Department for Energy Development And Independence

Funding Agreement Compliance Manual

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Reporting

1. Follow reporting requirements described in any funding agreement with the Kentucky of Energy and Environment Cabinet (EEC), be it a grant agreement (GA), personal services contract (PSC), or memorandum of agreement (MOA). Recipients will submit fiscal, programmatic, annual reports, and any other documentation required as specified in the funding agreement. Most agreements specify that fiscal reports be submitted by email (KYEnergy@ky.gov) and all other materials entered and uploaded at the Energy Report web portal (EnergyReports.ky.gov). See specific reporting sections of the funding agreement and this compliance manual for more details.

2. All monthly or quarterly reports are typically due not later than fifteen (15) calendar days after the end of each reporting period. All annual reports are due not later than thirty (30) calendar days after June 30.

3. The EEC Project Manager will provide access to and training for the electronic reporting database.

4. See the EEC funding agreement's compliance web site for downloading templates, forms, and worksheets required for reporting.

Fiscal Reporting

1. Hard copy invoices shall be submitted to:
   Recovery Grant Invoices
   Dept. for Energy Development and Independence
   300 Sower Blvd.
   Frankfort, KY 40601

2. Invoices and corresponding verification may be submitted electronically to:
   Energy.Grants@KY.Gov
   Include the project name, contract number and "invoice" in the subject line.

3. Include proper identifiers on all invoices including:
   1. Project name
   2. Name and address of recipient
   3. Contract number (provided by EEC)
   4. Invoice period

4. Invoices shall be submitted with proper verification and will not be processed without proper verification. Examples of adequate verification include:
   1. Personnel—payroll spreadsheet showing time worked within the invoice period. The spreadsheet shall contain salary information, name of employee or some identifiable number, percent of time applied to grant and fringe per person.
   2. Fringe—include in payroll spreadsheet.
   3. Travel—travel voucher (state agencies may use the eMARS travel voucher) or invoices showing airfare, hotel expenses, etc. Mileage will be paid based on rate established through a travel policy by the recipient. If no rate has been established, the recipient may use the state or Federal mileage rate.
   4. Equipment—receipt marked paid for an item that costs greater than $1,000 (an invoice shall be submitted after equipment is paid for).
   5. Supplies—receipt marked paid for any item that costs less than $1,000 (an invoice shall be submitted after supplies are paid for).
   6. Contractual—invoice and documentation that it was paid (recipient shall verify invoice).
   7. Construction—invoices, receipts marked paid and any other documents that properly verify expenses.

5. All payments will be made on a reimbursement basis.

6. Invoices shall be submitted monthly by the 15th day of the month (or the date specified in your funding agreement) following the month the expense is paid by the recipient.

7. The Cabinet will have 30 days upon receipt of invoice to pay undisputed portions.

8. The allowable indirect cost rate that recipients may apply is based on the following:
    - State agency—Apply the rate approved by cognizant federal agency
    - Nonprofit organizations without an approved indirect cost rate with the cognizant Federal agency (U.S. Department of Energy) shall only direct bill for expenses.
    - Universities may charge a rate agreed to by the cognizant Federal agency or 15% whichever is lower. In this case the rate may be included in the invoice as a percent of total amount invoiced.

Programmatic Reporting

The Programmatic Status Report (PSR), required by the GA, MOA, or PSC, complements the metrics and milestones by allowing the grant recipient the opportunity to provide narrative information on the status of project activity. Depending upon your funding source, you may need to use a different PSR template and outline. Contact your program manager to be sure you have the correct template. In most cases you can determine your funding source by checking the title page of the contract. In some cases the reporting template is outline in the funding agreement.

