

MEMORANDUM OF UNDERSTANDING

Between the

INDIANA STATE BUDGET AGENCY

and the

STATE BOARD OF ACCOUNTS

This Memorandum of Understanding is entered into by and between the Indiana State Budget Agency (“SBA”) and the State Board of Accounts (“SBOA”). The parties mutually agree to the terms and conditions set forth herein.

WHEREAS, SBA, an agency of the Office of Management and Budget (“OMB”), is designated by OMB to accept and administer funds from the federal Coronavirus Aid, Relief and Economic Security (CARES) Act, Pub.L. 116–136; and

WHEREAS, SBOA has authority under IC 5-11-1-9 to examine all accounts and all financial affairs of every audited entity.

WHEREAS, the Budget Committee, pursuant to IC 4-12-18-5, reviewed this expenditure at its meeting on June 23, 2021.

WHEREAS, the parties enter into this MOU to memorialize their understanding of the mutual advantages of this cooperative relationship.

NOW, THEREFORE, the parties agree to the terms and conditions set forth below:

I. Purpose

The purpose of this MOU is to memorialize an agreement to provide funding to SBOA for necessary expenditures related to the State’s response to the COVID-19 public health emergency, as more fully set forth in Attachment A, (the “Program”) and provide guidance to SBOA for the purpose of complying with federal requirements under 2 C.F.R 200.

II. Grant Information

- a) CFDA number and name: **21.019**
- b) Federal Award Name: **Coronavirus Relief Fund (“CRF”)**
- c) Federal Award Identification Number: **N/A**
- d) Federal Award Date: **March 27, 2020**
- e) Name of Federal Agency: **Treasury**
- f) Federal Award project description: **see Attachment A and Attachment B**
- g) Total Amount of Funds obligated to SBOA:
 - Attachment A: \$ 6,242,803.00
 - Attachment B: \$ 21,725.79
 - Total: \$ 6,264,528.79

- h) Period of time SBOA can incur funds: start and end date. **The CRF funds may be used to cover expenditures that were incurred between March 1, 2020, and December 31, 2021.**
- i) Period of time SBOA can liquidate funds: start and end date: **The CRF funds may be used to cover expenditures that were incurred by December 31, 2021. Liquidation period, although not defined, is expected to be no later than 90 days after the close of the calendar year.**
- j) Requirements imposed on SBOA so that the award is used in accordance with Federal statutes, regulations and the terms and conditions of the award. **The federal funds are considered federal financial assistance subject to the Single Audit Act of (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Grant Guidance; 2 C.F.R. § 200.303 regarding internal controls, 2 C.F. R. § 200.300 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements. In addition, guidance from the Department of Treasury.**
- k) Indirect cost rate or cost allocation that can be charged to the federal grant: **None at this time.**
- l) Match requirements: **None.**

III. Term

The MOU shall be in effect from March 1, 2020, through February 28, 2022.

When the Director of the SBA makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this memoranda, the memoranda shall be canceled. A determination by the Director of the SBA that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

IV. Obligations of the Parties

The parties agree to the following obligations under this MOU:

1. SBA agrees to provide SBOA from the CARES Act an amount not to exceed the amount listed in Section II(g), which may be amended from time to time. SBOA agrees to return to SBA any unused funds.
2. SBOA will follow federal expenditure procedures as outlined in the State Board of Accounts manual.
3. SBOA acknowledges that it is a Sub-State Agency as that term is used in the State Board of Accounts manual.

4. SBOA will administer the Program in accordance with federal laws and guidance of the CARES Act, US Treasury guidance and policies, OMB and SBA policies and procedures, State Board of Accounts guidance on administration and tracking of COVID-19 funds, and any policies or procedures implemented by SBOA for administration of the program. SBOA's responsibilities to administer the Program include:
 - a. Provide communications and monthly reports to the Director of the OMB and the Director of SBA no later than ten (10) days after the end of the month regarding the status of the Program, including a detailed breakdown of the expenditures reimbursed under the Program and an explanation of why those expenditures were necessary to respond to the COVID-19 public health emergency;
 - b. Cooperate with any audit regarding use of Program funds by State Board of Accounts or as otherwise required under the CARES Act or other federal law, including allowing SBA access to SBOA's financial statements as necessary to comply with the requirements of 2 C.F.R. 200.
5. SBA will assist SBOA as necessary with the administration of the Program.

