

Exhibit 1

STATE FUNDED GRANT CONTRACT

Between

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

**450 Columbus Boulevard, Suite 5
Hartford CT 06103 (860) 500-2300**

And

GRANTEE: Blue Hills Civic Association, Inc.

ADDRESS: 410 Homestead Avenue, Hartford, CT 06112

CONTACT: Vicki Gallon-Clark, Executive Director

GRANT AMOUNT: \$5,500,000.00

State: \$5,500,000.00

MATCHING FUNDS: \$0

GRANT NUMBER: FY24-Legislative Grant-00012

FUNDING PERIOD: July 1, 2023 – June 30, 2024

DATE ISSUED: July 1, 2023

Section I: Purpose. Pursuant to Public Act number 23-204, grant funds in the amount of \$5,500,000.00 are granted to the Grantee noted above to support the FY24 Legislative Grant application and the budget contained therein.

Section II: Payment. Payment of said grant will be made in one installment, contingent upon the availability of funds, and compliance with reporting requirements on any other Department of Economic and Community Development (“DECD”) grants in place. Grant shall not exceed \$5,500,000.00.

Section III: Unexpended Grant Funds. In the event Grantee closes or substantially reduces or suspends operations, Grantee shall return all unexpended grant funds to the DECD. Grantee shall notify DECD in writing within thirty days in the event that it closes or substantially reduces or suspends operations. Such unexpended grant funds shall be returned to DECD within thirty days of said notice.

Section IV: Credit. In any news release or printed material promoting this grant-funded program, prominent credit must be given to the DECD by including the following phrase, *“with the support of the Department of Economic and Community Development.”*

Section V: Use of Funds. Grants funds will be expended for the project as described in Section I according to the application budget and within the period of the Agreement unless a written request for a change is made and approved by DECD before the end date of the agreement. Unexpended funds must be returned to DECD within the timeframe and in the manner established in Section VI, below.

Section VI: Reporting. Expenditure of grant funds is to take place within the funding period defined above. Within sixty (60) days after the end of the funding period, Grantee agrees to provide to DECD a written program evaluation narrative and financial report in a format to be specified by DECD. Any unspent grant funds will be returned to DECD with the written financial report, in the form of a check made payable to *Treasurer, State of Connecticut*.

Section VII: Audit Requirements. The Grantee must comply with the Conn. Gen. Stat. §§ 7-396a and 396b, and the State Single Audit Act, §§ 4-230 – 4-236, and regulations promulgated thereunder. The Grantee agrees that all fiscal records pertaining to the project shall be maintained for a period of not less than three (3) years. Such records shall be made available to the state and its auditors upon request.

(a) For purposes of this Agreement, “Perform” shall mean all acts and things of the Grantee and Grantee Parties, severally and collectively, that are necessary or appropriate to fulfill or accomplish this Agreement fully, according to its terms. For purposes of this Agreement, the verb “to Perform” includes all parts of speech. Further, for purposes of this Agreement, “Records” means all working papers and such other information and materials as may have been accumulated by the Grantee in performing the Agreement, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form. For purposes of this Agreement, “Claims” means all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.

(b) The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State’s Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the Grantee’s and Grantee Parties’ plants and places of business which, in any way, are related to, or involved in, the performance of this Agreement.

(c) The Grantee shall maintain, and shall require each of the Grantee Parties to maintain, accurate and complete Records. The Grantee shall make all of its and the Grantee Parties’ Records available at all reasonable hours for audit and inspection by the State and its agents.

(d) The State shall make all requests for any audit or inspection in writing and shall provide the Grantee with at least twenty-four (24) hours’ notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.

(e) The Grantee shall keep and preserve or cause to be kept and preserved all of its and Grantee Parties' Records until three (3) years after the latter of (i) final payment under this Agreement, or (ii) the expiration or earlier termination of this Agreement, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Grantee shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.

(f) The Grantee shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Grantee shall cooperate with an exit conference.

(g) The Grantee shall incorporate this entire Section verbatim into any contract or other agreement that it enters into with any Grantee Party.

(h) **Audit Requirements for Recipients of State Financial Assistance.** For purposes of this paragraph, the word "contractor" shall be deemed to mean "nonstate entity," as that term is defined in Section 4-230 of the Connecticut General Statutes. The contractor shall provide for an annual financial audit acceptable to the Agency for any expenditure of state-awarded funds made by the contractor. Such audit shall include management letters and audit recommendations. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The contractor will comply with federal and state single audit standards as applicable.

Section VIII: Executive Orders and Other Enactments.

- (a) All references in this Agreement to any Federal, State, or local law, statute, public or special act, executive order, ordinance, regulation or code (collectively, "Enactments") shall mean Enactments that apply to the Agreement at any time during its term, or that may be made applicable to the Agreement during its term. This Agreement shall always be read and interpreted in accordance with the latest applicable wording and requirements of the Enactments. Unless otherwise provided by Enactments, the Applicant is not relieved of its obligation to perform under this Agreement if it chooses to contest the applicability of the Enactments or the DECD'S authority to require compliance with the Enactments.
- (b) This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of this Agreement as if they had been fully set forth in it.
- (c) This Agreement may be subject to (1) Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services; and (2) Executive Order No. 61 of Governor Dannel P. Malloy promulgated December 13, 2017 concerning the Policy for the Management of State Information Technology Projects, as issued by the Office of Policy and Management, Policy ID IT-SDLC-17-04. If any of the Executive Orders referenced in this subsection is applicable, it is deemed to be incorporated into and made a part of this Agreement as if fully set forth in it.

Section IX: Non-Discrimination. References in this section to "Contract" shall mean this Agreement and references to "Contractor" shall mean the Grantee.

- (a) For purposes of this Section, the following terms are defined as follows:

- (1) “Commission” means the Commission on Human Rights and Opportunities;
- (2) “Contract” and “contract” include any extension or modification of the Contract or contract;
- (3) “Contractor” and “contractor” include any successors or assigns of the Contractor or contractor;
- (4) “Gender identity or expression” means a person’s gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person’s physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person’s core identity or not being asserted for an improper purpose.
- (5) “Good faith” means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
- (6) “Good faith efforts” shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;
- (7) “Marital status” means being single, married as recognized by the state of Connecticut, widowed, separated or divorced;
- (8) “Mental disability” means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association’s “Diagnostic and Statistical Manual of Mental Disorders”, or a record of or regarding a person as having one or more such disorders;
- (9) “Minority business enterprise” means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and
- (10) “Public works contract” means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms “Contract” and “contract” do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, unless the contract is a municipal public works contract or quasi-public agency project contract, (2) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (3) the federal government, (4) a foreign government, or (5) an agency of a subdivision, state or government described in the immediately preceding enumerated items (1), (2), (3), or (4).

(b) 1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness,

unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to ensure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

(c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.

(g)

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees

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to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

(h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(i) Pursuant to subsection (c) of section 4a-60 and subsection (b) of section 4a-60a of the Connecticut General Statutes, the Contractor, for itself and its authorized signatory of this Contract, affirms that it understands the obligations of this section and that it will maintain a policy for the duration of the Contract to assure that the Contract will be performed in compliance with the nondiscrimination requirements of such sections. The Contractor and its authorized signatory of this Contract demonstrate their understanding of this obligation by (A) having provided an affirmative response in the required online bid or response to a proposal question which asks if the contractor understands its obligations under such sections, (B) signing this Contract, or (C) initialing this nondiscrimination affirmation in the following box: VGC

Section X: Campaign Contribution and Solicitation Prohibitions.

For all State contracts, defined in section 9-612 of the Connecticut General Statutes as having a value in a calendar year of \$50,000 or more, or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement represents that they have received the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice.

Section XI: Termination. This Agreement shall remain in full force and effect for the entire term of the contract period unless terminated by DECD.

(a) Notwithstanding any provisions in this Agreement, DECD, through a duly authorized employee, may Terminate the Agreement whenever DECD makes a written determination that such Termination is in the best interests of the State. The DECD shall notify the Grantee in writing of Termination pursuant to this section, which notice shall specify the effective date of Termination and the extent to which the Grantee must complete its Performance under the Agreement prior to such date.

(b) Notwithstanding any provisions in this Agreement, DECD, through a duly authorized employee, may, after making a written determination that the Grantee has breached the Agreement, Terminate the Agreement.

(c) DECD shall send the notice of Termination via certified mail, return receipt requested, to the Grantee at the most current address which the Grantee has furnished to DECD for purposes of correspondence, or by hand delivery. Upon receiving the notice from DECD, the Grantee shall immediately discontinue all services affected in accordance with the notice, undertake all commercially reasonable efforts to mitigate any losses or damages, and deliver to DECD all Records. The Records are deemed to be the property of DECD and the Grantee shall deliver them to DECD no later than thirty (30) days after the Termination of the Agreement or fifteen (15) days after the Grantee receives a written request from DECD for the Records. The Grantee shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to, ASCII or .TXT.

(d) Upon receipt of a written notice of Termination from DECD, the Grantee shall cease operations as DECD directs in the notice, and take all actions that are necessary or appropriate, or that DECD may reasonably direct, for the protection, and preservation of the Goods and any other property. Except for any work which DECD directs the Grantee to Perform in the notice prior to the effective date of Termination, and except as otherwise provided in the notice, the Grantee shall terminate or conclude all existing subcontracts and purchase orders and shall not enter into any further subcontracts, purchase orders or commitments. For the purposes of this Agreement, "Goods" means all things which are movable at the time that the Contract is effective and which includes, without limiting this definition, supplies, materials and equipment.

(e) The DECD shall, within forty-five (45) days of the effective date of Termination, reimburse the Grantee for its Performance rendered and accepted by DECD, in addition to all actual and reasonable costs incurred after Termination in completing those portions of the Performance which the notice required the Grantee to complete. However, the Grantee is not entitled to receive and DECD is not obligated to tender to the Grantee any payments for anticipated or lost profits.