If you are funded under **State Energy Program (SEP)**, your basic narrative outline will generally include the following:

- Accomplishments, publicity, news
- Performance outcome data
- Remarks (problems, issues variances from plan)
- Annual Report

Metrics and Milestones

The metrics and milestones described below are designed to track the accomplishments of projects funded by EEC. Most recipients will be expected to report their achievements in specific terms as required by their funding agreement using the EEC eReporting system at http://energyreports.ky.gov/. Confer with your program manager if you are not sure how to report. This web-based reporting system allows the reporting of responses to numeric metrics milestones, and narrative progress status reports. To access this system, each recipient will receive a secure username and password for entering all required reporting information. If you have not been given this information, consult with your program manager.

The recipient's contract is very inclusive of all the possible metric questions that might apply to the project. However, if a particular question turns out to not be applicable, or no activity occurs for a given metric and reporting period, then the questions should be left blank. The eReporting system may require that some questions be answered. If this is the case, and no activity can be reported for that metric or milestone, simply report zero (0).

It is understood that some metrics may only be reported or summarized towards the end of the project; however, others may be reported each month or quarter. Recipients shall use metrics and milestones to keep track of activity goals and obligations. EEC will be reviewing these metrics to monitor grant activities and ensure progress in reaching goals.

Some recipients may be receiving multiple grants under separate agreements. While each agreement will have metric reporting obligations, it is very important that the recipient avoid double-counting on the various metrics.

> **Example 1**: If Project A funds the hiring of staff to work on performance contracting in government buildings, while Project B provides funding to implement Energy Management Software, it is possible there could be a particular building that might benefit from both projects. In this case, how does one report the energy savings? Are they attributable to Project A or Project B? The answer is that you can only estimate the proportion of the energy savings that might be attributable to either project. In this case you might say that 60% of the savings will be reported under Project A, while the other 40% is reported under Project B. What's important is that the savings not be double-counted and reported under both projects.
>
> **Example 2**: If two separate recipients each receive a share of funds, but partner on planning and conducting workshops. Who gets to report the metrics, such as number of workshops and attendees? Generally, the lead on the partnership project should do the reporting. Some metrics, however, can be proportionally divided among partners, based on their share of contribution to the metric. Up-front communications among all partners will be very important to avoid double counting of project metrics. Again, what is important is that the achievements are not double-counted among multiple partners.

All metrics and milestones are to be reported on a regular basis, as specified in the funding agreement. **In summarizing information for each metric, the data should be reported for that time period only, and should not be cumulative.**

> **Example:** In reporting the total number of audits performed for March 2013 (reported, say, in June), only report the audits performed between March 1 and March 31 of that year; for the June report, only report the number of audits from June 1 and June 30. Do not report a total of all audits performed to-date. Similarly, for all other metrics and milestones, only report information for that reporting period.

To help the recipient better understand the nature of each metric question, a complete description of all metrics is provided below. A glossary of terms is provided at the end of this section.

Metrics related to Output Activities are incremental activities in a project, e.g. number of retrofits. These are listed in the first section below. Outcomes, listed in the following section, are metrics related to the impact, our "outcome", resulting from the Output Activities, e.g. amount of energy saved.

The reporting for Outcome Metrics is to be reported on an annualized basis at the time of the project completion or implementation, and never reported again. This allows for better standardization and comparison of Outcome metrics across all projects.

> **Example**: A residence reduces its energy consumption by 35%, resulting in an estimated net energy savings of 5.40 MWh per year [Reference: 2,500 sq ft home]. Report the energy savings (Outcome) as 5.4 MWh/year.

Do not report monthly or quarterly energy savings. Once you have reported the annualized energy savings, you are not to report this metric ever again on this funding agreement. Annualized Outcome metrics may be reported as projected or actual. Projected energy savings and energy cost savings, for example, may require engineering or technical assistance to calculate those values. If you are reporting actual Outcome values, be sure these are reported before your funding agreement period expires.

