Article I or an award-specific term or condition. The types of non-exempt property to which this article applies are:

1. Supplies that you acquire either by purchase or by donation as cost sharing or matching under this award; and
2. Equipment for which title is vested conditionally in you. That includes equipment with a conditional title resulting from your having, either under this award or under a previous award from which you transferred accountability for equipment to his award:
  - a. Directly charged as project costs, in whole or in part, the acquisition (by purchase, construction or fabrication, or development) of equipment;
  - b. [Reserved]; or
  - c. Directly charged as project costs improvements to the equipment that meet the criteria given in paragraph E.1. of PROP Article I.

**Section B.** [Reserved].

**Section C. Use of equipment by a nonprofit organization.** You:

1. Must use the equipment for the authorized purposes of the project or program under this award until the equipment is no longer needed for those purposes, whether or not the project or program continues to be supported by this award.
2. May not encumber the equipment without the prior written approval of the award administration office.
3. During the time that the equipment is used for the project or program under this award:
  - a. You must make the equipment available for use on other projects or programs but only if that use will not interfere with the equipment's use as needed for the project or program supported by this award.
    - i. First preference must be given to other projects or programs supported or previously supported by DoD Components
    - ii. Second preference to projects or programs supported or previously supported by other Federal agencies.
    - iii. Third preference is for other projects or programs not supported by the Federal Government. You should charge user fees for use of the equipment in those cases, if it is at all practicable.
  - b. You may use equipment, if you need to acquire replacement equipment, as a trade-in or sell it (using sales procedures designed to ensure the highest possible return) and use the proceeds from the sale to offset the cost of the replacement equipment.
4. When the equipment is no longer needed for the project or program under this award, you may defer final disposition of the equipment and continue to use it on other federally sponsored projects or programs. You must give first priority to other projects or programs supported by the DoD Components.
5. Notwithstanding the encouragement in FMS Article VII to earn program income, you may not use equipment in which there currently is a Federal interest – whether you acquired it under this award or are otherwise accountable for it under this award – to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute.

**Section D. Disposition of equipment by a nonprofit organization.** You must request disposition instructions from the award administration office when either original or replacement equipment acquired under this award with a current fair market value that exceeds \$5,000 is no longer needed for the original project or program or for other federally sponsored activities as described in paragraph C.4. of this article. For each item of equipment with a current fair market value of \$5,000 or less, you may retain, sell, or otherwise dispose of the item with no further obligation to the Federal Government.

1. We may issue disposition instructions that:
  - a. Allow you to retain or sell any item of equipment after compensating us for the Federal interest in the property, which is to be computed as specified in the definition of “Federal interest;” or
  - b. Require you to transfer title to the equipment to a Federal agency or a third party, in which case you are entitled to compensation from us for the non-Federal interest in the equipment, plus any reasonable shipping or interim storage costs incurred.
2. If we fail to provide disposition instructions for any item of equipment within 120 calendar days of receiving your request, you may retain or sell the equipment, but you must compensate us for the amount of the Federal interest in the equipment.

3. If you sell the equipment:
  - a. You must use sales procedures designed to ensure the highest possible return; and
  - b. You may deduct and retain for selling and handling expense either \$500 or ten percent of the proceeds, whichever is less.

**Section E. Use and disposition of supplies under this award.**

1. **Use.** Notwithstanding the encouragement in FMS Article VII to earn program income as long as we retain a Federal interest in supplies acquired under this award either by purchase or by donation as cost sharing or matching, you may not use the supplies to provide services to other organizations for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute.
2. **Disposition.** If you have a residual inventory of unused supplies with aggregate value exceeding \$5,000 at the end of the period of performance under this award, and the supplies are not needed for any other Federal award, you must retain the supplies or sell them but must in either case compensate us for the amount of the Federal interest in the supplies. You may deduct and retain for selling and handling expenses either \$500 or ten percent of the proceeds, whichever is less.

**PROP Article V: Use and Disposition of Federally Owned Property. (December 2014)**

**Section A. Use.** During the time that federally owned property for which you are accountable under this award is used for the project or program supported by the award, you:

1. Also may make the property available for use on other federally supported projects or programs, but only if that use will not interfere with the property's use for the project or program supported by this award. You must give first priority to other projects or programs supported by DoD Components.
2. May use the property for purposes other than federally supported projects or programs only with the prior approval of the awarding office or, if you request approval after the award is made, the award administration office.

**Section B. Disposition.** You must request disposition instructions from the award administration office for any federally owned property under this award, including any property for which a sub-recipient is accountable under a sub-award you make under this award, either:

1. At any time during the period of performance if the property is no longer needed for the project or program supported by this award; or
2. At the end of the period of performance.

**PROP Article VI. Intangible Property. (December 2014)**

**Section A. Assertion of copyright.**

1. You may assert copyright in any work that is eligible for copyright protection if you acquire ownership of it under this award, either by developing it or otherwise.
2. With respect to any work you developed or otherwise acquired under this award, DoD reserves a royalty-free, nonexclusive and irrevocable license to:
  - a. Reproduce, publish, or otherwise use the work for Federal Government purposes; and

- b. Authorize others to reproduce, publish, or otherwise use the work for Federal Government purposes.

**Section B.** [Reserved].

**Section C. Data produced under the award.**

1. ***Data in general.*** The Federal Government has the right to:
  - a. Obtain, reproduce, publish, or otherwise use the data produced under this award; and
  - b. Authorize others to receive, reproduce, publish, or otherwise use the data produced under this award for Federal Government purposes.
2. [Reserved].

**Section D. Use and disposition of intangible property acquired, but not developed or produced, under the award.**

1. ***Applicability.*** This section applies to a patent, patent application, copyright, or other intangible property acquired, but not developed or produced, under this award.
2. ***Use.*** You:
  - a. Must use the intangible property for the authorized purpose under this award until the intangible property is no longer needed for that purpose, whether or not that purpose is still being supported by this award.
  - b. May not encumber the intangible property without the prior written approval of the award administration office.
3. ***Disposition.*** When the intangible property is no longer needed for the originally authorized purpose, you must contact the award administration office to arrange for disposition in accordance with the procedures specified for disposition of equipment in either section B or D of PROP Article IV, as applicable.

**RECIPIENT PROCUREMENT PROCEDURES (PROC)**

**PROC Article I: Procurement Standards for States. – [Reserved]**

**PROC Article II: Procurement Standards for Institutions of Higher Education, Nonprofit Organizations, Local Governments, and Indian Tribes. (December 2014)**

**Section A. General procurement standards.**

1. For procurement under this award, you must comply with the following paragraphs of OMB guidance in 2 CFR 200.318:
  - a. 200.318(a) concerning documented procurement procedures;
  - b. 200.318(b) concerning oversight of contractors;
  - c. 200.318(c) concerning standards of conduct and conflicts of interest;
  - d. 200.318(d) concerning purchases of unnecessary or duplicative items;
  - e. 200.318(e) concerning intergovernmental or inter-entity agreements;
  - f. 200.318(g) concerning value engineering;

- g. 200.318(i) concerning procurement records;
  - h. 200.318(j) concerning time and material type contracts; and
  - i. 200.318(k) concerning settlement of issues arising out of procurements.
2. You must do business only with responsible contractors who are able to perform, as described in OMB guidance in 2 CFR 200.318(h). Related to that, you must comply with restrictions on awarding procurement transactions to excluded or disqualified parties and other requirements specified by OMB guidelines on non-procurement debarment and suspension at 2 CFR part 180, as implemented by DoD at 2 CFR part 1125.

**Section B. Competition.** You must award procurement transactions under this DoD award in accordance with the competition requirements described in OMB guidance in 2 CFR 200.319.

**Section C. Procurement methods.** You must award procurement transactions under this award using methods described in OMB guidance in 2 CFR 200.320.

**Section D. Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms.** You must take the affirmative steps described in OMB guidance in 2 CFR 200.321 when awarding procurement transactions under this award.

**Section E. Contract cost and price.** When awarding a contract under this award, you must follow the procedures related to costs and price that are described in OMB guidance in 2 CFR 200.324, using the applicable cost principles specified in FMS Article III.

**Section F. Contract provisions.** You must include provisions in your procurement transactions under this award to require the contractors’ compliance with the requirements of PROC Article III, as applicable.

**Section G.** [Reserved].

**Section H. Review of procurement documents.** Upon our request, you must make available:

- 1. Technical specifications on proposed procurements, as described in 2 CFR 200.325(a).
- 2. Pre-procurement documents for our review, as described in 2 CFR 200.325(b) unless you are exempt from that requirement under 2 CFR 200.325(c).

**Section I. Bonding requirements.** If you award a construction or facility improvement contract under this award with a value in excess of the simplified acquisition threshold, you must comply with at least the minimum requirements for bidders’ bid guarantees and contractors’ performance and payment bonds described in 2 CFR 200.326(a) through (c), unless a provision in the award-specific terms and conditions of this award exempts you from the requirement based on our determination that your bonding policy and requirements are adequate to protect Federal interests.