(f) Upon Termination of the Agreement, all rights and obligations shall be null and void, so that no party shall have any further rights or obligations to any other party, except with respect to the sections which survive Termination. All representations, warranties, agreements and rights of the parties under the Agreement shall survive such Termination to the extent not otherwise limited in the Agreement and without each one of them having to be specifically mentioned in the Agreement.

(g) Termination of the Agreement pursuant to this section shall not be deemed to be a breach of contract by DECD.

Section XII: Nonwaiver and Sovereign Immunity:

(a) If the State does not exercise, or delays in exercising, or exercises in part any of the State's rights and remedies set forth in this Agreement for the curing or remedying of any default or breach of covenant or condition, or any other right or remedy, in no event shall such non-exercise, delay or partial exercise be construed as a waiver of full action by the State or a waiver of any subsequent default or breach of covenant or condition.

(b) The parties acknowledge and agree that nothing in the Agreement shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Agreement. To the extent that this section conflicts with any other Section, this Section shall govern.

Section XIII: Indemnification

(a) The Grantee shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) Claims (all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum) arising, directly or indirectly, in connection with the Agreement, including the acts of commission or omission (collectively, the “Acts”) of the Grantee or Grantee Parties (a Grantee’s members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Grantee is in privity of oral or written contract and the Grantee intends for such other person or entity to Perform under the Agreement in any capacity); and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts, or the Agreement. The Grantee shall use counsel reasonably acceptable to the State in carrying out its obligations under this section. The Grantee’s obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the Grantee's bid, proposal or any Records, any intellectual property rights, other proprietary rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the Performance.

(b) The Grantee shall not be responsible for indemnifying or holding the State harmless from any liability arising due to the negligence of the State or any third party acting under the direct control or supervision of the State.

(c) The Grantee shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Grantee or any Grantee Parties. The State shall give the Grantee reasonable notice of any such Claims.

(d) The Grantee’s duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Agreement, without being lessened or compromised in any way, even where the Grantee is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.

(e) The Grantee shall carry and maintain at all times during the term of the Agreement, and during the time that any provisions survive the term of the Agreement, sufficient general liability insurance to satisfy its obligations under this Agreement. The Grantee shall name the State as an additional insured on the policy and shall provide a copy of the policy to DECD prior to the effective date of the Agreement. The Grantee shall not begin Performance until the delivery of the policy to DECD. The DECD shall be entitled to recover under the insurance policy even if a body of competent jurisdiction determines that DECD or the State is contributorily negligent.

(f) The Grantee hereby agrees to indemnify and hold harmless the State from and against any liabilities, losses, damages, costs, or expenses, including attorneys' fees, arising out of or in connection with the presence of hazardous waste relating to the Project (or the Collateral, as more fully described below if any), or any lien or claim under Conn. Gen. Stat. § 22a-452a, as amended, or other federal, state, or municipal statute, regulation, rule, law, or proceeding relating to environmental matters. Such indemnity shall survive payment in full of the Funding, and termination and/or release of the Project Documents and/or foreclosure of the Mortgage or realization on the Collateral (if any).

(g) This section shall survive the Termination of the Agreement and shall not be limited by reason of any insurance coverage.

Section XIV: Protection of Confidential Information.

(a) Grantee and Grantee Parties, at their own expense, have a duty to and shall protect from a Confidential Information Breach any and all Confidential Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.

(b) Each Grantee or Grantee Party shall develop, implement and maintain a comprehensive data - security program for the protection of Confidential Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Confidential Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of the Department or State concerning the confidentiality of Confidential Information. Such data-security program shall include, but not be limited to, the following:

- (1) A security policy for employees related to the storage, access and transportation of data containing Confidential Information;
- (2) Reasonable restrictions on access to records containing Confidential Information, including access to any locked storage where such records are kept;
- (3) A process for reviewing policies and security measures at least annually;
- (4) Creating secure access controls to Confidential Information, including but not limited to passwords; and
- (5) Encrypting of Confidential Information that is stored on laptops, portable devices or being transmitted electronically.

(c) The Grantee and Grantee Parties shall notify DECD and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Confidential Information which Grantee or Grantee Parties have come to possess or control has been subject to a Confidential Information Breach. If a Confidential Information Breach has occurred, the Grantee shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, DECD and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the Grantee at its own cost and expense to all individuals affected by the Confidential Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Conn. Gen. Stat. § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Confidential Information Breach. The Grantee's costs and expenses for the credit monitoring and protection plan shall not be recoverable from DECD, any State of Connecticut entity or any affected individuals.

(d) The Grantee shall incorporate the requirements of this Section in all subcontracts requiring each Grantee Party to safeguard Confidential Information in the same manner as provided for in this Section.

(e) Nothing in this Section shall supersede in any manner Grantee's or Grantee's Party's obligations pursuant to the Health Insurance Portability and Accountability Act (HIPAA) or the provisions of this Agreement concerning the obligations of the Grantee as a Business Associate of DECD.

(f) For purposes of this section, (1) "Confidential Information" shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific

individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Confidential Information shall also include any information that DECD classifies as "confidential" or "restricted." Confidential Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public; and (2) "Confidential Information Breach" shall mean, generally, an instance where an unauthorized person or entity accesses Confidential Information in any manner, including but not limited to the following occurrences: (a) any Confidential Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (b) one or more third parties have had access to or taken control or possession of any Confidential Information that is not encrypted or protected without prior written authorization from the State; (c) the unauthorized acquisition of encrypted or protected Confidential Information together with the confidential process or key that is capable of compromising the integrity of the Confidential Information; or (d) if there is a substantial risk of identity theft or fraud to the client, the Grantee, DECD or the State.

Section XV: Breach

(a) If either party breaches the Agreement in any respect, the non-breaching party shall provide written Notice of the breach to the breaching party by overnight or certified mail, return receipt requested, to the most current address the breaching party has furnished for the purposes of correspondence and afford the breaching party an opportunity to cure within thirty (30) days from the date that the breaching party receives the notice. In the case of a Grantee breach, DECD may set forth any period greater or less than thirty (30) days, so long as such time period is otherwise consistent with the provisions of this Agreement (for the purposes of this paragraph, the time period set forth by the non-breaching party shall be referred to as the "right to cure period"). The right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure, but the nature of the breach is such that it cannot be cured within the right to cure period.

(b) In the event of a breach, DECD may require the Grantee to prepare and submit to DECD a Corrective Action Plan in connection with an identified breach. The Corrective Action Plan shall provide a detailed explanation of the reasons for the cited deficiency(ies), the Grantee's assessment or diagnosis of the cause, and a specific proposal to cure or resolve the deficiency(ies). The Grantee shall submit the Corrective Action Plan within ten (10) business days following the request for the plan by DECD and is subject to approval by DECD, which approval shall not unreasonably be withheld. Notwithstanding the submission and acceptance of a Corrective Action Plan, Grantee remains responsible for achieving all Performance criteria. The acceptance of a Corrective Action Plan shall not excuse prior substandard Performance, relieve Grantee of its duty to comply with Performance standards, or prohibit DECD from pursuing additional remedies or other approaches to correct substandard Performance.

(c) The written notice of the breach may include an effective Termination date. If the identified breach is not cured by the stated Termination date, unless otherwise modified by the non-breaching party in writing prior to such date, no further action shall be required of any party to effect the Termination as of the stated date. If the notice does not set forth an effective Termination date, the non-breaching party shall be required to provide the breaching party no less than twenty four (24) hours written notice prior to terminating the Agreement, such notice to be provided in accordance with the Notice section herein.

(d) If DECD reasonably and in good faith determines the Grantee has not Performed in accordance with the Agreement, DECD may withhold payment in whole or in part in an amount reasonably related to the

non-Performance pending resolution of the Performance issue, provided that DECD notifies the Grantee in writing prior to the date that the payment would have been due.

(e) Notwithstanding any provisions in this Agreement, DECD may Terminate this Agreement with no right to cure period for Grantee's breach or violation of any of the provisions in the Section concerning Representations and Warranties and revoke any consent to assignments given as if the assignments had never been requested or consented to, without liability to the Grantee or Grantee Parties or any third party.

(f) Termination under this Breach section is subject to the provisions of the Termination Section in this Agreement.

Section XVI: Representations and Warranties. The Grantee represents and warranties to the State that:

(a) it is duly and validly existing under the laws of its state of organization and authorized to conduct business in the State of Connecticut in the manner contemplated by the Agreement. Further, as appropriate, it has taken all necessary action to authorize the execution, delivery and Performance of the Agreement and has the power and authority to execute, deliver and Perform its obligations under the Agreement;

(b) it will comply with all applicable State and Federal laws and municipal ordinances in satisfying its obligations to the State under and pursuant to the Agreement.

