

the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

5. *Purpose.* Grant Funds will only be used for the purposes and activities specified in the Proposal submitted under the SGIGI, including any attachments, amendments or conditions approved by the Grantor. Any uses not provided for in the approved Proposal must be approved in writing by the Grantor in advance.

6. *Project Period.*

(a) *Effective Date:* The grant will be considered approved on the date that Grantor signs the Agreement.

(b) *Date of Completion:* Grantee shall strive to use the proceeds of this Grant promptly in accordance with this Agreement, unless otherwise provided by law. If any part of the Grant Funds have not been used by September 30, 2005, Grantor will cancel the obligation of any funds not yet delivered and demand the return of any delivered funds that have not been used in accordance with this Agreement.

7. *Further Provisions.* This section establishes further provisions that must be understood and agreed to by the Grantee.

(a) All of the terms and provisions of the application submitted by the Grantee for this SGIGI, including any attachments, amendments or conditions that are otherwise not in conflict with this Agreement are attached to and incorporated into this agreement. Any changes to these documents or this Agreement must be approved in writing by the Grantor.

(b) Grantee certifies that it is in compliance with, and will comply in the course of the Agreement with grant conditions and all applicable laws, regulations, Executive Orders, or other applicable requirements.

(c) The provisions of the following are incorporated into this Agreement by reference: 7 CFR part 3015—"USDA Uniform Federal Assistance Regulations"; 7 CFR part 3016—"Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"; 7 CFR part 3017—"Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)"; 7 CFR part 3018—"New Restrictions on Lobbying"; 7 CFR part 3019—"Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations"; and 7 CFR part 3052—"Audits of State, Local

Governments, and Non-Profit Organizations,"

(d) The Grantee shall not encumber, transfer or dispose of any property, equipment or other asset, or any part thereof, acquired wholly or in part with Grantor funds without the written consent of the Grantor.

(e) Grantees shall adequately control and safeguard all assets associated with the grant to ensure that they are used solely for authorized purposes.

(f) Grantor shall monitor performance in accordance with the applicable terms of the Agreement. Grantor reserves the right to monitor meetings and request documents applicable to the terms of the Agreement.

8. *Assurances.* Grantee has executed.

(a) Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions," to certify that your organization is not debarred or suspended from Government assistance.

(b) AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions," from anyone you do business with as a result of this Government assistance.

(c) AD-1950, "Certification Regarding a Drug-Free Workplace Requirements (Grants)" to certify you will provide a drug-free awareness program for employees.

(d) RD 400-1, "Equal Opportunity Agreement,"

(e) "Certification Regarding Lobbying—Contracts, Grants, Loans and Cooperative Agreement."

9. *Accounting, Audits and Reporting Requirements.*

(a) *Generally Accepted Accounting Principles:* The Grantee agrees to account for all amounts associated with this grant using Generally Accepted Accounting Principles. Records must at least include:

(i) financial records that identify the source of all funds used for grant-supported activities, including Grant Funds, any matching funds, other funds, and;

(ii) source documentation to support activities.

(b) *Audit:* The project will be audited by a Certified Public Accountant annually or as otherwise agreed to in writing by the Grantor. All audits will be in accordance with Generally Accepted Accounting Principles. The audit for the years the Grantee receives this financial assistance will be conducted in accordance with 7 CFR part 3052. Audits are due within 90 days after September 30 of the respective year and the Grantor is to receive a copy of this audit,

(c) *Reports:* The grantee will provide periodic reports as required by the Grantor. A financial status report and a project performance report will be submitted by the Grantee on a semi-annual basis (due each March 31 and September 30). The financial status report must show how Grant Funds and any matching funds have been used to date and project the funds needed and their purposes for the next six-month period. A final report may serve as the last semi-annual report. Grantees shall constantly monitor performance to ensure that time schedules are being met and projected goals by time periods are being accomplished. The project performance report and final report shall include at least:

(i) A comparison of timeline, tasks and objectives outlined in the proposal as compared to the actual accomplishments.

(ii) If report varies from the stated objectives or they were not met, the reasons why established objectives were not met.

(iii) Problems, delays, or adverse conditions which will materially affect attainment of planned project objectives.

(iv) Objectives established for the next reporting period, and

(v) Status of compliance with any special conditions on the use of awarded funds.

(d) *Proposal Results:* Grantee shall deliver the results of any study or activity to the Grantor upon completion of each task outlined in the proposal. These include, but are not limited to, feasibility studies, marketing plans, business operations plans, articles of incorporation and bylaws. All items delivered to the Grantor will be held as proprietary information to the extent provided by law.

(e) *Record Retention:* Financial records, supporting documents, statistical records, and all other records pertinent to the grant must be kept for a period of at least 3 years after grant closing, except that the records shall be retained beyond the 3-year period if audit findings have not been resolved. Microfilm or photocopies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts, and transcripts.

10. *Funding.*

(a) *Payment:* Requests for cash advances should be for the minimum