## **PROC Article III. Contract Provisions for Recipient Procurements. (December 2014)**

### **Section A. Contract provisions for administrative requirements.**

- 1. ***Remedies.*** In any contract under this award for an amount in excess of the simplified acquisition threshold, you must provide for administrative, contractual, or legal remedies, including any appropriate sanctions and penalties, when the contractor violates or breaches the contract terms.
- 2. ***Termination.*** In any contract for an amount in excess of \$10,000, you must specify conditions under which you may terminate the contract for cause or convenience; the procedures for termination; and the basis to be used for settlement.



3. ***Allowable costs under cost-type contracts.*** In any cost-type contract with an entity, you must include a clause to permit the entity to charge to the contract only costs that are allowable under the cost principles that FMS Article III identifies as applicable to that type of entity, as supplemented by any award-specific terms and conditions related to allowability of costs that are included in this award. Your contract clause may permit the contractor to use its own cost principles in determining the allowability of its costs charged to the contract, as long as its cost principles comply with those Federal cost principles supplemented by any award-specific terms and conditions of this award.
4. ***Rights in copyright and data.*** You must include in each contract under this award a provision requiring that the contractor:
  - a. Grant the Federal Government a royalty-free, nonexclusive and irrevocable right to:
    - i. Reproduce, publish, or otherwise use for Federal purposes any work that is subject to copyright and that the contractor develops, or acquires ownership of, under this award;
    - ii. Authorize others to reproduce, publish, or otherwise use such work for Federal purposes; and
  - b. Grant the Federal Government the right to:
    - i. Obtain, reproduce, publish, or otherwise use data produced under this award;
    - ii. Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes; and
  - c. Include the Federal Government rights described in subparagraphs 4.a. and 4.b. of this section in any subcontracts.
5. ***Access to records.***
  - a. In any negotiated, cost-type or time and materials contract for an amount in excess of the simplified acquisition threshold, you must provide for access to any of the contractor's books, documents, papers, and records that are directly pertinent to that contract to enable and support audits, examinations, excerpts, and transcriptions. The contract provision must provide access to those records for all of the following and their duly authorized representatives:
    - i. You;
    - ii. Us as the Federal awarding agency, including our Inspector General; and
    - iii. The Comptroller General of the United States.
  - b. In any audit services contract for performance of an audit required by the Single Audit Act, as implemented by OMB in Subpart F of 2 CFR part 200, you must provide for the access to audit documentation described in 2 CFR 200.517(b).
6. ***Records retention.***
  - a. In any negotiated, cost-type or time and materials contract for an amount in excess of the simplified acquisition threshold, you must provide for retention of all records that are directly pertinent to that contract for 3 years after you make final payment and all pending matters are closed.

- b. In any audit services contract for performance of an audit required by the Single Audit Act, as implemented by OMB in Subpart F of 2 CFR part 200, you must provide for the retention of audit documentation described in 2 CFR 200.517(a).
- 7. **Reporting.** In any contract awarded under this award, you must include any provision for the contractor's reporting to you that may be needed in order for you to meet your requirements under this award to report to us.

**Section B. Contract provisions for national policy requirements.**

- 1. **Equal employment opportunity.** You must include the clause provided in 41 CFR 60–1.4(b) in any “federally assisted construction contract” (as defined in 41 CFR 60–1.3) under this award, unless provisions of 41 CFR part 60–1 exempt the contract from the requirement.
- 2. **Wage Rate Requirements (Construction), formerly the Davis-Bacon Act.** With respect to each construction contract for more than \$2,000 to be awarded using funding provided under this award, you must:
  - a. Place in the solicitation under which the contract will be awarded a copy of the current prevailing wage determination issued by the Department of Labor;
  - b. Condition the decision to award the contract upon the contractor's acceptance of that prevailing wage determination;
  - c. Include in the contract the clauses specified at 29 CFR 5.5(a) in Department of Labor regulations at 29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction,” to require the contractor's compliance with the Wage Rate Requirements (Construction), as amended (40 U.S.C. 3141–44, 3146, and 3147); and
  - d. Report all suspected or reported violations to the award administration office identified in this award.
- 3. **Copeland Act prohibition on kickbacks.** In each contract under this award that is subject to the Wage Rate requirements in paragraph 2 of these provisions, you must:
  - a. Include a provision requiring the contractor to comply with the anti-kickback provisions of the Copeland Act (18 U.S.C. 874 and 40 U.S.C. 3145), as supplemented by Department of Labor regulations at 29 CFR part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.”
  - b. Report all suspected or reported violations to the award administration office identified in the award notice cover sheet of this award.
- 4. **Contract Work Hours and Safety Standards Act for work involving mechanics or laborers.** In each contract for an amount greater than \$100,000 that involves the employment of mechanics or laborers and is not a type of contract excepted under 40 U.S.C. 3701, you must include the clauses specified in Department of Labor (DoL) regulations at 29 CFR 5.5(b) to require use of wage standards that comply with the Contract Work Hours and Safety Standards Act (40 CFR, Subtitle II, Part A, Chapter 37), as implemented by DoL at 29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction.”
- 5. **Patents and inventions.** If you procure the services of a nonprofit organization, small business firm, or other entity for the performance of experimental, developmental or research work, you must include in the contract the clause prescribed in Section B of PROP Article VI to establish contractual requirements regarding subject inventions resulting from the contract and provide for Federal Government rights in those inventions.

6. ***Clean air and water requirements.*** You must:
  - a. In each contract for an amount greater than \$150,000 under this award, include a clause requiring the contractor to comply with applicable provisions of the Clean Air Act (42 U.S.C. 7401–7671q), Federal Water Pollution Control Act (33 U.S.C. 1251–1387), and standards, orders, or regulations issued under those acts; and
  - b. Report any violations of the Acts, standards, orders, or regulations to both the award administration office identified in this award and the appropriate regional office of the Environmental Protection Agency.
7. ***Non-procurement suspension and debarment.*** Unless you have an alternate method for requiring the contractor’s compliance, you must include a clause in each contract for an amount equal to or greater than \$25,000 for other than federally required audit services and in each contract for federally required audit services regardless of dollar value to require the contractor to comply with OMB guidance on non-procurement suspension and debarment in 2 CFR part 180, as implemented by DoD regulations at 2 CFR part 1125.
8. ***Byrd Amendment anti-lobbying requirements.*** In each contract for an amount exceeding \$100,000, you must include a clause requiring the contractor to submit to you the certification and any disclosure forms regarding lobbying that are required under 31 U.S.C. 3152, as implemented by the DoD at 32 CFR part 28.
9. ***Purchase of recovered materials by States or political subdivisions of States.*** In each contract under which the contractor may purchase items designated in Environmental Protection Agency (EPA) regulations in 40 CFR part 247, subpart B, you must include a clause requiring the contractor to comply with applicable requirements in those EPA regulations, which implement Section 6002 of the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. 6962).
10. ***Fly America requirements.*** In each contract under which funds provided under this award might be used for international air travel for the transportation of people or property, you must include a clause requiring the contractor to:
  - a. Comply with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118, also known as the “Fly America” Act), as implemented at 41 CFR 301–10.131 through 301–10.143. The statute and regulations provide that U.S. Government-financed international air travel of passengers and transportation of personal effects or property must use a U.S. Flag air carrier or be performed under a cost-sharing arrangement with a U.S. carrier, if such service is available; and
  - b. Include the requirements of the Fly America Act in all subcontracts that might involve international air transportation.
11. ***Cargo preference for United States flag vessels.*** In each contract under which equipment, material, or commodities may be shipped by oceangoing vessels, you must include the clause specified in Department of Transportation regulations at 46 CFR 381.7(b) to require that at least 50 percent of equipment, materials or commodities purchased or otherwise obtained with Federal funds under this award, and transported by ocean vessel, be transported on privately owned U.S.-flag commercial vessels, if available.

## **FINANCIAL, PROGRAMMATIC, AND PROPERTY REPORTING (REP)**

### **REP Article I: Performance Management, Monitoring, and Reporting. (December 2014)**

**Section A. Required reporting form, format, or data elements for interim and final performance reports.** As applicable, you must submit interim and final performance reports utilizing standard OMB-approved information collections for reporting performance information pursuant to 2 CFR 200.329. Each performance report must include, at a minimum:

1. A statement of progress; including the results to date and a comparison of actual accomplishments with proposed goals and objectives of the award as outlined in the Statement of Objectives;
2. Any current problems, unusual developments or delays;
3. Goals and objectives CAP will strive to attain during the subsequent reporting period;
4. Cost information to demonstrate cost effective practices; and
5. The amount and nature of any program income generated by CAP.

**Section B. Frequency, reporting periods, and due dates for interim performance reports.**

1. ***Frequency.*** You must submit an interim performance report annually for each performance period.
2. ***Reporting periods and due dates.*** Upon the completion of a fiscal year, you must submit an interim performance report addressing the items in Section A of this article for the completed fiscal year. Interim reports are due within 90 calendar days after the reporting period (the fiscal year).

**Section C. Due date and reporting period for final performance report.**

1. ***Due date.*** You must submit the final performance report under this award no later than 120 calendar days from the end date of the period of performance unless we approve an extension of that due date as described in Section D of this article.
2. ***Reporting period.*** The final performance report must address the entire period of performance.