Outputs

Building Codes and Standards – Were new building codes, ordinances, or standards put in place? Report only those codes or standards for the reporting period in which they were finalized or approved. Report:

- *Name of new code adopted*
- *Name of old code replaced*
- *Number of new and existing buildings covered by new code*

Building Retrofits – Were buildings retrofitted to make them more energy efficient? Report:

- *Number of buildings retrofitted, by sector* – count building as retrofitted if any measure has been implemented that can reasonably be expected to produce reproducible and measurable energy savings in that building or facility.
- *Square footage of buildings retrofitted, by sector* – count total square footage of building(s) affected by any retrofit measure that can reasonably be expected to produce reproducible and measurable energy savings in that building or facility. If the retrofit only affects part of the building – say, lighting is upgraded in 50% of building – then only that square footage of the building should be counted. If the measure affects entire building, then count total square footage of building.

As a point of comparison for this metric, consider the following examples [Source: Buildings earning the ENERGY STAR in Kentucky in 2009]

- An elementary school of 600 students may contain 70,000 sq ft of space
- A commercial grocery store may contain 34,000 sq ft of space
- A commercial office complex may contain from 80,000 to 150,000 sq ft of space

In some cases it may not be so simple to determine whether or not to count a building or estimate square footage following a "retrofit". For example, a pump is replaced in a particular operation, but can not be attributed to a particular square footage of the building. In such cases, count the buildings as "retrofitted" if measurable energy savings can be expected; however, estimating square footage is more problematic. This will be the recipients call. A few guides may be considered:

Q: Can the measure be associated with a particular part of the building floor space, either as a part of the work or operational space? A: Count associated space.

Q: Does the equipment affect the overall operation or performance of the entire building (e.g. HVAC equipment)? A: Count entire building.

Clean Energy Policy – Were policies put in place that can/will result in a greater usage of cleaner/renewable energy sources? Report only those policies or standards for the reporting period in which they were finalized or approved. Report:

- *Number of alternative energy plans developed or improved*
- *Number of renewable energy portfolio standards established or improved*
- *Number of interconnection standards established or improved*
- *Number of energy efficiency portfolio standards established or improved*
- *Number of other policies developed or improved*

Building Energy Audits – Were energy audits performed on buildings to identify opportunities and costs related to energy efficiency retrofits? Report:

- *Number of audits performed, by sector*
- *Floor space audited, by sector*
- *Auditor's projection of energy savings, by sector* – include total estimate of energy savings potential identified, summarized by each sector and each energy type [electricity (kwh), fuel oil (gallons), or gas (mmcf)].

As a point of comparison for floor space audited, consider the following examples [Source: Buildings earning the ENERGY STAR in Kentucky in 2009]

- An elementary school of 600 students may contain 70,000 sq ft of space
- A commercial grocery store may contain 34,000 sq ft of space
- A commercial office complex may contain from 80,000 to 150,000 sq ft of space

As a point of comparison for projected energy savings, consider the following examples (numbers are provided per year):

- 35% electricity reduction in residence: 5.40 MWh/yr [Reference: 2,500 sq ft home]
- 35% electricity reduction in new school compared to "average" school: 608 MWhr/yr, $45,000 annually [Reference: Estimated savings from ENERGY STAR.]
- 35% propane energy reduction in residence: 88 gallons/yr [Reference: 2000 sq ft home, propane used for heat, consumption averaged over 12 month period]

Government, School, Institutional Procurement – Were procurement practices put in place that resulted in the purchase of energy efficient equipment or supplies? Report:

- *Number of units purchased, by type* (e.g., vehicles, office equipment, HVAC equipment, streetlights, exit signs)

Loans and Grants – Were grant funds used to establish a loan or grant program to recipients to promote energy efficiency, renewable energy, or job creation? For reporting purposes, a "grant" will be defined as the issuance of

ARRA funds to some entity to perform some services by way of an agreement. "Incentives", on the other hand, require no formal written agreement. Report:

- *Number and monetary value of loans given*
- *Number and monetary value of grants given*