(c) the execution, delivery and Performance of the Agreement will not violate, be in conflict with, result in a breach of or constitute (with or without due notice and/or lapse of time) a default under any of the following, as applicable: (1) any provision of law; (2) any order of any court or the State; or (3) any indenture, agreement, document or other instrument to which it is a party or by which it may be bound;

(d) it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental agency (federal, state or local) from the administration of federal or state funds;

(e) as applicable, it has not, within the three (3) years preceding the Agreement, in any of its current or former jobs, been convicted of, or had a civil judgment rendered against it or against any person who would Perform under the Agreement, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a transaction or contract with any governmental entity. This includes, but is not limited to, violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records or property, making false statements, or receiving stolen property;

(f) it is not presently indicted for or otherwise criminally or civilly charged by any governmental entity with commission of any of the offenses listed above;

(g) it has notified DECD in writing whether it has had any contracts with any governmental entity Terminated for cause within the three (3) years preceding the Effective Date;

(h) it has not employed or retained any entity or person, other than a bona fide employee working solely for it, to solicit or secure the Agreement and that it has not paid or agreed to pay any entity or person, other than a bona fide employee working solely for it, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of the Agreement or any assignments made in accordance with the terms of the Agreement;

(i) to the best of its knowledge, there are no Claims involving the Grantee that might reasonably be expected to materially adversely affect its businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Agreement;

(j) it shall disclose, to the best of its knowledge, to the State in writing any Claims involving it that might reasonably be expected to materially adversely affect its businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Agreement, no later than ten (10) Days after becoming aware or after it should have become aware of any such Claims;

(k) it is able to Perform under the Agreement using its own resources;

(l) it has paid all applicable workers' compensation second injury fund assessments concerning all previous work done in Connecticut;

(m) if applicable, it has a record of compliance with Occupational Safety and Health Administration regulations without any unabated, willful or serious violations;

(n) it owes no unemployment compensation contributions; and

(o) it is not delinquent in the payment of any taxes owed, or, that it has filed a sales tax security bond, and it has, if and as applicable, filed for motor carrier road tax stickers and have paid all outstanding road taxes.

Section XVII: General Terms and Conditions

(a) **Cancellation Clause:** This Agreement shall remain in full force and effect for the entire term of the contract period unless cancelled by DECD due to the Grantee's inability to fulfill the terms of the Agreement as described in Section I or the Grantee's cessation of operations. DECD reserves the right to recoup any prior payment if this Agreement is terminated by either party.

(b) **Schedule:** The Grantee agrees that the project for which this grant has been made shall be completed no later than the contract expiration date. If the Grantee's project cannot be completed by the end date of the Agreement, the Grantee shall request an extension of the Agreement in writing at least ninety (90) days before such date. DECD in its sole discretion may approve such request which shall be provided to the Grantee in writing. Expenses incurred after the end date of the agreement shall not be eligible for reimbursement unless an extension has been approved in writing by DECD.

(c) **Assignment:** The Grantee shall not assign any of its rights or obligations under the Agreement, voluntarily or otherwise, in any manner without the prior written consent of DECD and the approval of the Connecticut Attorney General. DECD may void any purported assignment in violation of this section and declare the Grantee in breach of Agreement. Any Termination by DECD for a breach is without prejudice to DECD's or the State's rights or possible Claims. This shall not prohibit the Grantee from employing qualified personnel who shall work under Grantee's direct supervision.

(d) **Amendments, Supremacy, and Entirety of Agreement:** No amendment to or modification of this Agreement shall be valid or binding unless made in writing, signed by the parties and approved by the Connecticut Attorney General. Any and all documents authorized in connection with this Agreement shall be subject to the terms of this Agreement. This Agreement contains the complete and exclusive statement of the terms agreed to by the parties.

(e) **State Liability:** The State of Connecticut shall assume no liability for payment of services under the terms of this Agreement until the Agreement has been accepted by DECD and, if applicable, approved by the Office of Policy and Management (OPM) and by the Connecticut Attorney General.

(f) **Choice of Law and Forum:**


1. The parties deem this Agreement to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Agreement to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Grantee waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

2. Notwithstanding the above, the Grantee agrees that the sole and exclusive means for the presentation of any claim against the State of Connecticut arising from this Agreement shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Grantee further agrees not to initiate legal proceedings in any state or federal court in addition to, or in lieu of, said Chapter 53 proceedings.


(g) **Setoff:** The State, in its sole discretion, may setoff and withhold (1) any costs or expenses, including, but not limited to, costs or expenses such as overtime, that the State incurs resulting from the Grantee's unexcused breach under the Agreement and under any other agreement or arrangement that the Grantee has with the State and (2) any other amounts of whatever nature that are due or may become due from the State to the Grantee, against amounts otherwise due or that may become due to the Grantee under the Agreement, or under any other agreement or arrangement that the Grantee has with the State. The State's right of setoff shall not be deemed to be the State's exclusive remedy for the Grantee's or Grantee Parties' breach of the Agreement, all of which shall survive any setoffs by the State. The State's right of setoff and right to withhold are not the State's exclusive remedies for Grantee's Breach, all of which remedies survive any setoffs and withholdings by the State.

Section XVIII: ACCEPTANCE OF GRANT TERMS AND CONDITIONS

FOR THE GRANTEE:

 _____ Signature of Grantee's Authorized Official	8/30/2023 _____ Date signed
Vicki Gallon-Clark _____ Printed name of official signing above	Executive Director _____ Printed title of official signing above

FOR THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:

 _____ Signature of DECD's Authorized Official	8/30/2023 _____ Date signed
Alexandra Daum _____ Printed name of official signing above	Commissioner _____ Printed title of official signing above

This Agreement having been reviewed and approved, as to form, by the Connecticut Attorney General, it is exempt from review pursuant a *Memorandum of Agreement* between the State of Connecticut, Department of Economic and Community Development and the Connecticut Attorney General dated May 12, 2022, as may be amended from time to time.

Exhibit 2

STATE FUNDED GRANT CONTRACT

BETWEEN

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

**450 Columbus Boulevard, Suite 5
Hartford, CT 06103 (860) 500-2300**

And

GRANTEE: Blue Hills Civic Organization

ADDRESS: 410 Homestead Avenue, Hartford, CT 06112

CONTACT: Vicki Gallon-Clark, Executive Director

GRANT AMOUNT: \$ 5,500,000.00

State: \$ 5,500,000.00

MATCHING FUNDS: \$0

GRANT NUMBER: FY25-Legislative- 00004

FUNDING PERIOD: July 1, 2024 – June 30, 2025

DATE ISSUED: July 1, 2024

Section I: Purpose. Pursuant to Conn. Gen. Stat. §§ 10-392 and 10-396, grant funds in the amount of \$ 5,500,000.00 are granted to the Grantee noted above to support the FY25 Legislative Grant application and the budget contained therein.

Section II: Payment. Payment of said grant will be made in one installment, contingent upon the availability of funds, and compliance with reporting requirements on any other Department of Economic and Community Development (“DECD”) grants in place. Grant shall not exceed \$ 5,500,000.00

Section III: Unexpended Grant Funds. In the event Grantee closes or substantially reduces or suspends operations, Grantee shall return all unexpended grant funds to the DECD. Grantee shall notify DECD in writing within thirty days in the event that it closes or substantially reduces or suspends operations. Such unexpended grant funds shall be returned to DECD within thirty days of said notice.

Section IV: Credit. In any news release or printed material promoting this grant-funded program, prominent credit must be given to the DECD by including the following phrase, *“with the support of the Department of Economic and Community Development.”*

Section V: Use of Funds. Grants funds will be expended for the project as described in Section I according to the application budget and within the period of the Agreement unless a written request for a change is made and approved by DECD before the end date of the agreement. Unexpended funds must be returned to DECD within the timeframe and in the manner established in Section VI, below.

Section VI: Reporting. Expenditure of grant funds is to take place within the funding period defined above. Within thirty (30) days after the end of the funding period, Grantee agrees to provide to DECD a written program evaluation narrative and financial report in a format to be specified by DECD. Any unspent grant funds will be returned to DECD with the written financial report, in the form of a check made payable to *Treasurer, State of Connecticut*.

Section VII: Audit Requirements. The Grantee must comply with the Conn. Gen. Stat. §§ 7-396a and 396b, and the State Single Audit Act, §§ 4-230 – 4-236, and regulations promulgated thereunder. The Grantee agrees that all fiscal records pertaining to the project shall be maintained for a period of not less than three (3) years. Such records shall be made available to the state and its auditors upon request.

(a) For purposes of this Agreement, “Perform” shall mean all acts and things of the Grantee and Grantee Parties, severally and collectively, that are necessary or appropriate to fulfill or accomplish this Agreement fully, according to its terms. For purposes of this Agreement, the verb “to Perform” includes all parts of speech. Further, for purposes of this Agreement, “Records” means all working papers and such other information and materials as may have been accumulated by the Grantee in performing the Agreement, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form. For purposes of this Agreement, “Claims” means all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.

(b) The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State’s Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the Grantee’s and Grantee Parties’ plants and places of business which, in any way, are related to, or involved in, the performance of this Agreement.

(c) The Grantee shall maintain, and shall require each of the Grantee Parties to maintain, accurate and complete Records. The Grantee shall make all of its and the Grantee Parties’ Records available at all reasonable hours for audit and inspection by the State and its agents.

(d) The State shall make all requests for any audit or inspection in writing and shall provide the Grantee with at least twenty-four (24) hours’ notice prior to the requested audit and inspection date. If the State

suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.

(e) The Grantee shall keep and preserve or cause to be kept and preserved all of its and Grantee Parties' Records until three (3) years after the latter of (i) final payment under this Agreement, or (ii) the expiration or earlier termination of this Agreement, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Grantee shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.

(f) The Grantee shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Grantee shall cooperate with an exit conference.

(g) The Grantee shall incorporate this entire Section verbatim into any contract or other agreement that it enters into with any Grantee Party.

(h) **Audit Requirements for Recipients of State Financial Assistance.** For purposes of this paragraph, the word "contractor" shall be deemed to mean "nonstate entity," as that term is defined in Section 4-230 of the Connecticut General Statutes. The contractor shall provide for an annual financial audit acceptable to the Agency for any expenditure of state-awarded funds made by the contractor. Such audit shall include management letters and audit recommendations. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The contractor will comply with federal and state single audit standards as applicable.

Section VIII: Executive Orders and Other Enactments.

(a) All references in this Agreement to any Federal, State, or local law, statute, public or special act, executive order, ordinance, regulation or code (collectively, "Enactments") shall mean Enactments that apply to the Agreement at any time during its term, or that may be made applicable to the Agreement during its term. This Agreement shall always be read and interpreted in accordance with the latest applicable wording and requirements of the Enactments. Unless otherwise provided by Enactments, the Applicant is not relieved of its obligation to perform under this Agreement if it chooses to contest the applicability of the Enactments or the DECD'S authority to require compliance with the Enactments.