**Section D. Extensions of due dates.** You may request extensions of the due dates that Sections B and C of this Article specify for interim and final reports, respectively. You must provide the reasons for your request and we will approve extensions that are adequately justified. Request for extensions should be submitted, in writing, to the Program Manager.

**Section E. Reporting significant developments.** You must report the following information to us as soon as you become aware of it:

1. Problems, delays, or adverse conditions that will materially impair your ability to meet the objectives of this award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
2. Favorable developments which will enable you to meet schedules and objectives sooner or at less cost than anticipated or produce more or different beneficial results than originally planned.

**Section F. Performance reporting procedures.** You must submit each performance report to the Program Manager and Grants Officer. The performance report can be submitted via email provided confirmation of receipt of the performance report by the Program Manager and Grants Officer is received.

**Section G. Site visits.** We reserve the right to make site visits as warranted to monitor program performance under this award.

**REP Article II: Financial Reporting. (December 2014)**

**Section A. Required reporting form, format, or data elements for interim and final financial reports.** You must submit interim and final financial reports utilizing OMB-approved government-wide data elements for collection of financial information. The OMB Form SF-425 (or any subsequent OMB Form) must be used to accomplish the interim and final financial reports.

**Section B. Interim financial reports: Frequency, reporting periods, and due dates.**

1. ***Frequency.*** You must submit an interim financial report annually for each performance period.
2. ***Reporting periods and due dates.*** Upon the completion of a fiscal year, you must submit an interim financial report as directed in Section A of this article for the completed fiscal year. Interim reports are due within 90 calendar days after the reporting period (the fiscal year).

**Section C. Final financial report.** You must submit the final financial report under this award no later than 120 calendar days after the end date of the period of performance.

**Section D. Extensions of due dates.** You may request extensions of the due dates that Sections B and C of this Article specify for interim and final reports, respectively. You must provide the reasons for your request, and we will approve extensions that are adequately justified. Request for extensions should be submitted, in writing, to the Program Manager.

**Section E. Where and how to submit financial reports.** You must submit each financial report to the Program Manager and Grants Officer. The financial report can be submitted via email provided confirmation of receipt of the financial report by the Program Manager and Grants Officer is received.

### **REP Article III. Reporting on Property (December 2014)**

**Section A. Real property.** Paragraphs A.1 through A.4 apply to real property for which you are accountable under this award, for as long as there is a Federal interest in the property (whether that interest is due to you or a sub-recipient having acquired or improved the property under this award, or a transfer of the accountability for the property to this award from another award).

1. ***Periodic status reports.*** You must submit periodic status reports, as follows:
  - a. ***Frequency and duration of reporting requirement.*** Pursuant to 2 CFR 200.330, you must submit real property reports annually.
  - b. ***Due dates.*** Annual real property reports are due at the end of each fiscal year.
  - c. ***Other submission instructions.*** If you do not acquire or retain any real property under this award that requires reporting as stated above, you should provide a certification annually asserting the same via email to the Program Manager.
2. ***Notifications of critical changes.*** You must notify the award administration office of any critical change in the status of real property as soon as feasible after you become aware of it. A critical change is any event with a significant adverse impact on the condition or value of the property, such as damage due to fire; flood, hurricane, or other severe weather; earthquake; or accident.
3. ***Requests for disposition instructions.*** You must comply with applicable requirements in PROP Article III to request disposition instructions, either during the period of performance or at closeout.
4. ***Closeout accounting.*** You must account to the award administration office for real property at the time of closeout of the award, as required by Section D of OAR Article VI.

**Section B. Equipment and supplies.** Paragraphs B.1 through B.4 apply to equipment or supplies for which you are accountable under this award and in which there is a Federal interest (whether that interest is due to you or a sub-recipient having acquired or improved the property under this award, or a transfer of the accountability for the property to this award from another award).

1. ***Periodic status report.*** There is no requirement for periodic reporting during the period of performance.
2. ***Notifications of loss, damage, or theft.*** You must comply with applicable requirements in PROP Article II governing your property management system to promptly notify the award administration office of any loss, damage, or theft of equipment.
3. ***Requests for disposition instructions.*** You must comply with applicable requirements in PROP Article IV to request disposition instructions for equipment, either during the period of performance or at closeout.
4. ***Closeout accounting.***
  - a. ***Equipment.*** You must account to the award administration office for equipment at the time of closeout of this award, as required by Section D of OAR Article VI.
  - b. ***Supplies.*** If you have a residual inventory of unused supplies that meets the criteria specified in paragraph E.2 of PROP Article IV, you must as part of your closeout accounting arrange with the award administration office for the compensation that paragraph specifies for the Federal interest in the supplies.

**Section C. Federally owned property.** Paragraphs C.1 through C.3 apply to federally owned property for which you are accountable under this award.

1. ***Annual inventory.*** You must submit annually to the award administration office an inventory of federally owned property.
2. ***Notifications of loss, damage, or theft.*** As provided in PROP Article II governing your property management system, you must promptly notify the award administration office of any loss, damage, or theft of federally owned property.
3. ***Requests for disposition instructions.*** You must comply with requirements in Section B of PROP Article V to request disposition instructions, either during the period of performance or at closeout.
4. ***Closeout accounting.*** Your requests for disposition instructions for federally owned property, as described in paragraph C.3 of this section, satisfy the need to account for federally owned property at closeout (see Section D of OAR Article VI).

**Section D. Intangible property.** Paragraphs D.1 through D.3 apply to intangible property for which you are accountable under this award.

1. ***Inventions developed under the award.*** You must submit all reports on subject inventions developed under this award that are required by the modified Government-wide patent rights award provision specified in Section B of PROP Article VI, which include a disclosure of each subject invention and a final report listing all such subject inventions.
2. ***Copyrights and data.*** You are not required to submit periodic reports about data produced under the award or about works for which you acquired ownership under this award, either by development or otherwise, and in which copyright was asserted. However, because of the DoD/ Federal Government's rights in the works and data that Sections A and C of PROP Article VI specify, you must provide information about the works and data if we request it.



3. ***Intangible property acquired, but not developed or produced, under the award.*** You must comply with requirements in Section D of PROP Article VI to request disposition instructions for intangible property acquired, but not developed or produced, under the award.

#### **REP Article IV: Reporting on Sub-awards and Executive Compensation (December 2014)**

You must report information about sub-awards and executive compensation as specified in the award provision in appendix A to 2 CFR part 170, “Reporting sub-award and executive compensation information,” modified as follows:

1. To accommodate any future designation of a different Government-wide website for reporting sub-award information, the website “<http://www.fsrs.gov>” cited in paragraphs a.2.i. and a.3 of the award provision is replaced by the phrase “<http://www.fsrs.gov> or successor OMB-designated website for reporting sub-award information”;
2. To accommodate any future designation of a different Government-wide website for reporting executive compensation information, the website “<http://www.sam.gov>” cited in paragraph b.2.i. of the award provision is replaced by the phrase “<https://www.sam.gov> or successor OMB-designated website for reporting information on total compensation”; and
3. The reference to “Sec. 1.210 of the attachment to OMB Circular A–133, ‘Audits of States, Local Governments, and Non-Profit Organizations’ ” in paragraph e.3.ii of the award provision is replaced by “2 CFR 200.331, as implemented in SUB Article I of this award”.

#### **REP Article V: Other Reporting. - [Reserved]**

### **OTHER AWARD REQUIREMENTS (OAR)**

#### **OAR Article I: Submitting and Maintaining Recipient Information (December 2014)**

##### **Section A. System for Award Management.**

1. Unless you are exempted from this requirement in accordance with OMB guidance in 2 CFR 25.110, you must maintain the currency of information about yourself in the system the Federal Government specifies as the repository for information about its business partners (currently the System for Award Management (SAM.gov)).
2. You must maintain the information in that system until you submit the final financial report required under this award or receive the final payment, whichever is later.
3. You must review and update the information at least annually after your initial registration in the system (unless you are subject to the requirements in Section B) and more frequently if required by changes in your information.

##### **Section B. Reporting of Performance and Integrity Information.**

1. ***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 period of performance of this award, then during that period of time you must maintain in SAM the currency of information required by paragraph B.2 of this section. Note that:
  - a. This reporting is required under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313).