Renewable Energy Market Development -

- *Number and size of solar energy systems installed* – For solar electric installations, report total number of arrays, not individual panels; for size, report "name plate" capacity of the total solar output for all solar arrays (MW). For solar thermal installations, report the name plate capacity of the total solar output for the solar arrays in MW and Btu's per day (based on the SRCC "Collector Thermal Performance Rating" for mildly cloudy conditions in the appropriate category (Ti-Ta)). The installers should be able to provide this information.
- *Number and size of wind energy systems installed* – report total number of wind generators; for size, report "name plate" capacity of the total wind generation output for all wind generators (MW). The installers should be able to provide this information.
- *Number and size of other renewable energy systems installed*

As a point of comparison for projected energy savings, consider the following examples (numbers are provided for a 3-month quarter):

- Solar/wind electric:
    - The average Kentucky home uses 10,800 kWh per quarter and would require an 8 kW system to fully meet it's energy needs. An 8 kW system would generate about 10,100 kWh per year. A smaller 4 kW system would generate about 5,040 kWh per year.
    - Commercial-sized systems can vary in size; however, based on a 30 kW system, 38,000 kWh of electricity would be generated per year. [Reference: kWh are averages from National Renewable Energy Laboratory for this region of the country.]
- Solar thermal:
    - A 2-3 person home with an 80 gallon hot water tank would need 40 sq ft of collectors
    - A 4-5 person home with a 120 gallon tank would need 64 sq ft of collectors.

Financial Incentives for Energy Efficiency and Other Covered Investments – Were any financial incentives provided to promote energy efficiency, renewable energy, or jobs as a result of this grant? For reporting purposes, "incentives" will be defined as the issuance of ARRA funds without the existence of a formal written agreement. A "grant", on the other hand, requires some written agreement with some entity to perform services. Report:

- *Monetary value of financial incentive provided, by sector* – actual dollar amount provided as incentive
- *Total value of investments incentivized, by sector* - actual dollar amount provided as incentive *plus* additional dollar value of project incentivized or leveraged by grant dollars

Technical Assistance – What technical assistance was provided as a result of these grant dollars? Normal staff training, intra-agency or partner interaction does not constitute technical assistance, and therefore does not need to be tracked. Technical assistance, for reporting purposes, involves outreach and service to external entities. Technical assistance can take several forms: Count each webinar – not webinar attendees. Count each on-site visit. Count each contact with the media or each media story that contains technical content (e.g. each time TV, paper, or radio covers your project), that have the potential to reach a wider audience. Count each fact sheet published to the web that is utilized or downloaded from your web site or distributed in response to queries – do not count each download. Count each newsletter published – do not count number of individual copy of the newsletter distributed. Count web pages on a specific topic – not each web hit. In general, count each technical interaction that is made with an individual OR is mass distributed and has the likelihood to touch many users. Report:

- *Number of information transactions contacts (for example, webinar attendees, on-site visits, media contacts, fact sheets utilized) in which energy efficiency or renewable energy measures were recommended, by sector*

Transportation – Grant dollars should only be used to fund the incremental costs of energy efficient vehicles or equipment. For example, funds should not pay for the purchase of new vehicles, but only for the differential cost of a hybrid vs. a non-hybrid equivalent vehicle. Report:

- *Number of alternative fuel vehicles purchased*
- *Number of conventional vehicles converted to alternative fuel use*
- *Number of new alternative refueling stations emplaced*
- *Number of new carpools and vanpools formed*
- *Number of energy-efficient traffic signals installed*
- *Number of street lane-miles for which synchronized traffic signals were installed*

Workshops, Training, and Education – Were workshops or other educational sessions provided that furthered the goals of this grant? Report:

- *Number and type of workshops, training, and education sessions held*
- *Number of people attending workshops, training, and education sessions*

Other Activities Not Previously Defined – Report:

- *Pertinent metric information for any activity not defined above should be captured and included as needed*

Outcomes

Energy Savings (kwh equivalents) – Were any energy savings realized as a result of this grant? To calculate energy savings, consider two methods: (1) measure actual energy savings over a 12-month period, or (2) use energy modeling software or manufactures estimates to estimate energy savings. If using actual energy savings compare the energy usage for the current reporting period to the energy usage of some baseline period. It is best to calculate your baseline period by using the average for that reporting period from at least two or more periods from the preceding years. Using more periods to calculate your baseline better compensates for any usually high or low usage in previous years. See formula example:

[(KWh of year 2009 + KWh of year 2008) / 2] - (KWh for year 2010)

Report:

- *Annual reduction in natural gas consumption (mmcf) by sector and end-use category*
- *Annual reduction in electricity consumption (MWh) by sector and end-use category*
- *Annual reduction in electricity demand (MW) by sector and end-use category*
- *Annual reduction in fuel oil consumption (gallons) by sector and end-use category*
- *Annual reduction in propane consumption (gallons) by sector and end-use category*
- *Annual reduction in gasoline and diesel fuel consumption (gallons) by sector and end-use category*

As a point of comparison for this metric, see benchmark numbers under Building Energy Audits.

Energy Cost Savings – What dollar cost savings have been realized as a result of your investments in energy efficiency? Energy costs savings should be calculated in a similar fashion as "Energy Savings" metric discussed above.

As a point of comparison for this metric, consider the following examples (numbers are provided per year):

- 35% electricity reduction in residence: $240 [Reference: 2,500 sq ft home]
- 35% energy reduction in elementary school compared to average school: $45,000 [Reference: 78,000 sq ft Caywood Elementary, Kenton County School District]
- 35% propane energy reduction in residence: $200 [Reference: 2000 sq ft home, propane used for heat, consumption averaged over 12 month period]
- Average energy cost reductions for 10 ENERGY STAR buildings in Kentucky, 2009: $61,000 per year [May include multiple types of fuels; buildings ranged in age from 1936 to 2007 and size from 6,800 to 1.2 million sq ft. Cost savings range was $2,500 to $350,500 per year.]

- *Annual reduction in natural gas costs by sector and end-use category*
- *Annual reduction in electricity costs by sector and end-use category*
- *Annual reduction in electricity costs by sector and end-use category*
- *Annual reduction in fuel oil costs by sector and end-use category*

- *Annual reduction in propane costs by sector and end-use category*
- *Annual reduction in gasoline and diesel fuel costs by sector and end-use category*

Renewable Energy Capacity and Generation – Were any renewable energy systems installed that resulted in power generation? "Nameplate" capacity of a renewable energy system can be acquired from the project engineer or system installer. Report:

- *Amount of wind-powered electric generating capacity installed (MW)* – report "nameplate" capacity
- *Amount of electricity generated from wind systems (MWh)* – report MWh actually generated for the entire reporting period
- *Amount of photovoltaic generating capacity installed (MW)* - report "nameplate" capacity
- *Amount of electricity generated from photovoltaic systems (MWh)* – report MWh actually generated for the entire reporting period
- *Amount of electric generating capacity from other renewable sources installed (MW)* - report "nameplate" capacity (as defined above)
- *Amount of solar thermal energy generated from solar thermal systems installed (thermal MWh and Btu)* – report energy generated for the entire reporting period
- *Amount of energy generated from other renewable sources (MMBtu/yr)* – report MMBtu/yr actually generated for the entire reporting period. Note: One kWh equals 3,412 British Thermal Unit (Btu)

As a point of comparison, see benchmark numbers under metric category Renewable Energy Market Development.

Emissions Reductions (tons) (CO2 equivalents) – The EEC has developed a spreadsheet that can be used to calculate emissions reductions based on energy efficiency savings. See EEC's web funding agreement reporting site for the spreadsheet calculation tool. Simply enter in the **annual** amount of energy saved (as MWh/yr for electricity, gallons/yr for liquid fuels, etc.) and the spreadsheet with automatically calculate the CO2-equivalent greenhouse gases or criteria pollutants avoided. Likewise, for renewable energy generated (e.g. electricity from a solar electric project), enter KWh/yr to determine the CO2-equivalent greenhouse gases and criteria pollutants avoided.