(b) This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of this Agreement as if they had been fully set forth in it.

(c) This Agreement may be subject to (1) Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services; and (2) Executive Order No. 61 of Governor Dannel P. Malloy promulgated December 13, 2017 concerning the Policy for the Management of State Information Technology Projects, as issued by the Office of Policy and Management,

Policy ID IT-SDLC-17-04. If any of the Executive Orders referenced in this subsection is applicable, it is deemed to be incorporated into and made a part of this Agreement as if fully set forth in it.

Section IX: Non-Discrimination. References in this section to “Contract” shall mean this Agreement and references to “Contractor” shall mean the Grantee.

(a) For purposes of this Section, the following terms are defined as follows:

- (1) “Commission” means the Commission on Human Rights and Opportunities;
- (2) “Contract” and “contract” include any extension or modification of the Contract or contract;
- (3) “Contractor” and “contractor” include any successors or assigns of the Contractor or contractor;
- (4) “Gender identity or expression” means a person’s gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person’s physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person’s core identity or not being asserted for an improper purpose.
- (5) “Good faith” means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
- (6) “Good faith efforts” shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;
- (7) “Marital status” means being single, married as recognized by the state of Connecticut, widowed, separated or divorced;
- (8) “Mental disability” means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association’s “Diagnostic and Statistical Manual of Mental Disorders”, or a record of or regarding a person as having one or more such disorders;
- (9) “Minority business enterprise” means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and
- (10) “Public works contract” means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, unless the contract is a municipal public works contract or quasi-public agency project contract, (2) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (3) the federal government, (4) a foreign government, or (5) an agency of a subdivision, state or government described in the immediately preceding enumerated items (1), (2), (3), or (4).

(b) 1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, status as a victim of domestic violence, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to ensure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, status as a victim of domestic violence, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

(c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the

Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.

(g)

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

(h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(i) Pursuant to subsection (c) of section 4a-60 and subsection (b) of section 4a-60a of the Connecticut General Statutes, the Contractor, for itself and its authorized signatory of this Contract, affirms that it understands the obligations of this section and that it will maintain a policy for the duration of the Contract to assure that the Contract will be performed in compliance with the nondiscrimination requirements of such sections. The Contractor and its authorized signatory of this Contract demonstrate their understanding of this obligation by (A) having provided an affirmative response in the required online bid or response to a proposal question which asks if the contractor understands its obligations under such sections, (B) signing this Contract, or (C) initialing this nondiscrimination affirmation in the following box: VGC

Section X: Campaign Contribution and Solicitation Prohibitions.

For all State contracts, defined in section 9-612 of the Connecticut General Statutes as having a value in a calendar year of \$50,000 or more, or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement represents that they have received the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice.

Section XI: Termination.

(a) The term of this Agreement shall expire upon the fulfillment of all obligations set forth herein or in any of the project documents.

(b) Notwithstanding subsection (A) above, the Grantee may terminate this Agreement prior to fulfillment of all obligations set forth herein or in any of the project documents so long as it makes full repayment of the Grant plus liquidated damages equal to seven and one-half percent (7.5%) of the total amount of the Grant received, plus all costs and expenses related thereto.

(c) This Agreement may also be terminated by the express written agreement of the Grantee and the State.

(d) This Agreement is subject to the availability of funding. In the event funding for the Grant or underlying program is reduced or terminated, DECD may terminate this Agreement without penalty.

(e) Notwithstanding any such expiration or termination of this Agreement, all indemnity rights set forth below and elsewhere in this Agreement or in any of the other project documents shall survive such expiration or termination.

Section XII: Nonwaiver and Sovereign Immunity:

(a) If the State does not exercise, or delays in exercising, or exercises in part any of the State's rights and remedies set forth in this Agreement for the curing or remedying of any default or breach of covenant or condition, or any other right or remedy, in no event shall such non-exercise, delay or partial exercise be construed as a waiver of full action by the State or a waiver of any subsequent default or breach of covenant or condition.

(b) The parties acknowledge and agree that nothing in the Agreement shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Agreement. To the extent that this section conflicts with any other Section, this Section shall govern.

Section XIII: Indemnification

(a) The Grantee shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) Claims (all actions, suits,

claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum) arising, directly or indirectly, in connection with the Agreement, including the acts of commission or omission (collectively, the “Acts”) of the Grantee or Grantee Parties (a Grantee’s members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Grantee is in privity of oral or written contract and the Grantee intends for such other person or entity to Perform under the Agreement in any capacity); and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts, or the Agreement. The Grantee shall use counsel reasonably acceptable to the State in carrying out its obligations under this section. The Grantee’s obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the Grantee's bid, proposal or any Records, any intellectual property rights, other proprietary rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the Performance.

- (b) The Grantee shall not be responsible for indemnifying or holding the State harmless from any liability arising due to the negligence of the State or any third party acting under the direct control or supervision of the State.
- (c) The Grantee shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Grantee or any Grantee Parties. The State shall give the Grantee reasonable notice of any such Claims.
- (d) The Grantee’s duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Agreement, without being lessened or compromised in any way, even where the Grantee is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.
- (e) INTENTIONALLY OMITTED.
- (f) The Grantee hereby agrees to indemnify and hold harmless the State from and against any liabilities, losses, damages, costs, or expenses, including attorneys' fees, arising out of or in connection with the presence of hazardous waste relating to the Project (or the Collateral, as more fully described below if any), or any lien or claim under Conn. Gen. Stat. § 22a-452a, as amended, or other federal, state, or municipal statute, regulation, rule, law, or proceeding relating to environmental matters. Such indemnity shall survive payment in full of the Funding, and termination and/or release of the project documents and/or foreclosure of the Mortgage or realization on the Collateral (if any).
- (g) This section shall survive the Termination of the Agreement and shall not be limited by reason of any insurance coverage.

Section XIV: Protection of Confidential Information.

(a) Grantee and Grantee Parties, at their own expense, have a duty to and shall protect from a Confidential Information Breach any and all Confidential Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.

(b) Each Grantee or Grantee Party shall develop, implement and maintain a comprehensive data - security program for the protection of Confidential Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Confidential Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of the Department or State concerning the confidentiality of Confidential Information. Such data-security program shall include, but not be limited to, the following:

- (1) A security policy for employees related to the storage, access and transportation of data containing Confidential Information;
- (2) Reasonable restrictions on access to records containing Confidential Information, including access to any locked storage where such records are kept;
- (3) A process for reviewing policies and security measures at least annually;
- (4) Creating secure access controls to Confidential Information, including but not limited to passwords; and
- (5) Encrypting of Confidential Information that is stored on laptops, portable devices or being transmitted electronically.

(c) The Grantee and Grantee Parties shall notify DECD and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Confidential Information which Grantee or Grantee Parties have come to possess or control has been subject to a Confidential Information Breach. If a Confidential Information Breach has occurred, the Grantee shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, DECD and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the Grantee at its own cost and expense to all individuals affected by the Confidential Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Conn. Gen. Stat. § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Confidential Information Breach. The Grantee's costs and expenses for the credit monitoring and protection plan shall not be recoverable from DECD, any State of Connecticut entity or any affected individuals.

(d) The Grantee shall incorporate the requirements of this Section in all subcontracts requiring each Grantee Party to safeguard Confidential Information in the same manner as provided for in this Section.

(e) Nothing in this Section shall supersede in any manner Grantee's or Grantee's Party's obligations pursuant to the Health Insurance Portability and Accountability Act (HIPAA) or the provisions of this Agreement concerning the obligations of the Grantee as a Business Associate of DECD.

(f) For purposes of this section, (1) "Confidential Information" shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Confidential Information shall also include any information that DECD classifies as "confidential" or "restricted." Confidential Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public; and (2) "Confidential Information Breach" shall mean, generally, an instance where an unauthorized person or entity accesses Confidential Information in any manner, including but not limited to the following occurrences: (a) any Confidential Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (b) one or more third parties have had access to or taken control or possession of any Confidential Information that is not encrypted or protected without prior written authorization from the State; (c) the unauthorized acquisition of encrypted or protected Confidential Information together with the confidential process or key that is capable of compromising the integrity of the Confidential Information; or (d) if there is a substantial risk of identity theft or fraud to the client, the Grantee, DECD or the State.

Section XV: Breach

(a) If either party breaches the Agreement in any respect, the non-breaching party shall provide written Notice of the breach to the breaching party by overnight or certified mail, return receipt requested, to the most current address the breaching party has furnished for the purposes of correspondence and afford the breaching party an opportunity to cure within thirty (30) days from the date that the breaching party receives the notice. In the case of a Grantee breach, DECD may set forth any period greater or less than thirty (30) days, so long as such time period is otherwise consistent with the provisions of this Agreement (for the purposes of this paragraph, the time period set forth by the non-breaching party shall be referred to as the "right to cure period"). The right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure, but the nature of the breach is such that it cannot be cured within the right to cure period.

(b) In the event of a breach, DECD may require the Grantee to prepare and submit to DECD a Corrective Action Plan in connection with an identified breach. The Corrective Action Plan shall provide a detailed explanation of the reasons for the cited deficiency(ies), the Grantee's assessment or diagnosis of the cause, and a specific proposal to cure or resolve the deficiency(ies). The Grantee shall submit the Corrective Action Plan within ten (10) business days following the request for the plan by DECD and is subject to approval by DECD, which approval shall not unreasonably be withheld. Notwithstanding the submission and acceptance of a Corrective Action Plan, Grantee remains responsible for achieving all Performance criteria. The acceptance of a Corrective Action Plan shall not excuse prior substandard Performance, relieve Grantee of its duty to comply with Performance standards, or prohibit DECD from pursuing additional remedies or other approaches to correct substandard Performance.