- b. As required by section 3010 of Public Law 111-212, all performance and integrity information posted in the designated information system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.
  - c. Recipient information is submitted to the OMB-designated integrity and performance system through the SAM, as described in paragraph B.3 of this section. The currently designated integrity and performance information system is the Federal Awardee Performance and Integrity Information System (FAPIIS).
- 2. ***Proceedings about which you must report.*** Submit the information that the designated information system requires about each proceeding that:
  - a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
  - b. Reached its final disposition during the most recent 5-year period; and
  - c. Is one of the following:
    - i. A criminal proceeding that resulted in a conviction, as defined in paragraph B.5. of this section;
    - ii. A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
    - iii. An administrative proceeding, as defined in paragraph B.5. of this section, 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
    - iv. Any other criminal, civil, or administrative proceeding if:
      - (A) It could have led to an outcome described in paragraph B.2.c.i, ii, or iii of this section;
      - (B) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
      - (C) The requirement in this section to disclose information about the proceeding does not conflict with applicable laws and regulations.
- 3. ***Reporting procedures.*** Submit the information required in paragraph B.2 of this section to the Entity Management functional area of the SAM.
  - a. Current procedures are to submit the information as part of the maintenance of your information in the SAM that Section A of this article requires.
  - b. You do not need to submit the information again under this award if you already reported current information to the SAM under another Federal grant, cooperative agreement, or procurement contract.
- 4. ***Reporting frequency.*** During any period of time when you are subject to the requirement in paragraph B.1 of this section, you must report to SAM at least semiannually following your initial report of any information required in paragraph B.2 of this section, either to provide new information not reported previously or affirm that there is no new information to report.
- 5. ***Definitions.*** For purposes of this section:



- a. 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 but only in connection with performance of a Federal contract, grant, or cooperative agreement. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- b. Conviction 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.
- c. Total value of currently active grants, cooperative agreements, and procurement contracts includes:
  - i. Only the Federal share of the funding under any Federal agency award with a recipient cost share or match; and
  - ii. The value of all expected funding increments and options, even if not yet exercised, under each Federal agency award.

**Section C. Disclosure of evidence of integrity-related issues.**

- 1. ***Disclosure requirement.*** At any time during the period of performance of this award, if you have evidence that a covered person committed a covered action (see paragraphs C.2 and C.3 of this section) that may affect this award, you must disclose the evidence in writing to the Office of the Inspector General, DoD, with a copy to the grants officer identified in the award cover pages.
- 2. ***Covered person.*** As the term is used in this section, “covered person” means a principal, employee, or agent of either you or a sub-recipient under this award, where:
  - a. “Principal” means:
    - i. An officer, director, owner, partner, principal investigator, or other person with management or supervisory responsibilities that relate to this award; or
    - ii. A consultant or other person, whether or not employed by you or a sub-recipient or paid with funds under this award, who:
      - (A) Is in a position to handle funds under this award;
      - (B) Is in a position to influence or control the use of those funds; or
      - (C) Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the project or program under this award.
  - b. “Agent” means any individual who acts on behalf of, or who is authorized to commit you or the sub-recipient, whether or not employed by you or the sub-recipient.
- 3. ***Covered action.*** As the term is used in this section, “covered action” means a violation of Federal criminal law in Title 18 of the United States Code involving fraud, bribery, or a gratuity violation.
- 4. ***Safeguarding of the information.***
  - a. To the extent permitted by law and regulation, we will:
    - i. Safeguard and treat information you disclose to us as confidential if you mark the information as “confidential” or “proprietary.”

- ii. Not release the information to the public in response to a Freedom of Information Act (5 U.S.C. 552) request without notifying you in advance.
- b. We may transfer documents you provide to us to any other department or agency within the Executive Branch of the Federal Government if the information relates to matters within that organization's jurisdiction.

## **OAR Article II: Records Retention and Access. (December 2014)**

### **Section A. Records retention period.** Except as provided in Sections B through D of this article:

1. You must keep records related to any real property and equipment acquired, in whole or in part, using Federal funds under the award for 3 years after final disposition of the property. For any item of exempt property with a current fair market value greater than \$5,000, and for which final disposition was not a condition of the title vesting, you must keep whatever records you need for as long as necessary to ensure that you can deduct the Federal share if you later use the property in contributions for cost sharing or matching purposes under any Federal award.
2. You must keep records related to rate proposals for indirect or facilities and administrative costs, cost allocation plans, and supporting records such as indirect cost rate computations and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback or composite fringe benefit rates) as follows:
  - a. If you are required to submit a proposal, plan, or other computations to your Federal cognizant agency for indirect costs, as the basis for negotiation of a rate, you must keep the submissions and all supporting records for 3 years from the date on which you were required to make the submissions.
  - b. If you are not required to submit a proposal, plan, or other computation as the basis for negotiation, you must keep the proposal, plan, other computation, and supporting records for 3 years from the end of the fiscal year or other accounting period covered by the proposal, plan, or other computation.
3. You must keep other financial records, supporting documents, statistical records, and other records pertinent to this award for a period of 3 years from the date you submit your final financial report under the award.

### **Section B. Extensions of retention period due to litigation, claim, or audit.**

1. If any litigation, claim, or audit begins before the end of the 3-year retention period specified in Section A of this article and the final action related to the litigation, claim, or audit is not taken before the end of that 3-year period, you must retain all records related to this award that may be involved in the litigation, claim, or audit until all findings involving the records have been resolved and final action taken.
2. We may disallow costs and recover funds under this award based on an audit or other review of records you elected to retain beyond the retention period required by this article, even if the audit or review begins after the end of the 3-year retention period specified in Section A of this article. Thus, the "retention period," as that term is used in OMB guidance in 2 CFR 200.345(a)(1), is extended, as described in 2 CFR 200.334(b), to include the entire period during which we and our authorized representatives continue to have access to those records under paragraph F.2 of this article.

### **Section C. Records for program income earned after the end of the performance period.** In accordance with Section F of FMS Article VII, there are no requirements under this award applicable to

program income you earn after the end of the period of performance and therefore no associated records retention requirements.

#### **Section D. Records for joint or long-term use.**

1. ***Joint use.*** To avoid duplicate recordkeeping for records that you and we both need to use on a continuous basis, we may ask you to make special arrangements with us, by mutual agreement, to make records available for joint and continuous use.
2. ***Long-term use.*** If we determine that some records will be needed longer than the 3-year period specified in Section A of this article, we may request that you either:
  - a. Retain the records for a longer period of time; or
  - b. Transfer the records to our custody for long-term retention.
3. ***Retention requirements for transferred records.*** For any records transferred to our custody, you are not subject to the records retention requirements in Section A of this article.

#### **Section E. Methods for collecting, transmitting, and storing information.**

1. You should, whenever practicable, collect, transmit, and store information related to this award in open and machine-readable formats rather than in closed formats or on paper. However, if you request it, we will:
  - a. Provide award related-information to you on paper; and
  - b. Accept award related-information from you on paper. In that case, we will not require more than an original and two copies.
2. When your original records are in an electronic form that cannot be altered, you do not need to create and retain paper copies of those records.
3. When your original records are on paper, you may substitute electronic versions produced through duplication or using other forms of electronic media, provided that:
  - a. You conduct periodic quality control reviews of the records;
  - b. You provide reasonable safeguards against alteration of the records; and
  - c. The records remain readable.

#### **Section F. Access to records.**

1. ***Scope of Federal Government access rights.***
  - a. We as the awarding agency, the Federal Government Inspectors General, the Comptroller General of the United States, and any of our authorized representatives have the right of access to any documents, papers, or other records you have that are pertinent to this award, in order to make audits, examinations, excerpts, and transcripts.
  - b. This right also includes timely and reasonable access to your personnel for the purposes of interview and discussion related to the records.
  - c. As described in OMB guidance at 2 CFR 200.337(b), the access to records described in this section will include access to the true name of a victim of a crime only under extraordinary and rare circumstances.
    - i. You are required to provide that access only in response to a court order or subpoena pursuant to a bona fide confidential investigation, or in response to a request duly authorized by the head of the DoD Component or his or her designee; and

- ii. You must take appropriate steps to protect this sensitive information.
- 2. ***Duration of Federal Government access rights.*** We have the access rights described in paragraph F.1 of this section as long as you retain the records.
- 3. ***Public access.***
  - a. You must comply with requirements to protect information that Federal statute, Executive order, or regulation requires to be protected (e.g., personally identifiable or export controlled information), to include both information generated under this award and information provided to you and identified as being subject to protection. Other than those limitations on dissemination of information, we place no restrictions on you that limit public access to your records pertinent to this award.
  - b. We do not place any requirements on you to permit public access to your records separate from any Federal, State, local, or tribal statute that may require you to do so.
  - c. The Freedom of Information Act (FOIA, 5 U.S.C. 552) does not apply to records in your possession but records you provide to us generally will be subject to FOIA, with the applicable exemptions.

### **OAR Article III: Remedies and Termination. (December 2014)**

**Section A. Non-compliance with award terms and conditions.** If you fail to comply with a term or condition of this award or an applicable Federal statute or regulation, we may amend this award to impose award-specific conditions, as described in OMB guidance in 2 CFR 200.208. If imposing award-specific conditions, we will notify you before modifying the award and, once you have corrected the non-compliance, promptly remove the award-specific conditions. If we determine that the imposition of award-specific conditions is insufficient to correct the non-compliance or the non-compliance remains uncorrected despite the use of award-specific conditions, we may consider taking one or more of the remedies specified in Section B of this article.

### **Section B. Remedies for noncompliance.**

- 1. If you fail to comply with a term or condition of this award or an applicable Federal statute or regulation, we may take one or more of the following actions that we deem appropriate to the circumstances:
  - a. Temporarily withhold cash payments pending:
    - i. Your correction of the deficiency; or
    - ii. Our taking more severe enforcement action.
  - b. Disallow (that is, deny both use of funds and any applicable cost-sharing or matching credit for) all or part of the cost of the activity or action not in compliance;
  - c. Suspend or, in accordance with paragraph C.1.a.i of this article, terminate this award, in whole or in part (suspension of an award is a separate and distinct action from suspension of a person under 2 CFR parts 180 and 1125, as noted in paragraph B.3 of this article);
  - d. Withhold further awards to you for the project or program that is not in compliance;
  - e. Take any other action legally available to us under the circumstances.