All references are provided at the bottom of the calculation tool. For each emissions factor, some assumptions have been made and are noted on each individual cell. If the user needs to change the emissions factor because the assumptions don't work for your individual situation, you can change the factor. However, before changing any of the emissions factors, you are strongly encouraged to consult all the reference documents cited. Contact EEC for any technical assistance.

As a point of comparison for this metric, consider the following examples. Emissions numbers are provided for 1,000 MWh/yr of electricity generation avoided (all units are in metric tons and were calculated using the Emissions Reduction Calculator Spreadsheet):

- CO2 Equivalents – 3,134 MT/yr (metric tons)
- Carbon monoxide (CO) – <0.001 MT/yr
- Particulate matter (PM) – <0.001 MT/yr
- Methane (CH4) – 0.037 MT/yr
- Nitrogen oxides (NOx) 4.13 MT/yr
- Sulfur dioxide (SO2) – 15.6 MT/yr
- Volatile organic compounds (VOC) – <0.001 MT/yr

Report:

- *Amount of greenhouse gases reduced (CO2 equivalents in metric tons/yr)*
- *Amount of criteria pollutants reduced (metric tons/yr) – Specifically report:*
  - *Carbon monoxide (CO)*
  - *Particulate matter (PM)*
  - *Methane (CH4)*
  - *Nitrogen oxides (NOx)*
  - *Sulfur dioxide (SO2)*
  - *Volatile organic compounds (VOC)*

Definitions

Alternative Energy - energy derived from any source other than fossil fuels; energy derived from any renewable source; i.e other than fossil fuels
Renewable Energy Portfolio Standards - A mandated requirement that a percentage of an electric energy provider's sales be generated by renewable technologies
Interconnection Standards - provides a uniform standard for the interconnection of distributed electricity resources by detailing requirements related to the performance, operation, testing, safety, and maintenance of interconnection
Energy Efficiency Portfolio Standards – establishes targets for energy efficiency, similar to a renewable energy portfolio standard, intended to reverse the pattern of increasing energy usage and demand
Building Energy Audits - an inspection, survey and analysis of energy flows in a building with the objective of making recommendations for energy usage reductions
LEED - Leadership in Energy and Environmental Design. A system to categorize the level of environmentally sustainable construction in sustainable buildings (http://www.usgbc.org/)
ENERGY STAR Buildings – program sponsored by the US Department of Energy and US Environmental Protection Agency designed to encourage energy efficient buildings; http://www.energystar.gov/index.cfm?c=business.bus_index
ENERGY STAR Products - program sponsored by the US Department of Energy and US Environmental Protection Agency designed to encourage energy efficient appliances (e.g. refrigerators), electronic devices (e.g. phones), and other products (e.g. roofing materials) that result in reduced energy consumption.
Sector – Area of business activity; for the purposes of this reporting the sectors will be limited to industrial, commercial, institutional, and residential. The institutional sector will be defined as government-owned and operated facilities. In some cases, a government-occupied facility may be owned and / or operated by another entity. In such cases, the facility will still be treated as institutional as that is how the building functions and dictates operation.
Units of measures:

- **Mmcf** – million cubic feet
- **MWh** – megawatt hours (one million watt-hours)
- **MW** – megawatts (one million watts)

Communication

1. The following logos and tag line shall be displayed on any published materials, web sites or other communications funded in whole or in part by EEC funds:
    1. State seal

    Tag Line - This project funded by the Energy and Environment Cabinet, through the combined efforts of the following organizations: Kentucky Energy and Environment Cabinet [insert if appropriate: and by U.S. Department of Energy, [and other organizations]].

    Tag Line Example – The Solar Decathlon is made possible by the combined efforts of the following organizations: Kentucky Energy and Environment Cabinet and U.S. Department of Energy, and University of Kentucky.

2. All press releases and advisories shall be issued jointly between the recipient and EEC. Recipients shall notify EEC prior to releasing information for coordination purposes.