V. Records Retention

SBOA agrees to maintain records to support compliance with subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)). This may include, but is not limited to, copies of the following:

1. general ledger and subsidiary ledgers used to account for (a) the receipt of Coronavirus Relief Fund payments and (b) the disbursements from such payments to meet eligible expenses related to the public health emergency due to COVID-19;
2. budget records for 2021, and 2022;
3. payroll, time records, human resource records to support costs incurred for payroll expenses related to addressing the public health emergency due to COVID-19;
4. receipts of purchases made related to addressing the public health emergency due to COVID-19;
5. contracts and subcontracts entered into using Coronavirus Relief Fund payments and all documents related to such contracts;
6. grant agreements and grant subaward agreements entered into using Coronavirus Relief Fund payments and all documents related to such awards;
7. all documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipient and subrecipients;
8. all documentation supporting the performance outcomes of contracts, subcontracts, grant awards, and grant recipient subawards;
9. all internal and external email/electronic communications related to use of Coronavirus Relief Fund payments; and

10. all investigative files and inquiry reports involving Coronavirus Relief Fund payments.

SBOA will maintain records for a period of five (5) years after final payment is made using Coronavirus Relief Fund monies. These record retention requirements are applicable to all prime recipients and their grantees and subgrant recipients, contractors, and other levels of government that received transfers of Coronavirus Relief Fund payments from prime recipients.

VI. SEFA Reporting

1. SBOA will identify Emergency Acts expenditures separately on the SBOA Schedules of Expenditures of Federal Awards (SEFA).
2. SBOA will inform its subrecipients of the requirement to separately report Emergency Act expenditures separately on the entity's Schedules of Expenditures of Federal Awards (SEFA).

VII. Modifications

The parties may modify this MOU by a written, mutual, signed amendment.

VIII. Notices

Any notice required or permitted to be given under this MOU shall be sent to the following:

State Budget Agency
Attn: Lisa Acobert
State House Room 212
200 W. Washington Street
Indianapolis, IN 46204
LiAcobert@sba.IN.gov

State Board of Accounts
Attn: Beth Kelley
302 W. Washington Street, Rm E418
Indianapolis, IN 46204
BKelley@sboa.in.gov

IX. Termination or Suspension

This MOU may be terminated or suspended by either party if the other party has failed to comply with the terms of this MOU, or for any reason if such termination is in the best interest of the terminating agency, upon thirty (30) days written notice. The notice of termination or suspension shall state the reasons for termination or suspension. Regardless of the reason for termination or suspension, the parties will be compensated for services properly rendered prior to termination or suspension of this MOU.

X. Entire Agreement

This MOU constitutes the entire agreement of the parties and may only be amended by the written mutual consent of the parties.

XI. Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the agreeing party, or that he/she is the representative, agent, member or officer of the agreeing party, that he/she has not, nor has any other member, employee, representative, agent or officer of the division, firm, company, corporation or partnership represented by him/her, directly or indirectly, to the best of his/her knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Agreement other than that which appears on the face of this Agreement.

In Witness Whereof, SBA and SBOA have, through duly authorized representatives, entered into this MOU. The parties having read and understand the foregoing terms of this MOU, do by their respective signatures dated below hereby agree to the terms thereof.

State Board of Accounts



Paul Joyce, State Examiner

State Budget Agency



Zachary Q. Jackson, Director

DATE: 11/10/2021

DATE: 11/12/2021

ATTACHMENT A

The State Board of Accounts is the external audit agency for all Indiana State and Local Governments. Any State or Local Governments that expend \$750,000 or more in federal money within the fiscal year are required to receive a Single Audit in accordance with 2 CFR 200. Due to the public health emergency brought about by COVID 19, the Federal Government allocated billions of dollars to Indiana State and Local Governments. As a result of the additional Federal funding, the number of Local Governments that now require a Single Audit is estimated to increase by nearly 100. To ensure all State and Local Governments required to be audited for periods ending June 30, 2020, or December 31, 2020, receive an audit, in a timely manner, the State Board of Accounts has contracted with private examiners to complete some of those required audits. The cost of the contracts is a necessary expense incurred due to the public health emergency that was not originally budgeted for.