2. You may raise an objection to our taking any remedy we take under paragraph B.1 of this section and will be given an opportunity to provide information and documentation challenging the action. The procedures are those specified in OAR Article IV for claims and disputes.
3. Our use of any remedy under paragraph B.1 of this section, including suspension or termination of the award, does not preclude our referring the noncompliance to a suspension and debarment official and asking that official to consider initiating a suspension or debarment action under 2 CFR part 1125, the DoD implementation of OMB guidance at 2 CFR part 180.

### **Section C. Termination.**

1. This award may be terminated in whole or in part as follows:
  - a. ***Unilaterally by the Federal Government.*** We will provide a notice of termination if we unilaterally terminate this award in whole or in part, which we may do for either of the following reasons:
    - i. Your material failure to comply with the award terms and conditions. If we terminate the award for that reason, we will report the termination to the OMB-designated integrity and performance system (currently FAPIIS). In accordance with 41 U.S.C. 2313, each Federal awarding official must review and consider the information in the OMB-designated integrity and performance system with regard to any proposal or offer before awarding a grant or contract.
    - ii. The program office does not have funding for an upcoming increment if this award is incrementally funded. In that case, the Federal Government's financial obligation does not exceed the amount currently obligated under the award.
  - b. ***By mutual agreement.*** With your consent, we may terminate this award, in whole or in part, for any reason. In that case, you and we must agree to:
    - i. The termination conditions, including the effective date; and
    - ii. In the case of a partial termination, the portion to be terminated.
  - c. ***Unilaterally by the recipient.*** You may unilaterally terminate this award, in whole or in part, by sending us written notification that states:
    - i. The reasons for the termination;
    - ii. The effective date; and
    - iii. In the case of partial termination, the portion to be terminated. In that case, however, we may terminate the award in its entirety if we determine that the remaining portion of the award will not accomplish the purposes for which we made the award.
2. If this award is terminated in its entirety before the end of the performance period, you must complete the closeout actions for which you are responsible under OAR Article VI. The due date for each action is to be measured relative to the date of termination.
3. If this award is only partially terminated before the end of the performance period, with a reduced or modified portion of the award continuing through the end of the performance period, then closeout actions will occur at the end of the performance period as specified in OAR Article VI.
4. You will continue to have all of the post-closeout responsibilities that OAR Article VII specifies for you if this award is wholly or partially terminated before the end of the performance period.

**Section D. Effects of suspension or termination of the award on allowability of costs.** If we suspend or terminate this award prior to the end of the period of performance, costs resulting from obligations that you incurred:

1. Before the effective date of the suspension or termination are allowable if:
  - a. You properly incurred those obligations;
  - b. You did not incur the obligations in anticipation of the suspension or termination;
  - c. In the case of termination, the costs resulted from obligations that were non-cancellable after the termination; and
  - d. The costs would have been allowable if we had not suspended or terminated the award and it had expired normally at the end of the period of performance.
2. During the suspension or after the termination are not allowable unless we expressly authorize them, either in the notice of suspension or termination or subsequently.

#### **OAR Article IV: Claims, Disputes, and Appeals. (December 2014)**

##### **Section A. Definitions.**

1. **Claim.** The definition of the term “claim,” as it is used in this article, is in the definitions section of the preamble to these general terms and conditions.
2. **Grant Appeal Authority.** Commander, Air Force Installation Contracting Center as of the signing of this agreement.

##### **Section B. Submission of claims.**

1. **Your claims.** To submit a claim arising out of this award, you must submit it in writing to the grants officer for decision, specify the nature and basis for the relief you are requesting, and include all data that supports your claim.
2. **Federal Government claims.** You will receive a written grants officer’s decision if a DoD claim arises out of this award.

##### **Section C. Alternative dispute resolution.**

1. We encourage resolution of all issues related to this award by mutual agreement between you and the grants officer.
2. If you and the grants officer are unable to resolve an issue through unassisted negotiations, we encourage use of Alternative Dispute Resolution (ADR) procedures to try to do so. ADR procedures are any voluntary means, such as mini-trials or mediation, used to resolve issues in controversy. ADR procedures may be used prior to submission of a claim or at any other time prior to the Grant Appeal Authority’s decision on any appeal you submit.

##### **Section D. Grants officer decisions for claims you submit.**

1. Within 60 calendar days of receiving your claim, the grants officer will either:
  - a. Transmit a written decision that:
    - i. Identifies data on which the decision is based; and
    - ii. Identifies and provides the mailing address for the Grant Appeal Authority to whom you would submit an appeal of the decision if you elect to do so; or



- b. If more time is required to render a written decision, notify you of a specific date when he or she will render the decision and inform you of the reason for delaying it.
2. The grants officer's decision will be final unless you decide to appeal, in which case we encourage use of ADR procedures as noted in Section C of this article.

#### **Section E. Formal administrative appeals.**

1. ***Right to appeal.*** You have the right to appeal a grants officer's decision to the Grant Appeal Authority identified in Section A of this article.
2. ***Notice of appeal.*** You may appeal a grants officer's decision within 90 calendar days of receiving the decision by submitting a written notice of appeal to the Grant Appeal Authority and grants officer. If you elect to use ADR procedures, you are allowed an additional 60 calendar days to submit the written notice of appeal.
3. ***Appeal file.*** Within 30 calendar days of the grants officer's receipt of your notice of appeal, you should receive the appeal file with copies of all documents relevant to the appeal. You may supplement the file with other documents you deem relevant and with a memorandum in support of your position for the Grant Appeal Authority's consideration. The Grant Appeal Authority may request additional information from you.
4. ***Decision.*** Unless the Grant Appeal Authority decides to conduct fact-finding procedures or an oral hearing on the appeal, the appeal will be decided solely on the basis of the written record. Any fact-finding or hearing will be conducted using procedures that the Grant Appeal Authority deems appropriate.

**Section F. Representation.** You may be represented by counsel or any other designated representative in any claim, appeal, or ADR proceeding, as long as the representative is not otherwise prohibited by law or regulation from appearing before the DoD Component concerned.

**Section G. Effect of Grant Appeal Authority's decision.** The Grant Appeal Authority's decision is the final administrative decision of DoD and cannot be further appealed within DoD.

**Section H. Non-exclusivity of remedies.** Nothing in this article is intended to limit your right to any remedy under the law.

### **OAR Article V: Collection of Amounts Due. (December 2014)**

#### **Section A. Establishing a debt.**

1. Any amount paid to you in excess of the amount to which you are determined to be entitled under the terms and conditions of this award constitutes a debt to the Federal Government.
2. A grants officer will attempt to resolve any claim of your indebtedness arising out of this award by mutual agreement.
3. If the grants officer fails to resolve the claim in that manner, you will receive a written notice of the grants officer's decision formally determining the debt, as described in paragraph B.2 of OAR Article IV. The notice will describe the debt, including the amount, name and address of the official who determined the debt, and a copy of that official's determination.

#### **Section B. Debt delinquency and appeals.**

1. Within 30 calendar days of the grants officer's decision, you must either pay the amount owed to the address provided in the written notice or inform the grants officer that you intend to appeal the decision. Appeal procedures are described in OAR Article IV.

2. If you elect not to appeal, any amounts not paid within 30 calendar days of the grants officer's decision will be a delinquent debt.
3. If you elect to appeal the grants officer's decision, you will have 90 calendar days after receipt of the grants officer's decision to file your appeal unless Alternative Dispute Resolution (ADR) procedures are used, as described in section C of OAR Article IV, in which case you will have 150 calendar days.

**Section C. Demand letter, interest, and debt collection.**

1. If within 30 calendar days of the grants officer's decision, you neither pay the amount due nor provide notice of your intent to appeal the grants officer's decision, the grants officer will send you a demand letter identifying a payment office that will be responsible for any further debt collection activity.
2. If you do not pay by the due date specified in the written demand letter, the Federal Government may collect part or all of the debt by:
  - a. Making an administrative offset against your requests for reimbursements under Federal awards;
  - b. Withholding advance payments otherwise due to you; and
  - c. Any other action permitted by Federal statute.
3. The debt will bear interest, and may include penalties and other administrative costs, in accordance with applicable provisions of the DoD Financial Management Regulation (DoD 7000.14-R), which implements the Federal Claims Collection Standards. The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

**OAR Article VI: Closeout. (December 2014)**

**Section A. Liquidation of obligations.** Unless the award administration office authorizes an extension of the due date, you must liquidate all obligations that you incurred under this award not later than 120 calendar days after the end date of the period of performance.

**Section B. Refunds of unobligated balances.** You must promptly refund to the award administration office any balances of unobligated cash that we have advanced or paid to you and not authorized you to use on other projects or programs.