(c) The written notice of the breach may include an effective Termination date. If the identified breach is not cured by the stated Termination date, unless otherwise modified by the non-breaching party in writing prior to such date, no further action shall be required of any party to effect the Termination as of the stated date. If the notice does not set forth an effective Termination date, the non-breaching party shall be required to provide the breaching party no less than twenty four (24) hours written notice prior to terminating the Agreement, such notice to be provided in accordance with the Notice section herein.

(d) If DECD reasonably and in good faith determines the Grantee has not Performed in accordance with the Agreement, DECD may withhold payment in whole or in part in an amount reasonably related to the non-Performance pending resolution of the Performance issue, provided that DECD notifies the Grantee in writing prior to the date that the payment would have been due.

(e) Notwithstanding any provisions in this Agreement, DECD may Terminate this Agreement with no right to cure period for Grantee's breach or violation of any of the provisions in the Section concerning Representations and Warranties and revoke any consent to assignments given as if the assignments had never been requested or consented to, without liability to the Grantee or Grantee Parties or any third party.

(f) Termination under this Breach section is subject to the provisions of the Termination Section in this Agreement.

Section XVI: Representations and Warranties. The Grantee represents and warranties to the State that:

(a) it is duly and validly existing under the laws of its state of organization and authorized to conduct business in the State of Connecticut in the manner contemplated by the Agreement. Further, as appropriate, it has taken all necessary action to authorize the execution, delivery and Performance of the Agreement and has the power and authority to execute, deliver and Perform its obligations under the Agreement;

(b) it will comply with all applicable State and Federal laws and municipal ordinances in satisfying its obligations to the State under and pursuant to the Agreement.

(c) the execution, delivery and Performance of the Agreement will not violate, be in conflict with, result in a breach of or constitute (with or without due notice and/or lapse of time) a default under any of the following, as applicable: (1) any provision of law; (2) any order of any court or the State; or (3) any indenture, agreement, document or other instrument to which it is a party or by which it may be bound;

(d) it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental agency (federal, state or local) from the administration of federal or state funds;

(e) as applicable, it has not, within the three (3) years preceding the Agreement, in any of its current or former jobs, been convicted of, or had a civil judgment rendered against it or against any person who would Perform under the Agreement, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a transaction or contract with any governmental entity. This includes, but is not limited to, violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records or property, making false statements, or receiving stolen property;

(f) it is not presently indicted for or otherwise criminally or civilly charged by any governmental entity with commission of any of the offenses listed above;

(g) it has notified DECD in writing whether it has had any contracts with any governmental entity Terminated for cause within the three (3) years preceding the Effective Date;

(h) it has not employed or retained any entity or person, other than a bona fide employee working solely for it, to solicit or secure the Agreement and that it has not paid or agreed to pay any entity or person, other than a bona fide employee working solely for it, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of the Agreement or any assignments made in accordance with the terms of the Agreement;

(i) to the best of its knowledge, there are no Claims involving the Grantee that might reasonably be expected to materially adversely affect its businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Agreement;

(j) it shall disclose, to the best of its knowledge, to the State in writing any Claims involving it that might reasonably be expected to materially adversely affect its businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Agreement, no later than ten (10) Days after becoming aware or after it should have become aware of any such Claims;

(k) it is able to Perform under the Agreement using its own resources;

(l) it has paid all applicable workers' compensation second injury fund assessments concerning all previous work done in Connecticut;

(m) if applicable, it has a record of compliance with Occupational Safety and Health Administration regulations without any unabated, willful or serious violations;

(n) it owes no unemployment compensation contributions; and

(o) it is not delinquent in the payment of any taxes owed, or, that it has filed a sales tax security bond, and it has, if and as applicable, filed for motor carrier road tax stickers and have paid all outstanding road taxes.

Section XVII: General Terms and Conditions

(a) **Cancellation Clause:** This Agreement shall remain in full force and effect for the entire term of the contract period unless cancelled by DECD due to the Grantee's inability to fulfill the terms of the Agreement as described in Section I or the Grantee's cessation of operations. DECD reserves the right to recoup any prior payment if this Agreement is terminated by either party.

(b) **Schedule:** The Grantee agrees that the project for which this grant has been made shall be completed no later than the contract expiration date. If the Grantee's project cannot be completed by the end date of the Agreement, the Grantee shall request an extension of the Agreement in writing at least ninety (90) days before such date. DECD in its sole discretion may approve such request which shall be provided to the Grantee in writing. Expenses incurred after the end date of the agreement shall not be eligible for reimbursement unless an extension has been approved in writing by DECD.

(c) **Assignment:** The Grantee shall not assign any of its rights or obligations under the Agreement, voluntarily or otherwise, in any manner without the prior written consent of DECD and the approval of the Connecticut Attorney General. DECD may void any purported assignment in violation of this section and declare the Grantee in breach of Agreement. Any Termination by DECD for a breach is without prejudice to DECD's or the State's rights or possible Claims. This shall not prohibit the Grantee from employing qualified personnel who shall work under Grantee's direct supervision.

(d) **Amendments, Supremacy, and Entirety of Agreement:** No amendment to or modification of this Agreement shall be valid or binding unless made in writing, signed by the parties and approved by the Connecticut Attorney General. Any and all documents authorized in connection with this Agreement shall be subject to the terms of this Agreement. This Agreement contains the complete and exclusive statement of the terms agreed to by the parties.

(e) **State Liability:** The State of Connecticut shall assume no liability for payment of services under the terms of this Agreement until the Agreement has been accepted by DECD and, if applicable, approved by the Office of Policy and Management (OPM) and by the Connecticut Attorney General.

(f) **Choice of Law and Forum:**

1. The parties deem this Agreement to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Agreement to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Grantee waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

2. Notwithstanding the above, the Grantee agrees that the sole and exclusive means for the presentation of any claim against the State of Connecticut arising from this Agreement shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Grantee further agrees not to initiate legal proceedings in any state or federal court in addition to, or in lieu of, said Chapter 53 proceedings.

(g) **Setoff:** The State, in its sole discretion, may setoff and withhold (1) any costs or expenses, including, but not limited to, costs or expenses such as overtime, that the State incurs resulting from the Grantee's unexcused breach under the Agreement and under any other agreement or arrangement that the Grantee has with the State and (2) any other amounts of whatever nature that are due or may become due from the State to the Grantee, against amounts otherwise due or that may become due to the Grantee under the Agreement, or under any other agreement or arrangement that the Grantee has with the State. The State's right of setoff shall not be deemed to be the State's exclusive remedy for the Grantee's or Grantee Parties' breach of the Agreement, all of which shall survive any setoffs by the State. The State's right of setoff and right to withhold are not the State's exclusive remedies for Grantee's Breach, all of which remedies survive any setoffs and withholdings by the State.

Section XVIII: ACCEPTANCE OF GRANT TERMS AND CONDITIONS

FOR THE GRANTEE:

<u>Vicki Gallon-Clark</u>	<u>8/15/2024</u>
Signature of Grantee’s Authorized Official	Date signed
<u>Vicki Gallon-Clark</u>	<u>Executive Director</u>
Printed name of official signing above	Printed title of official signing above

FOR THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:

<u>Daniel O’Keefe</u>	<u>8/26/2024</u>
Signature of DECD’s Authorized Official	Date signed
<u>Daniel O’Keefe</u>	<u>Commissioner</u>
Printed name of official signing above	Printed title of official signing above

This Agreement having been reviewed and approved, as to form, by the Connecticut Attorney General, it is exempt from review pursuant a *Memorandum of Agreement* between the State of Connecticut, Department of Economic and Community Development and the Connecticut Attorney General May 12, 2022, as may be amended from time to time.

Exhibit 3

**Blue Hills Civic Association
Accounting Policies and Procedures Manual
Fiscal Year 2025**



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Introduction

The purpose of the accounting policies and procedures manual is to establish a comprehensive framework for financial management for Blue Hills Civic Association (BHCA) which promotes effective financial management, compliance, and transparency. Here are the key objectives of the manual:

1. **Standardization** - to create standardized processes for recording, classifying, and reporting financial transactions, ensuring consistency across the organization.
2. **Guidance** - to provide clear guidance to employees on accounting practices, policies, and procedures, reducing ambiguity and uncertainty in financial operations.
3. **Compliance** - to ensure adherence to relevant laws, regulations, and accounting standards, minimizing legal and financial risks.
4. **Internal Controls** - to outline internal controls that safeguard the organization's assets and ensure the accuracy and integrity of financial data, helping to prevent fraud and errors.
5. **Training and Onboarding** - to serve as a training resource for new employees and as a reference guide for existing staff, enhancing understanding of accounting practices and procedures.
6. **Accountability** - to delineate roles and responsibilities within the finance department, fostering accountability and ownership over financial processes and reporting.
7. **Audit Preparedness** - to facilitate the audit process by providing clear documentation of accounting policies and procedures, ensuring that the organization is prepared for internal and external audits.
8. **Financial Reporting** - to establish protocols for the preparation and presentation of financial statements, ensuring that they are accurate, timely, and compliant with relevant standards.
9. **Performance Monitoring** - to provide a framework for monitoring financial performance, enabling the organization to track results, analyze variances, and make informed business decisions.
10. **Risk Management** - to identify and mitigate financial risks through well-defined policies and procedures, ensuring the long-term stability and success of the organization.