Attachment B

To reimburse SBOA for ongoing COVID-19 pandemic related expenses incurred by SBOA. To fulfill its duties to Hoosiers during the pandemic, SBOA incurred a majority of its COVID-19 related expenses on personal protective equipment (PPE), remote work equipment, and personnel expenses related to the SBOA's COVID-19 Task Force support. These costs were incurred to support SBOA's functions and to ensure employee safety.

Amendment #1

This is an Amendment to the existing Memorandum of Understanding entered into by and between the Indiana State Budget Agency and the State Board of Accounts ("SBOA").

In consideration of the mutual undertakings and covenants hereinafter set forth, the parties agree as follows:

A. Pursuant to Section VII of the MOU, Section II Grant Information is amended as follows:

g) Total Amount of Funds obligated to SBOA

Attachment A: \$8,781,523 (increase of \$2,538,720)

h) Period of time sub state agency can obligate funds: The CRF funds may be used to cover expenditures that were incurred as defined by the US Treasury in its December 14, 2021, Revision to Guidance Regarding when a Cost is Considered Incurred. Treasury is now revising the guidance to provide that a cost associated with a necessary expenditure incurred due to the public health emergency shall be considered to have been incurred by December 31, 2021, if the recipient has incurred an obligation with respect to such cost by December 31, 2021.

i) Period of time sub state agency can liquidate funds: The CRF funds may be used to cover expenditures that were incurred by December 31, 2021, as defined by the US Treasury in its December 14, 2021, Revision to Guidance Regarding when a Cost is Incurred. US Treasury's reporting framework currently permits recipients to record their expenditures through September 30, 2022, therefore all expenses must be liquidated by September 30, 2022.

m) Reporting Requirements:

SBOA must encumber all contractual and grant agreement amounts spent with Coronavirus Relief Funds in PeopleSoft, preferably in the SBOA Department of Treasury PeopleSoft fund. Where amounts are encumbered outside of SBOA Department of Treasury PeopleSoft Fund and transferred to the Coronavirus Relief Fund via journal entry, SBOA must attach a spreadsheet with Vendor and PO details to the journal entry so that OMB/SBA can comply with the Department of Treasury Reporting Requirements.

(all contracts, grants, loans, transfers to other government entities or direct payments greater or equal to \$50,000 must be disclosed to OMB/SBA so that it may update the information in the Department of Treasury's GrantSolution portal within 10 calendar days of the end of each quarter until September 2022.)

SBOA shall provide a list of all subrecipients as defined in 2 CFR 200.330 and the amount of the award as part of SBOA's monthly report.

SBOA should inquire with its CRF vendors if they are registered in SAM and if they have a DUNS number. If the DUNS numbers are received, these should be forwarded to OMB/SBA as part of SBOA's monthly report.

- B. Pursuant to Section VII of the MOU, Section III is amended as follows:

The MOU shall be in effect from September 30, 2020, through September 30, 2022.

- C. Pursuant to Section VII of the MOU, Section V is amended as follows:

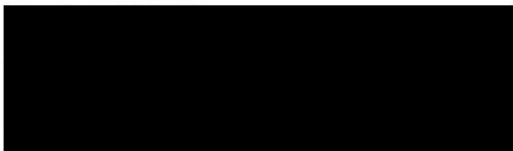
1. Budget records for FY 2019, 2020, 2021, 2022 and 2023;

All other matters previously agreed to and set forth in the original Memorandum of Understanding and not affected by this Amendment shall remain in full force and effect. The parties having read and understanding the foregoing terms of the Memorandum of Understanding Amendment do by their respective signatures dated below agree to the terms thereof.

Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the agreeing party, or that he/she is the representative, agent, member or officer of the agreeing party, that he/she has not, nor has any other member, employee, representative, agent or officer of the division, firm, company, corporation or partnership represented by him/her, directly or indirectly, to the best of his/her knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Agreement other than that which appears on the face of this Agreement.

In Witness Whereof, SBA and SBOA have, through duly authorized representatives, entered into this MOU. The parties having read and understand the foregoing terms of this MOU, do by their respective signatures dated below hereby agree to the terms thereof.



Paul Joyce, State Examiner
State Board of Accounts



Zachary Q. Jackson, Director
State Budget Agency