**Section C. Final reports.** You must submit the:

1. Final performance report under this award no later than the date specified in Section C of REP Article I, subject to any extensions granted under Section D of that article;
2. Final financial report under this award no later than the date specified in Section C of REP Article II, subject to any extensions granted under Section D of that article;
3. Final report listing subject inventions made under the award no later than the date specified in Section B of PROP Article VI; and
4. Other final reports that are required under this award no later than 90 calendar days after the end date of the period of performance, unless you request an extension of the due date and the award administration office approves the request.

**Section D. Accounting for property.** You must account for any real property, equipment, supplies, and intangible property that you and any sub-recipients acquired or improved under the award, in accordance with PROP Articles I through IV and VI. Your requests for disposition instructions for any federally



owned property, as required by PROP Article V, meet the need described in OMB guidance at 2 CFR 200.344(f) to account for that property at closeout.

## **OAR Article VII: Post-Closeout Adjustments. (December 2014)**

**Section A. Adjustments.** The closeout of this award does not affect:

1. Our right to disallow costs and recover funds on the basis of a later audit or other review, as long as we make the determination that the costs are disallowed and notify you about that determination within the extended records retention period specified in paragraph B.2 of OAR Article II of these terms and conditions.
2. Your obligation to return any funds due to the Federal Government as a result of later refunds, corrections, or other transactions (to include any adjustments in final indirect cost rates).

**Section B. Continuing responsibilities.** After closeout of this award, you must continue to comply with terms and conditions of this award that have applicability beyond closeout, including requirements concerning:

1. Audits, as specified in FMS Article V that cover periods of time during which you expended funds under this award.
2. Management, use, and disposition of any real property or equipment acquired or improved under this award in which we continue to have a Federal interest after closeout, as specified in PROP Articles I through IV.
3. Retention of, and access to, records related to this award, as specified in OAR Article II.

## **REQUIREMENTS RELATED TO SUB-AWARDS (SUB)**

### **SUB Art I: Distinguishing Sub-awards and Procurements. (December 2014)**

**Section A. Required recipient determination.** For each transaction into which you enter with another entity at the next tier below this award, you must determine whether the transaction is a sub-award or a procurement. You are prohibited from making sub-awards.

**Section B. Considerations in making the determination.**

1. The primary purpose of the transaction between you and the other entity is the key factor you must use to determine whether the transaction is a sub-award or a procurement.
  - a. The transaction is a sub-award and the other entity therefore a sub-recipient if the transaction's primary purpose is for you to transfer—for performance by the other entity—a portion of the substantive program for which we are providing financial assistance to you through this award. You will continue to be accountable to us for performance of the project or program under the award, including portions performed by any sub-recipients.
  - b. The transaction is a procurement and the other entity therefore your contractor if the transaction's primary purpose is for you to purchase goods or services that you need to perform the substantive program supported by this award. The distinction from a sub-award is the contractor is not performing a portion of the substantive program as a result of the transaction.
2. What you call the transaction is not a factor in distinguishing a sub-award from a procurement. If the transaction meets the criterion in paragraph B.1.a of this article, it is a sub-award for purposes

of the requirements of this award even if you call and consider the transaction a “contract.” You are prohibited from making sub-awards.

**Section C. Effect of the determination on the next-tier transaction.**

1. Process for awarding the transaction. One important consequence of your determining whether a next-tier transaction is a sub-award or a procurement is that there are different requirements governing the pre-award and time of award processes that you use to award the transaction.
  - a. PROC Articles I and II of this award govern pre-award and time of award processes for awarding procurement transactions.
2. Transaction terms and conditions. A second important consequence of your determining whether a next-tier transaction is a sub-award or a procurement is that the terms and conditions you include in a sub-award differ from those you include in a procurement transaction.
  - a. PROC Article III of this award lists requirements you must include in a procurement transaction when applicable to the procurement.

**SUBDIVISION C**

**GENERAL TERMS AND CONDITIONS FOR NATIONAL POLICY REQUIREMENTS**

**NP Article I: Non-Discrimination National Policy Requirement (December 2014)**

**Section A. Cross-cutting non-discrimination requirements.** By signing this award or accepting funds under this award, you assure that you will comply with applicable provisions of the national policies prohibiting discrimination:

1. On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d, *et seq.*), as implemented by Department of Defense regulations at 32 C.F.R. part 195.
2. On the basis of gender, blindness, or visual impairment, in Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681, *et seq.*), as implemented by DoD regulations at 32 C.F.R. part 196.
3. On the basis of age, in the Age Discrimination Act of 1975 (42 U.S.C. § 6101, *et seq.*), as implemented by Department of Health and Human Services regulations at 45 C.F.R. part 90.
4. On the basis of disability, in the Rehabilitation Act of 1973 (29 U.S.C. § 794), as implemented by Department of Justice regulations at 28 C.F.R. part 41 and DoD regulations at 32 C.F.R. part 56.
5. On the basis of disability in the Architectural Barriers Act of 1968 (42 U.S.C. § 4151, *et seq.*) related to physically handicapped persons’ ready access to, and use of, buildings and facilities for which Federal funds are used in design, construction, or alteration.

**Section B.** [Reserved]

## **NP Article II: Environmental National Policy Requirements**

### **Section A. Cross-cutting environmental requirements.** You must:

1. Comply with all applicable Federal environmental laws and regulations. The laws and regulations identified in this section are not intended to be a complete list.
2. Comply with the applicable provisions of the Clean Air Act (42 U.S.C. § 7401, *et seq.*) and Clean Water Act (33 U.S.C. § 1251, *et seq.*).
3. Comply with applicable provisions of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846), as implemented by the Department of Housing and Urban Development at 24 C.F.R. part 35. The requirements concern lead-based paint in buildings owned by the Federal Government or housing receiving Federal assistance.
4. Immediately identify to us, as the Federal awarding agency, any potential impact that you find this award may have on:
  - a. The quality of the “human environment”, as defined in 40 C.F.R. § 1508.14, including wetlands; and provide any help we may need to comply with the National Environmental Policy Act (NEPA, at 42 U.S.C. § 4321, *et seq.*), the regulations at 40 C.F.R. 1500-1508, and E.O. 12114, if applicable, and assist us to prepare Environmental Impact Statements or other environmental documentation. In such cases, you may take no action that will have an environmental impact (e.g., physical disturbance of a site such as breaking of ground) or limit the choice of reasonable alternatives to the proposed action until we provide written notification of Federal compliance with NEPA or E.O. 12114.
  - b. Flood-prone areas and provide any help we may need to comply with the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973 (42 U.S.C. § 4001, *et seq.*), which require flood insurance, when available, for federally assisted construction or acquisition in flood-prone areas.
  - c. A land or water use or natural resource of a coastal zone that is part of a federally approved State coastal zone management plan and provide any help we may need to comply with the Coastal Zone Management Act of 1972 (16 U.S.C. § 1451, *et seq.*) including preparation of a Federal agency Coastal Consistency Determination.
  - d. Coastal barriers along the Atlantic and Gulf coasts and Great Lakes’ shores and provide help we may need to comply with the Coastal Barrier Resources Act (16 U.S.C. § 3501, *et seq.*)
  - e. Any existing or proposed component of the National Wild and Scenic Rivers system and provide any help we may need to comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271, *et seq.*).
  - f. Underground sources of drinking water in areas that have an aquifer that is the sole or principal drinking water source and in wellhead protection areas, and provide any help we may need to comply with the Safe Drinking Water Act (42 U.S.C. § 300f, *et seq.*).
5. You must fully comply with the Endangered Species Act of 1973, as amended (ESA, at 16 U.S.C. § 1531, *et seq.*), and implementing regulations of the Departments of the Interior (50 C.F.R. parts 10-24) and Commerce (50 C.F.R. parts 217-227). You also must provide any help we may need in complying with the consultation requirements of ESA section 7 (16 U.S.C. § 1536) applicable to Federal agencies or any regulatory authorization we may need

based on the award of this grant. This is not in lieu of responsibilities you have to comply with provisions of the Act that apply directly to you as a U.S. entity, independent of receiving this award.

6. You must fully comply with the Marine Mammal Protection Act of 1972, as amended (MMPA, at 16 U.S.C. § 1361, *et seq.*) and provide any assistance we may need in obtaining any required MMPA permit based on an award in this grant.