Organizational Context

This manual applies to the entire BHCA organization. The implementation and ongoing review and update to the policies and procedures is the responsibility of the following employees:

1. Executive Director
2. Chief Financial Officer
3. Finance Director

The employees above are responsible for ensuring that all relevant financial activities of the organization are governed by a consistent framework that helps foster accountability, compliance, and effective financial management across the organization. These responsibilities include the following:

1. **Financial Transactions** - all financial transactions, including revenue generation, expense recognition, asset management, and liability accounting.
2. **Transaction Size and Complexity** - transactions of varying sizes and complexities, from routine operational transactions to more complex financial arrangements.
3. **Accounting Practices**
 - a. **Methods of Accounting** - the manual specifies the accounting methods adopted by the organization (e.g., cash basis, accrual basis) and any relevant policies related to those methods.
 - b. **Standards Compliance** – the manual outlines adherence to applicable accounting standards and regulatory requirements, ensuring compliance in financial reporting.
4. **Internal Controls**
 - a. **Control Procedures** - the manual includes procedures for internal controls related to financial reporting, safeguarding assets, and mitigating financial risks.
 - b. **Approval Processes** – the manual defines approval processes for financial transactions, ensuring accountability and oversight.
5. **Reporting Requirements**
 - a. **Financial Reporting** - the manual applies to the preparation and presentation of financial statements, management reports, and any external reporting obligations.
 - b. **Frequency and Formats** – the manual specifies the frequency of reporting (monthly, quarterly, annually) and the formats to be used.
6. **Compliance and Audit**
 - a. **Regulatory Compliance** - the manual is relevant to all compliance-related activities, including adherence to tax laws, regulatory requirements, and industry standards.
 - b. **Audit Preparedness** – the manual covers the documentation and processes necessary to prepare for both internal and external audits.
7. **Training and Implementation**
 - a. **Employee Training** - the manual serves as a training resource for employees involved in financial processes, ensuring consistent understanding and application of policies.
 - b. **Implementation Guidelines** – the manual provides guidance on the implementation of policies and procedures, including timelines and responsibilities.
8. **Periodic Review and Updates**
 - a. **Review Cycle** - the manual specifies the schedule for periodic review and updates to ensure it remains current and relevant in response to changes in regulations or business practices.
 - b. **Amendment Procedures** – the manual outlines procedures for amending the manual, including who is responsible for making updates and how changes will be communicated.

Role of the Finance Function

The finance function plays a vital role in maintaining the financial health of BHCA. By effectively managing financial resources, ensuring compliance, and providing valuable insights, the finance team supports the organization's strategic goals and helps drive long-term success. The finance function fosters collaboration, accountability, and informed decision-making across the

organization. The following is an overview of the key functions, roles, and structure of BHCA's finance function:

1. Purpose and Objectives

- a. **Financial Management** - to manage the organization's financial resources efficiently and effectively.
- b. **Strategic Planning** - to provide financial insights that support strategic decision-making and long-term planning.
- c. **Compliance and Risk Management** - to ensure adherence to financial regulations and manage financial risks.

2. Key Functions

- a. **Accounting**
 - i. Recording, classifying, and summarizing financial transactions.
 - ii. Preparing financial statements (income statement, balance sheet, cash flow statement).
 - iii. Maintaining general ledger and overseeing accounts payable and receivable.
- b. **Financial Reporting**
 - i. Preparing internal and external reports for stakeholders.
 - ii. Ensuring compliance with accounting standards and regulations.
- c. **Budgeting and Forecasting**
 - i. Developing annual budgets and forecasts.
 - ii. Monitoring actual performance against budgets and analyzing variances.
- d. **Treasury Management**
 - i. Managing the organization's cash flow, investments, and financing activities.
 - ii. Overseeing banking relationships and liquidity management.
- e. **Financial Analysis**
 - i. Analyzing financial data to identify trends, variances, and opportunities for improvement.
 - ii. Supporting decision-making with financial modeling and analysis.
- f. **Tax Compliance**
 - i. Preparing and filing tax returns and ensuring compliance with tax regulations.
- g. **Audit and Internal Controls**
 - i. Coordinating internal and external audits.
 - ii. Implementing and monitoring internal controls to safeguard assets and ensure accuracy in reporting.

3. Roles and Responsibilities

- a. **Executive Director**
 - i. Oversee the relationship between the entire finance function and all internal/external stakeholders.
 - ii. Reviews the information/reports created by the finance function to ensure proper messaging is in place and communicated to all internal/external stakeholders.
 - iii. Communicates financial performance and strategy to all internal /external stakeholders.

- b. Chief Financial Officer**
 - i. Oversee the entire finance function and is responsible for strategic financial planning and reporting.
 - ii. Communicates financial performance and strategy to internal/external stakeholders.
 - iii. Ensuring the Executive Director is made aware of the status of all financial matters, including day-to-day financial operations, budgets, forecasts, and financial reporting.
 - c. Finance Director**
 - i. Manages day-to-day financial operations, including budgeting, forecasting, and financial reporting.
 - ii. Handle the preparation of financial statements, bookkeeping, and tax filings.
 - iii. Ensure accuracy and compliance in accounting practices and procedures.
- 4. Collaboration with Other Functions**
 - a. The finance function works closely with other areas, such as the leaders for different program offerings, to provide financial insights that inform decision-making and strategic initiatives.
- 5. Technology and Tools**
 - a. Finance departments often use various software and tools for accounting, budgeting, financial analysis, and reporting (e.g., QuickBooks and spreadsheets).

Chart of Accounts and General Ledger

BHCA uses a Chart of Accounts that is embedded in the QuickBooks general ledger platform. The Chart of Accounts is structured so that the financial statements can be shown by natural classification (revenue and expense type) as well as by functional classification (program vs. administration). The Finance Director is responsible for maintaining the Chart of Accounts and revising as necessary.

The general ledger platform is cloud-based. All inputs to the general ledger and the related balance are the responsibility of the Finance Director subject to final approval by the Executive Director.

Accounting Policies

BHCA utilizes Generally Accepted Accounting Principles (GAAP). This approach is designed to ensure consistency, transparency, and comparability in financial reporting. Adhering to these principles is important as follows:

- 1. Consistency** - accounting policies ensure that financial transactions are recorded and reported consistently over time. This consistency is vital for stakeholders to compare financial results across periods and make informed decisions.
- 2. Transparency** - well-defined accounting policies promote transparency in financial reporting. Clear guidelines on how transactions are recognized and measured help stakeholders understand the financial statements and the basis on which they were prepared.

3. **Compliance** - organizations must adhere to various laws, regulations, and accounting standards. Establishing robust accounting policies helps ensure compliance, reducing the risk of legal issues or penalties.
4. **Internal Control** - accounting policies play a key role in establishing internal controls. They set standards for processes such as revenue recognition, expense reporting, and asset management, helping to prevent fraud and errors.
5. **Accountability** - with clear policies in place, individuals within the organization understand their responsibilities related to financial reporting. This accountability fosters a culture of integrity and ethical behavior in financial practices.
6. **Decision-Making** - accurate and consistent financial information derived from well-defined accounting policies supports better decision-making by management and stakeholders. It provides insights into the organization's financial health and performance.
7. **Financial Analysis** - accounting policies facilitate meaningful financial analysis by providing a clear framework for understanding financial data. Analysts can assess trends, ratios, and performance indicators more effectively.
8. **Audit Preparedness** - organizations with established accounting policies are better prepared for audits. Clear documentation and adherence to policies simplify the audit process and reduce the likelihood of findings or discrepancies.
9. **Stakeholder Trust** - transparency and consistency in accounting foster trust among stakeholders, including funders, creditors, and employees. Trust is essential for maintaining strong relationships and supporting the organization's reputation.
10. **Strategic Planning** - reliable financial reporting based on consistent accounting policies supports strategic planning and forecasting. Organizations can set realistic goals and assess their progress effectively.

Basis of Accounting

BHCA uses the accrual basis of accounting as per GAAP to record all its financial transactions.

Revenue Recognition

Revenue recognition for BHCA is guided by the principles of recognizing revenue when it is earned and realizable, with specific attention to the nature of contributions, grants, and program service revenues. Adhering to the appropriate accounting standards and providing transparent disclosures helps BHCA maintain accountability and build trust with donors, stakeholders, and the communities served.

Revenue recognition includes

1. **Contributions and Donations**
 - a. **Unconditional Contributions** - recognized as revenue when pledged or received, as there are no conditions attached.
 - b. **Conditional Contributions** - recognized as revenue only when the conditions are met (e.g., when specific activities are performed, or certain milestones are reached).
 - c. **Pledges** - pledges may be recorded as revenue when the commitment is made, provided they are unconditional.

2. **Grants**

- a. Revenue from grants is recognized based on the conditions of the grant. If a grant has specific performance obligations, revenue is recognized when those obligations are satisfied.
- b. For unconditional grants, the revenue is recognized upon receipt.

3. **Program Service Revenue**

- a. Revenue from fees for services is recognized when the services are provided. For example, if BHCA offers educational programs, revenue is recognized when participants attend.

4. **Investment Income**

- a. Investment income is recognized in the period earned.

Accounting Standards

BHCA follows the Financial Accounting Standards Board (FASB) guidelines, specifically - FASB Accounting Standards Update (ASU) 2016-14. This update includes the following key changes related to revenue recognition:

1. **Classification of Net Assets** - net assets must be classified into three categories:

- a. **Without Donor Restrictions** - funds available for general use.
- b. **With Donor Restrictions** - funds restricted by donors for specific purposes or time periods.
- c. **Permanently Restricted** - funds that must be maintained in perpetuity, such as endowments.

The Finance Director is responsible for reviewing all contributions, grant agreements, program service revenue, and investment income and their supporting documents as part of recognizing revenues and recording them in the QuickBooks general ledger platform. In addition, if any grant agreement requires an invoice to be generated to the funding source, the aggregation of BHCA data and the preparation of invoices are also part of the role of the Finance Director. The Finance Director also assigns revenues to a Class within QuickBooks to facilitate Program related financial reporting. Finally, the Finance Director maintains files/records segregated by funder for documentation purposes.