3. All press events shall be planned jointly between the recipient and EEC.

4. Relevant Web sites that recipients should be familiar with:
    - www.eere.energy.gov/ (U.S. Department of Energy Efficiency and Renewable Energy)
    - www.energy.ky.gov (Kentucky Department of Energy Development and Independence Web site)

5. Immediately upon receipt of a written request made under the Kentucky Open Records Act or the Federal Freedom of Information Act, the recipient shall notify the Cabinet of the specific nature of the request and the recipient's response to the request. The recipient shall respond to the requester within 3 business days and notify them if the records will be released, not released or are unavailable. Records shall be made available by the end of the third business day or the recipient shall include in the response sent to the requester when the records will be made available. For general questions regarding the Freedom of Information Act including what information is excludable and what steps should be taken to properly exclude information, contact EEC for further guidance.

Record Retention

1. All records must be kept for three (3) years after the final payment relating to the grant is made. Be aware that there may be other retention schedules that must be abided by including schedules set by your organization.

2. If federal funds are involved, recipients must also retain records pursuant to 10 CFR 600.242 and should refer to this section for an explanation of which records shall be retained.

Modifications: When to seek approval from EEC

1. If a recipient requires that changes be made to any aspect of the program including budget and scope of work, approval must be received by EEC beforehand. Contact the EEC program manager with a description of the change.

2. If a recipient wants to request that program income be treated as an addition to the grant award instead of a reduction in the amount of grant award, approval must be granted by the U.S. Department of Energy through EEC.

EEC point of contact: Each recipient will be assigned one or more staff to serve as a program manager. Recipients shall refer to their program manager for questions, and to submit any necessary documents unless otherwise stated.

Audit

1. All recipients shall have the proper controls in place to effectively mitigate risks and reach established program goals. Recipients shall review their existing controls and identify areas that need improvement. Program managers will discuss existing controls during initial orientation meetings. Recipients should refer to the A-133 Compliance Supplement (https://en.wikipedia.org/wiki/OMB_A-133_Compliance_Supplement). Part 6 of the supplement provides guidance regarding controls. This is not a checklist and shall be treated only as guidance.

2. Recipients shall provide EEC with a copy of all audit findings.

3. Recipients shall segregate obligations and expenditures of grant funds from any other funds.

4. Recipients shall retain all records related to Circular A-133 compliance for a period of 3 years after submission of audit findings.

5. Recipients shall allow access to all documents, books, papers, records, files or other evidence directly pertinent to the project by EEC, Finance and Administration Cabinet, Legislative Research Commission, Kentucky Auditor of Public Accounts, the United States Comptroller General (Government Accountability Office), or any other relevant funding agency or authority.

6. Any additional guidance set forth by the U.S. Office of Management and Budget or the Kentucky Auditor of Public Accounts will be forwarded to recipients as an addendum to this document.

Table of relevant OMB circulars based on the type of recipient (i.e. state agency, university or nonprofit). These circulars must be complied with in addition to the contract and 10 CFR Part 600.

TYPE OF ORGANIZATION	Documents TO BE COMPLIED WITH
State, local or Indian Tribal Government	OMB Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments OMB Circular A-87, Cost Principals for State, Local, and Indian Tribal Governments OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
Non-Profit Organizations	OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations OMB Circular A-122, Cost Principals for Non-Profit Organizations OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
Educational Institutions	OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations OMB Circular A-21, Cost Principles for Educational Institutions OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

Monitoring

1. A recipient's Program Manager at EEC will monitor the progress being made and identify any potential risks that need to be mitigated. The Program Manager will monitor through:
    - Site visits (as needed)
    - Review of reports submitted by the recipient
    - Regular communication with the recipient

2. During site visits the Program Manager will use the monitoring form provided by EEC.

Forfeiture of funds and cancellation

1. If the recipient is unable to complete the scope of work outlined in the contract, the recipient will forfeit funds.
2. The recipient and EEC have the right to terminate or cancel the agreement to spend grant funds.