**Section B.** [Reserved]

**NP Article III: Other National Policy Requirements (December 2014)**

**Section A.** Cross-cutting requirements concerning live organisms.

1. *Human subjects.*

- a. You must protect the rights and welfare of individuals who participate as human subjects in research under this award and comply with the requirements at 32 CFR part 219, DoD Instruction (DoDI) 3216.02, 10 U.S.C. 980, and when applicable, Food and Drug Administration (FDA) regulations.
- b. You must not begin performance of research involving human subjects, also known as human subjects research (HSR), that is covered under 32 CFR part 219, or that meets exemption criteria under 32 CFR 219.101(b), until you receive a formal notification of approval from a DoD Human Research Protection Official (HRPO). Approval to perform HSR under this award is received after the HRPO has performed a review of your documentation of planned HSR activities and has officially furnished a concurrence with your determination as presented in the documentation.
- c. In order for the HRPO to accomplish this concurrence review, you must provide sufficient documentation to enable his or her assessment as follows:
  - i. If the HSR meets an exemption criterion under 32 CFR 219.101(b), the documentation must include a citation of the exemption category under 32 CFR 219.101(b) and a rationale statement.
  - ii. If your activity is determined as “nonexempt research involving human subjects”, the documentation must include:
    - (A) Assurance of Compliance (i.e., Department of Health and Human Services Office for Human Research Protections (OHRP) Federalwide Assurance (FWA)) appropriate for the scope of work or program plan; and
    - (B) Institutional Review Board (IRB) approval, as well as all documentation reviewed by the IRB to make their determination.
- d. The HRPO retains final judgment on what activities constitute HSR, whether an exempt category applies, whether the risk determination is appropriate, and whether the planned HSR activities comply with the requirements in paragraph 1.a of this section.
- e. You must notify the HRPO immediately of any suspensions or terminations of the Assurance of Compliance.
- f. DoD staff, consultants, and advisory groups may independently review and inspect your research and research procedures involving human subjects and, based on such findings, DoD may prohibit research that presents unacceptable hazards or otherwise fails to comply with DoD requirements.
- g. Definitions for terms used in paragraph 1 of this article are found in DoDI 3216.02.

2. ***Animals.***

- a. Prior to initiating any animal work under the award, you must:
    - i. Register your research, development, test, and evaluation or training facility with the Secretary of Agriculture in accordance with 7 U.S.C. 2136 and 9 CFR 2.30, unless otherwise exempt from this requirement by meeting the conditions in 7 U.S.C. 2136 and 9 CFR parts 1–4 for the duration of the activity.
    - ii. Have your proposed animal use approved in accordance with Department of Defense Instruction (DoDI) 3216.01, Use of Animals in DoD Programs by a DoD Component Headquarters Oversight Office.
    - iii. Furnish evidence of such registration and approval to the grants officer.
  - b. You must make the animals on which the research is being conducted, and all premises, facilities, vehicles, equipment, and records that support animal care and use available during business hours and at other times mutually agreeable to you, the United States Department of Agriculture Office of Animal and Plant Health Inspection Service (USDA/APHIS) representative, personnel representing the DoD component oversight offices, as well as the grants officer, to ascertain that you are compliant with 7 U.S.C. 2131 et seq., 9 CFR parts 1–4, and DoDI 3216.01.
  - c. Your care and use of animals must conform with the pertinent laws of the United States, regulations of the Department of Agriculture, and regulations, policies, and procedures of the Department of Defense (see 7 U.S.C. 2131 et seq., 9 CFR parts 1–4, and DoDI 3216.01).
  - d. You must acquire animals in accordance with DoDI 3216.01.
3. ***Use of Remedies.*** Failure to comply with the applicable requirements in paragraphs 1–2 of this section may result in the DoD Component’s use of remedies, e.g., wholly or partially terminating or suspending the award, temporarily withholding payment under the award pending correction of the deficiency, or disallowing all or part of the cost of the activity or action (including the federal share and any required cost sharing or matching) that is not in compliance. See OAR Article III.

**Section B.** [Reserved]

**SUBDIVISION D  
GENERAL TERMS AND CONDITIONS FOR PROGRAMMATIC REQUIREMENTS**

1. Drug-Free Workplace

- 1.1. You must comply with drug-free workplace requirements in Subpart B of 2 C.F.R. Part 26, which is the DoD implementation of 41 U.S.C. § 81, “Drug-Free Workplace.”

2. Prohibition on Using Federal Funds for Lobbying Activities

- 2.1. In accordance with 18 U.S.C. § 1913, absent express Congressional authorization, you are prohibited from paying directly or indirectly for any service, advertisement or other written matter, telephone communication, or other device intended to influence at any time a Member of Congress or official of any government concerning any legislation, law, policy, appropriation, or ratification.

3. Whistleblower Protections

- 3.1. You must comply with 10 U.S.C. § 2409, including the prohibition on reprisals against employees disclosing certain types of information to specified persons or bodies, and the requirement to notify employees in writing, in the predominant native language of the workforce, of their rights and protections under that statute.

# Statement of Objectives (SOO)

## I. AVIATION, AEROSPACE AND STEM EDUCATION AND TRAINING

### 1.1. GOALS AND OBJECTIVES

1.1.1. Goal: CAP will establish and maintain a comprehensive program, with an internal focus for its members and an external focus for outreach, that encourages and aids citizens of the United States in contributing their efforts in developing aerospace, aviation, and STEM knowledge and to providing aerospace education and training while striving for maintaining air supremacy.

1.1.1.1. Objective 1: CAP will develop a current and relevant internal aerospace education program that educates and promotes the advancement of air, space and cyberspace domains to cadet and adult members using aerospace, aviation and STEM educational programs/resources while emphasizing career opportunities.

Output: CAP will employ a business model that maximizes resource availability (e.g. curriculum, manipulatives, etc.) to cadet and adult members that effectively advances all elements of the aerospace program.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report.

1.1.1.2. Objective 2: CAP will develop a current and relevant external aerospace education program that promotes the air, space, and cyberspace domains to the public, concentrating on schools, schoolteachers and students of all ages and community organizations emphasizing the important societal, economic, and national security impact aerospace and STEM have on our country.

Output: CAP will employ a business model that maximizes resource availability (e.g. curriculum, manipulatives, etc.) to supported schools and community organizations that effectively advance aerospace and STEM education.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report.

1.1.1.3. Objective 3: CAP will prepare Aerospace Education Officers to effectively carry out the purposes of the internal and external aerospace education mission.

Output: CAP will develop, organize, and schedule for national and regional Aerospace Education Officers advanced courses of instruction designed to enhance the effectiveness of the aerospace education mission.

Output: CAP's courses of instruction will meet the knowledge and performance training requirements of the AE Specialty track in accordance with CAP regulations.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report. CAP will report whether Aerospace Education Officer positions are filled at the region and wing levels with members trained IAW CAP regulations.

## **2. INSPECTIONS, COMPLIANCE, AND COMPLAINT RESOLUTION**

### **2.1. GOAL AND OBJECTIVES**

2.1.1. Goal: CAP will establish and maintain an independent and objective inspection and complaints resolution programs.

2.1.1.1. Objective 1: CAP will establish and maintain an inspection program for units below wing level and jointly with CAP-USAF for regions and wings that assess CAP's ability to comply with mission critical criteria established in accordance with (IAW) CAP regulations. CAP will also inspect Green Flag operations and, as determined by CAP/CC, other special interest activities IAW CAP regulations and standards.

Output: Inspections will be conducted, and an inspection report will be published, distributed, and retained IAW CAP regulations.

Output: CAP will ensure discrepancies are entered into a system of record and progress on corrective action(s) is tracked to closure IAW CAP regulations.

Output: Upon Program Manager request, CAP will review reported discrepancies and provide analysis of trends and indicators of systemic problems.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report. CAP will report on trends jeopardizing mission readiness identified through the inspection program.

2.1.1.2. Objective 2: CAP will establish and maintain a complaints program to prevent, detect, and address any fraud, waste, abuse, gross mismanagement, noncompliance, systemic problems, or cadet protection issues.

Output: Documentation relating to the complaints process will be filed in a system of record mandated by CAP regulations and available for review by CAP-USAF/IG.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report.

2.1.1.3. Objective 3: CAP will prepare appointed members for their inspection and complaints resolution responsibilities.

Output: CAP will develop, organize, and schedule advanced courses of instruction, to include participation requirements, IAW CAP regulations.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report.

USAF Responsibility: The CAP-USAF/IG, or designee, will assist with instruction and course development.

### **2.2. SPECIFIED TASKS**

2.2.1. Specified Task: CAP shall establish whistleblower protection policies for both CAP members and



employees.

### **3. MEMBER DEVELOPMENT**

#### **3.1. GOALS AND OBJECTIVES**

3.1.1. Goal 1: CAP will establish and maintain a Cadet program that emphasizes Air Force traditions and values while transforming young people into dynamic Americans and aerospace leaders.

3.1.1.1. Objective 1: Through age-appropriate learning activities, CAP will enhance cadets' knowledge, skills, and beliefs in thematic areas that constitute the Cadet Program's core curriculum as prescribed in CAP regulations.

Output: CAP will provide educational and training resources to support the cadets' core curriculum, delivered through a variety of mediums that best promote learning with the target audience.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report.

3.1.1.2. Objective 2: CAP will enhance cadet learning by providing cadets with at least four elective opportunities that include, at minimum, encampments, career exploration activities, orientation flights, and flight training.

Output: CAP will make available electives designed to equip cadets with leadership skills, develop their moral character, and increase or sustain enthusiasm and readiness for aviation and STEM-related career opportunities.

Output: CAP will establish measures to assess cadet learning and other objective performance indicators in each elective.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report.

3.1.1.3. Objective 3: CAP will ensure that the adult leaders who instruct, mentor, and supervise cadets are trained in principles of positive youth development and CAP's programmatic standards.

Output: CAP will develop materials and conduct training activities that increase adult leaders' capability to implement positive youth development practices.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report. CAP will report the number of members who have completed training IAW Objective 3.