The Chief Financial Officer is responsible for reviewing the revenue recognition as part of the overall review of the interim and end-of-year financial statement review.

Expense Recognition

BHCA expense recognition reflects the costs associated with their mission-driven activities. By adhering to the principles of matching and accrual accounting, BHCA can present a transparent and reliable view of their financial health, helping to build trust with donors and stakeholders. Expense categories include:

1. **Operating Expenses**

- a. Expenses that are incurred in the normal course of business operations, such as salaries, rent, utilities, and office supplies. Operating expenses are typically recognized in the period they are incurred.

2. Non-Operating Expenses

- a. Expenses that are not directly related to core business operations, such as interest expense, or losses from asset sales. Non-operating expenses are recognized in the period incurred.

3. Depreciation and Amortization

- a. Expenses related to the wear and tear of tangible assets (depreciation) or the gradual consumption of intangible assets (amortization) are recognized systematically over the useful life of the asset.

Functional expense categories include:

1. Program Expenses

- a. Costs directly associated with the organization's programs and services. They include expenses for delivering services, conducting events, and other activities that further the organization's mission.

2. Supporting Services Expenses

- a. Includes administrative and fundraising expenses. While not directly tied to program delivery, they are necessary for the overall operation of the organization.

3. Fundraising Expenses

- a. Costs incurred to raise funds, such as marketing and event expenses, are recognized when incurred, just like other operational expenses.

4. Grants and Contracts

- a. Expenses related to grants or contracts may include disbursements made to other organizations or individuals to support specific initiatives. Recognition occurs as the organization fulfills its obligations under those agreements.

5. Depreciation and Amortization

- a. BHCA recognizes depreciation for tangible assets and amortization for intangible assets over their useful lives, aligning the expense with the period during which the assets are used.

Accounting Standards

BHCA follows the guidance provided by FASB, particularly - FASB Accounting Standards Update (ASU) 2016-14. This update includes:

- 1. Classification of Expenses** - BHCA must present expenses by their functional classification (program, management and general, and fundraising) in the statement of activities.
- 2. Enhanced Disclosure Requirements** – BHCA is required to provide more detailed disclosures about its expenses, including the nature and amount of various expenses and how they relate to specific programs.

The Finance Director is responsible for reviewing all payroll-related activities, vendor invoices, and any other item requiring cash outflows as part of recording expenses and recording them in the QuickBooks general ledger platform. For vendor invoices, if the payment has already been authorized or approved, payment is made by check (see below) or electronic payment; if the payment has not been approved, then approval from the appropriate source is secured and then the payment will be made by check (see below) or electronic payment. The Finance Director also assigns expenses to a Class within QuickBooks to facilitate Program related financial reporting.

Finally, the Finance Director maintains files/records segregated by vendor for documentation purposes.

- Authorized check signers include the Executive Director, the Finance Director, and two Board members. The Executive Director is the primary signatory with the Finance Director serving in a back-up capacity.

Depreciation

For assets placed in service, a full month of depreciation will be taken for the first month that the asset is placed in service. Thereafter, a full month of depreciation will be recorded until the asset has been fully depreciated.

The Chief Financial Officer is responsible for reviewing the expense recognition as part of the overall review of interim and year-end financial statement review.

Asset Management

Effective asset management is crucial for BHCA to ensure that their resources are used wisely and align with their mission. Through implementation of best practices and maintaining transparency, BHCA can enhance its operational efficiency, ensure sustainability, and ultimately better serve its various constituencies. Proper management of both tangible and intangible assets not only supports current operations but also secures BHCA's future success.

1. Types of Assets

a. Current Assets

- i. Cash, accounts receivable, and other assets expected to be converted to cash or used within one year.

b. Fixed Assets

- i. Property, equipment, and facilities that provide long-term benefits, such as buildings and vehicles.

c. Intangible Assets

- i. Non-physical assets like trademarks, copyrights, and goodwill.

d. Investments

- i. Endowments, stocks, bonds, and other financial instruments are held for future use or income generation.

2. Asset Acquisition

- a. BHCA must carefully plan and budget for asset acquisitions, ensuring they align with the organization's mission and strategic goals.
- b. Consideration should be given to the long-term costs associated with the asset, including maintenance and operational expenses.

3. Asset Tracking

- a. Implementing systems to track and manage assets is essential for accountability and efficient utilization. This includes maintaining an asset register detailing acquisition dates, costs, locations, and depreciation schedules.

4. **Depreciation and Amortization**

- a. BHCA allocates the cost of tangible and intangible assets over their useful lives. This practice provides a more accurate representation of financial health and aligns expenses with the revenue generated by the assets.

5. **Investment Management**

- a. BHCA does not currently have investments of this type, but if they did - with endowments or investment portfolios, effective investment management is crucial. This includes setting investment policies, diversifying assets, and monitoring performance to ensure sustainability and growth of the organization's financial resources.

6. **Asset Disposal**

- a. When assets are no longer useful or needed, non-profits must follow proper disposal procedures, which may include selling, donating, or recycling assets.
- b. The disposal process must be fully documented for accountability and reporting purposes.

The Finance Director is responsible for ensuring that all assets are properly safeguarded and recorded in BHCA's general ledger system.

The Chief Financial Officer is responsible for the oversight and review of asset management.

Liability Management

Effective liability management is crucial for BHCA as it ensures financial stability and transparency. Through understanding its obligations and implementing best practices, BHCA maintains a healthy balance between liabilities and assets, safeguarding its operations and enhancing its ability to fulfill its mission. Responsible management of liabilities not only helps with financial planning but also builds trust with stakeholders and the various constituencies served.

1. **Types of Liabilities**

a. **Current Liabilities**

- i. Obligations that are due within one year, such as accounts payable, accrued expenses, and short-term loans.

b. **Long-Term Liabilities**

- i. Obligations not due within one year, such as long-term loans, bonds payable, and deferred revenue.

c. **Contingent Liabilities**

- i. Potential obligations that may arise depending on the outcome of future events, such as lawsuits or claims.

2. **Identifying and Classifying Liabilities**

- a. Accurate identification and classification of liabilities are crucial for financial reporting and management. BHCA maintains detailed records of all obligations, ensuring clarity in financial statements.

3. **Debt Management**

- a. BHCA may incur debt to finance operations, programs, or capital projects. It's important to manage this debt responsibly by:

- i. Assessing the Need for Debt
 - 1. Evaluating whether borrowing is necessary and sustainable.
 - ii. Understanding Terms and Conditions
 - 1. Being aware of interest rates, repayment schedules, and any covenants associated with loans.
 - iii. Monitoring Debt Levels
 - 1. Keeping track of debt-to-equity ratios and ensuring they remain within acceptable limits.
- 4. **Cash Flow Management**
 - a. Effective cash flow management is vital for meeting liability obligations. BHCA always:
 - i. Prepare cash flow forecasts to anticipate future cash needs.
 - ii. Monitors cash inflows and outflows regularly to ensure sufficient liquidity to meet obligations as they arise.
- 5. **Grant and Contract Liabilities**
 - a. BHCA receives grants and/or enters contracts with specific conditions. It's essential to:
 - i. Track spending and reporting requirements associated with these funds.
 - ii. Recognize liabilities as expenses are incurred to fulfill grant conditions.
- 6. **Contingent Liabilities Management**
 - a. BHCA assesses potential contingent liabilities and maintains proper documentation. This involves:
 - i. Evaluating the likelihood of future obligations and their potential impact on financial stability.
 - ii. Disclosing contingent liabilities in financial statements when necessary.

The Finance Director is responsible for ensuring that all liabilities are recorded in BHCA's general ledger system.

The Chief Financial Officer is responsible for the oversight and review of liability management.

Accounting Procedures

Financial transaction reporting for BHCA is essential for maintaining transparency, accountability, and compliance with regulations. Financial reporting involves documenting all financial activities, including revenues, expenses, assets, and liabilities, and ensuring that stakeholders have access to accurate and timely information.

Key Components of Financial Transaction Reporting

- 1. **Types of Financial Transactions**
 - a. **Revenue Transactions**
 - i. Contributions, grants, program service fees, and investment income.
 - b. **Expense Transactions**
 - i. Operating expenses, program costs, fundraising expenses, and administrative costs.

- c. **Asset Transactions**
 - i. Acquisition and disposal of assets, including fixed and intangible assets.
 - d. **Liability Transactions**
 - i. Incurring debts, repayment of loans, and recognition of grants or contracts.
- 2. **Accounting Method**
 - a. Accrual basis of accounting which recognizes revenue and expenses when they are earned or incurred, regardless of when cash is exchanged. This method provides a more accurate picture of financial health.
- 3. **Financial Reporting Standards**
 - a. BHCA follow standards set by the Financial Accounting Standards Board (FASB), particularly ASU 2016-14, which outlines reporting requirements, including:
 - i. Classification of net assets (without donor restrictions and with donor restrictions).
 - ii. Presentation of expenses by functional and natural classifications.
 - iii. Enhanced disclosures about liquidity, financial performance, and management of financial resources.
- 4. **Internal Controls**
 - a. Establishing strong internal controls is crucial for ensuring accurate financial reporting. This includes:
 - i. Segregation of duties - different individuals should be responsible for receiving, recording, and reconciling financial transactions.
 - ii. Regular reconciliations - monthly reconciliation of bank statements and internal records to identify discrepancies.
 - iii. Approval processes - implementing approval processes for significant financial transactions to prevent errors and fraud.
- 5. **Documentation and Record-Keeping**
 - a. BHCA maintains thorough documentation for all financial transactions, including:
 - i. Receipts for donations and contributions.
 - ii. Invoices and receipts for expenses.
 - iii. Contracts and agreements related to grants and services.
 - iv. Meeting minutes that document financial decisions.