3.1.2. Goal 2: CAP will establish and maintain a current and comprehensive education and training program that enables and encourages its senior members to improve leadership skills and become functional experts in CAP's specialties, as well as Air Force requested specialties, with the purpose of increasing CAP's capacity to perform under the Agreement.

3.1.2.1. Objective: CAP will conduct an effective education and training program that trains and educates adult members in functional, leadership and management skills.

Output: CAP will provide education and training through a variety of media to enhance at all levels members' leadership, management and functional skills required to conduct activities and missions as prescribed by CAP regulations.

Output: CAP will provide training to adult members on Air Force and CAP core values and other ancillary or emergent programs deemed critical by the Air Force.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report.

### **3.2. SPECIFIED TASKS**

3.2.1. Specified Task 1: CAP shall establish and maintain a youth protection strategy that educates members on cadet protection and is consistent with best practices for out of school time (OST) activities. CAP cadet protection education will be mandatory for CAP members.

Reporting Requirements: CAP shall report to the Program Manager its compliance with criminal background screening and training standards. CAP shall also report to the Program Manager, within 48 hours, all allegations of felony-level offenses by any CAP member and all allegations of physical or sexual abuse by any CAP member, and initial actions taken. Updates – including final disposition – shall be provided to the Program Manager in a timely manner.

3.2.2. Specified Task 2: CAP, upon request by the Program Manager, will make their training and education material available to Air Force members to further advance the quality of the education and training program and to ensure shared understanding of expectations and levels of readiness.

## **4. MISHAP REPORTING AND RISK MANAGEMENT**

### **4.1. GOALS AND OBJECTIVES**

4.1.1. Goal: CAP will establish and maintain a safety program that encourages mishap prevention through risk management, integrating industry best practices to be scalable and adaptable to CAP's unique missions, activities, and members.

4.1.1.1. Objective 1: CAP will apply risk management principles in accordance with CAP's regulations and program guidance in the planning, executing, and assessing of CAP missions and activities.

Output: CAP will provide methods and tools for applying risk management principles and processes to the planning, execution and after-action phases of activities and missions IAW CAP regulations.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report.

4.1.1.2. Objective 2: CAP will collect and retrain safety data for the purposes of tracking and analyzing contributing factors, causal factors, and trends.

Output: CAP will track all CAP mishaps, as prescribed in CAP regulations, from initial report, to review, analysis, and through implementation of mitigating actions. CAP will provide data under this objective as requested by the Program Manager.

Reporting Requirement: CAP will report safety mishap data on a quarterly basis and identify and report any significant safety trends as they become known.

4.1.1.3. Objective 3: CAP will ensure that all mishaps, as defined in CAP regulations, are reported, reviewed, and mitigation actions implemented to address relevant causal factors.

Output: CAP will establish and conduct checks on timeliness standards for mishap reviews and mitigation planning.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report.

4.1.1.4. Objective 4: CAP will maintain and provide CAP members the training and education resources sufficient to ensure application of the CAP safety management system.

Output: CAP will provide members education and training on safety principles and mishap prevention that promotes application of risk management in decision-making IAW CAP regulations.

Output: CAP will establish, maintain, and track training participation requirements and revise training materials as needed to capitalize on lessons learned, improve processes, and increase proficiency in safety risk management.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report. CAP will report on the percentage of members completing safety courses.

## **SPECIFIED TASKS**

4.1.2. Specified Task 1: As “Owner/Operator” of Civil Air Patrol aircraft and sUAS, CAP shall comply with the mishap notification procedures described in C.F.R. Title 49, Chapter VIII, Part 830, or in C.F.R. Title 14, Chapter I, Part 107.9, as applicable, and in CAP regulations. CAP- USAF, with concurrence of the NTSB, may provide a member to participate in the NTSB’s investigative process.

4.1.3. Specified Task 2: CAP shall ensure all aircraft logbooks are maintained outside of CAP aircraft.

## **5. MISSION READINESS**

### **5.1. GOALS AND OBJECTIVES**

5.1.1. Goal 1: CAP will establish and maintain a capability that assures readiness to conduct missions and activities currently in the portfolio and adaptability to accommodate emergent requests.

5.1.1.1. Objective 1: CAP will develop and maintain guidance, processes and programs that ensure CAP members are trained and qualified to conduct assigned missions and activities safely and effectively.

Outcome: CAP missions and activities are conducted by qualified personnel or supervised trainees with safe, effective equipment.

Outcome: CAP members are trained to necessary skill levels for operational responsibilities IAW CAP regulations.

Output: CAP will establish and maintain qualification requirements for mission and activity personnel that will be accurately recorded in a system of record.

Output: CAP will establish and maintain a process for disseminating time-sensitive, critical information to personnel engaged in missions and activities.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report.

5.1.1.2. Objective 2: CAP will develop and maintain guidance, processes and programs that ensure CAP regions and wings are prepared (documented proficiency and qualification), staffed and equipped to execute accepted missions and activities safely and effectively.

Output: CAP will establish and maintain a process/system that accurately provides for mission planning, coordination, and the recording and retrieval of pertinent mission data IAW CAP regulations and mission directives.

Output: CAP and CAP-USAF will jointly establish frequency and capability criteria and evaluate region and wing's ability to conduct assignable missions safely and effectively.

Output: CAP and CAP-USAF will jointly develop and maintain tables of allowances, approved by the Program Manager, for resources and minimum qualified staffing deemed critical to successfully accomplishing missions and activities.

Output: CAP will maintain and establish a process for recapitalizing Air Force-validated aircraft and vehicle fleets and communications networks that are capable of meeting current and emerging operational mission needs.

Output: CAP will manage, track, and assess aircrew evaluation results to identify and report trends IAW CAP regulations.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report. CAP will provide quarterly updates on significant trends in aircrew evaluations, including the number of CAP pilots qualified to execute AFAMs. The quarterly reports will be combined to address, in part, the annual Performance Progress Report.

5.1.1.3. Objective 3: CAP will develop and maintain a flight release program designed to ensure only qualified aircrew or supervised trainees operate CAP aircraft within progressive levels of risk acceptance.

Outcome: CAP aircraft are operated by mission-qualified aircrew or supervised trainees within acceptable risk levels in accordance with CAP and FAA regulations; release authority is commensurate with the degree of risk associated with each sortie.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report.

5.1.1.4. Objective 4: CAP will establish and maintain a means of assuring that each region and wing effectively manage mission asset availability, maintenance, and custodianship, with emphasis placed on aircraft

and vehicles.

Output: CAP will ensure that each region and wing have processes, duty positions, and members occupying those duty positions adequate for managing mission asset availability, maintenance, and custodianship.

Reporting Requirement: CAP will report performance under this objective as part of the annual Performance Progress Report.

## **5.2. SPECIFIED TASKS**

5.2.1. Specified Task 1: CAP shall provide 601 AOC, planned aircraft sortie data, mission information and operational plans in time to be included in the Air Tasking Order (ATO), Air and Space Operations Directive (AOD) and daily report for the mission approval authority. Short notice requests generated outside of the normal ATO and AOD submission cycle shall be provided as soon as practical.

5.2.2. Specified Task 2: CAP shall provide, upon validated need-to-know request, accurate documentation of the CAP Radio Communication System. CAP shall maintain and operate a communications network capable of meeting mission requirements. All assigned radio frequencies shall be authorized and managed in accordance with applicable federal statutes and directives.

5.2.3. Specified Task 3: CAP-USAF shall be allowed to observe CAP flight operations and, with CAP/DO coordination, CAP-USAF evaluator pilots shall be allowed to administer pilot flight and mission evaluations.

5.2.4. Specified Task 4: CAP shall create and maintain a program of record that will track and monitor chaplains' qualifications to ensure that all DoD and Air Force requirements are met prior to a CAP chaplain supporting Air Force assigned missions.

## **6. PLANNING, EXERCISES, AND LESSONS LEARNED**

### **6.1. GOALS AND OBJECTIVES**

6.1.1. Goal: CAP will be postured for near- and long-term improvements as implemented through effectively written plans.

6.1.1.1. Objective 1: CAP National Headquarters is prepared to ensure continuity of business operations.

Output: CAP National Headquarters will develop and exercise annually a scenario that threatens business continuity, and record lessons learned and areas for improvement.

6.1.1.2. Objective 2: CAP will develop annual training and flying plans for each wing, region and for the national headquarters, that enable mission accomplishment, capture major lessons learned from previous year's activities and demonstrate good stewardship of available resources.

Output: Plans will be prepared and approved in the time and manner prescribed by CAP regulations and submitted for Program Manager or designee approval.

## **7. INFORMATION TECHNOLOGY**

## 7.1. GOALS AND OBJECTIVES

7.1.1. Goal: CAP will possess an information technology system that enables the requirements of this Agreement and provides reasonable levels of data protection.

7.1.1.1. Objective: CAP will provide information technology-based systems and applications that enable reporting and mission accomplishment.

Output: CAP will establish and maintain an IT system that enables the collection, manipulation and reporting of data required in the Agreement. System capabilities will be based on available resources and enhancements will be made according to CAP's prioritization methodology.

Output: CAP will establish reasonable processes to protect the integrity of the IT system and stored data.

Reporting Requirements: CAP will report performance under this objective as part of the annual Performance Progress Report.