The Finance Director is responsible for ensuring that all accounting procedures are followed by BHCA.

Reporting Requirements

Financial transaction reporting is an important function for BHCA, and the organization recognizes that by implementing robust reporting practices, maintaining accurate records, and engaging stakeholders, it effectively manages resources and enhances the impact on the communities it serves. Financial reporting produced includes:

- 1. **Financial Statements**
 - a. **Statement of Financial Position** - shows assets, liabilities, and net assets at a specific point in time.
 - b. **Statement of Activities** - reports revenues, expenses, and changes in net assets over a period, often providing a view of overall financial performance.

- c. **Statement of Cash Flows** - details cash inflows and outflows from operating, investing, and financing activities.
- 2. **IRS Form 990**
 - a. IRS Form 990 is filed with the IRS annually. This form provides comprehensive information about the organization's finances, governance, and operations. It includes:
 - i. Revenue and expenses for the year.
 - ii. Balance sheet information.
 - iii. Program service accomplishments.
 - iv. Governance and management practices.
- 3. **Audit Requirements** – provide an independent assessment of financial statements and internal controls.
 - a. Financial Statement audit is required.
 - b. Single Audit is required.

BHCA strives to follow the best practices for financial transaction reporting, including:

- 1. **Timeliness and Accuracy** - ensuring that all financial transactions are recorded promptly and accurately to facilitate timely reporting by the 15th of the month and 30 days after the end of the fiscal year.
- 2. **Use of Accounting Software** – utilization of QuickBooks accounting software for financial transaction tracking, reporting, and compliance.
- 3. **Transparency and Communication** - communicate financial information clearly to stakeholders, including donors, board members, and the community, to build trust and accountability.
- 4. **Continuous Improvement** - regularly reviewing and updating financial reporting processes to incorporate best practices, address challenges, and enhance overall efficiency.

The Finance Director is responsible for preparing the monthly and year-end financial statements.

The Chief Financial Officer is responsible for reviewing and approval of the monthly and year-end financial statements.

Bank Account Reconciliation

Bank account reconciliation is an integral part of the monthly and year-end accounting processes as it ensures that complete reconciliation between the account statements and the general ledger system occurs on an ongoing basis.

BHCA has three separate bank accounts:

- 1. **General Business Operations** – the account is used for all general business operations and includes deposits (cash, checks, wire transfers) and withdrawals (check, wire transfer).
- 2. **Payroll** – the account is used for payroll related transactions only and the balance is managed to cover the bi-weekly payroll obligations of BHCA.
- 3. **Special Projects** – the account is used for special projects and the balance only includes the current balance for special projects.

The Finance Director is responsible for the reconciliation of all bank accounts as part of each month's closing process. This process is completed by the 15th of the month following a month-end date. The bank account reconciliation process includes:

1. Comparing the ending balance on the bank statement with the ending cash balance in the general ledger system and identifying any differences.
2. Adjusting for any/all outstanding checks or deposits in transit.
3. Adjusting for any errors identified or amounts shown on the bank statement that have not been recorded in the general ledger system.
4. Preparation of a bank reconciliation statement.

The Chief Financial Officer oversees the process of reconciling the bank accounts.

Bank Account Deposits

The following process is used to make deposits into a bank account:

1. BHCA's project coordinator opens all mail.
2. Checks are given to the Finance Director who prepares deposit slips and posts the appropriate journal entries to the general ledger system.
3. The Executive Director makes the deposit to the bank account.
4. The Finance Director verifies that the amount of the deposit that was made agrees to the original deposit slip created.

The process shown above reflects a clear segregation of duties between the Finance Director who records banking transactions and the Executive Director who handles/deposits the checks received.

Accounts Receivable

Accounts receivable balances refer to amounts owed to the organization for services rendered, goods provided, or other transactions where payment has not yet been received. Managing accounts receivable effectively is crucial for ensuring cash flow and maintaining financial health.

Key components of the Accounts Receivable Process

1. **Types of Accounts Receivable**
 - a. **Pledges Receivable**
 - i. Commitments made by donors to contribute funds in the future, often documented through pledge cards or agreements.
 - b. **Grants Receivable**
 - i. Amounts due from government entities, corporations, or foundations based on grant agreements.
 - c. **Program Service Fees**
 - i. Fees owed for services provided, such as tuition for educational programs or fees for events.

- d. **Other Receivables**
 - i. Miscellaneous amounts owed to the organization, such as sales of merchandise.
- 2. **Recognition of Accounts Receivable**
 - a. Accounts receivable should be recognized when the organization has a legal right to receive payment, typically when services are performed, or goods are delivered.
 - b. For pledges, revenue is often recognized in the period the pledge is made, provided it is unconditional.
- 3. **Recording Accounts Receivable**
 - a. BHCA maintains detailed records of all accounts receivable transactions, including:
 - i. Date of service or goods provided.
 - ii. Amount owed.
 - iii. Terms of payment (e.g., due date).
 - iv. Donor or customer information.

Management of Accounts Receivable

- 1. **Invoicing and Billing**
 - a. Send invoices promptly to ensure timely collection. Invoices should include:
 - i. Description of services or goods.
 - ii. Amount due.
 - iii. Payment terms and due date.
 - iv. Contact information for questions.
- 2. **Follow-Up and Collections**
 - a. BHCA tracks outstanding receivables and follow-up with donors or clients on overdue payments. This may include:
 - i. Sending reminder notices.
 - ii. Making phone calls to discuss payment options.
- 3. **Recording Collections**
 - a. When payments are received, BHCA ensures they are recorded accurately in the accounting system to update accounts receivable and reflect cash inflows.
- 4. **Monitoring and Reporting**
 - a. Regularly review accounts receivable aging reports to identify overdue accounts and assess the organization's liquidity.
 - b. Establish key performance indicators (KPIs) for accounts receivable management, such as the days sales outstanding (DSO) ratio.

The Finance Director is responsible for ensuring that all accounts receivable related transactions are properly recorded in the general ledger system as well as for collecting outstanding balances and informing the Executive Director of any balances that are overdue.

The Chief Financial Officer is responsible for the overview and ongoing review of the billing and collections process.

Write-Offs and Bad Debts

Effective management of accounts receivable is essential for BHCA to maintain healthy cash flow and financial stability. By implementing systematic processes for invoicing, collections, and monitoring, non-profits can ensure timely payments and minimize the risk of uncollectible amounts. Additionally, maintaining strong relationships with donors and clients enhances trust and encourages ongoing support for the organization's mission.

The Finance Director is responsible for:

1. Periodically assessing the collectability of accounts receivable. If it becomes clear that certain amounts are uncollectible, they should be written off.
2. Determining whether an allowance for doubtful accounts should be established to account for estimated uncollectible amounts.

The Chief Financial Officer is responsible for reviewing and approving any write-off or bad debt entry to the general ledger platform.

Accounts Payable

Effective management of accounts payable is essential for BHCA to maintain financial stability and ensure timely fulfillment of obligations. Through systematic processes for invoice processing, payment scheduling, and vendor management, BHCA optimizes its cash flow, fosters good relationships with suppliers, and enhances its overall operational efficiency. A well-managed accounts payable function also contributes to accurate financial reporting and accountability, which are vital for building trust with donors and stakeholders.

Key Components of the Accounts Payable Process

1. **Types of Accounts Payable**
 - a. **Operational Expenses**
 - i. Payments due for routine operational costs, such as rent, utilities, and supplies.
 - ii. Program Expenses
 1. Costs associated with specific programs or projects, such as materials for a community event or educational supplies.
 - iii. Contractual Obligations
 1. Payments which are due for services contracted, such as consulting, event planning, or facilities management.
2. **Recognition of Accounts Payable**
 - a. Accounts payable should be recorded when BHCA receives goods or services and incurs liability, regardless of when payment is made. This follows the accrual basis of accounting.
3. **Recording Accounts Payable**
 - a. BHCA maintains detailed records for all accounts payable transactions, including:
 - i. Vendor name and contact information.
 - ii. Description of goods or services received.
 - iii. Invoice date and number.

- iv. Amount due and payment terms.

Management of Accounts Payable

1. Invoice Processing

- a. Implement a system for receiving, reviewing, and approving invoices. Key steps include:
 - i. Verification that the goods or services were received as invoiced.
 - ii. Ensuring proper authorization before payment.
 - iii. Recording invoices promptly in the accounting system.

2. Payment Scheduling

- a. Develop a payment schedule that aligns with cash flow and operational needs. This involves:
 - i. Prioritizing payments based on due dates and vendor relationships.
 - ii. Taking advantage of discounts for early payments, if applicable.

3. Wire Transfers

- a. Implement a process for ensuring wire transfers are made to the appropriate recipient:
 - i. Phone calls to connect with the recipient to verify banking information is accurate.
 - ii. Issue a wire transfer of \$1.00 to test that the wire transfer processes accurately – this includes receiving a verbal confirmation from the recipient that the wire transfer was received.
 - iii. If the wire transfer process was completed successfully, issue a wire transfer for the balance to the recipient.
 - iv. Confirm by phone call that the recipient received the wire transfer no later than the day following the wire transfer.

4. Maintaining Vendor Relationships

- a. Foster positive relationships with vendors by communicating openly about payment terms and any potential delays. This can help negotiate better terms or resolve issues efficiently.

5. Monitoring Accounts Payable

- a. Regularly review accounts payable aging reports to track outstanding obligations and identify overdue invoices. This helps in maintaining a clear picture of the organization's liabilities.

The Finance Director is responsible for ensuring that all accounts payable related transactions are properly recorded in the general ledger system. In addition, the Finance Director processes accounts payable related payments on a bi-weekly basis.

The Chief Financial Officer is responsible for the approval and ongoing review of all outgoing payments.

Payroll

Effective payroll procedures are crucial for BHCA to ensure timely and accurate compensation for employees/contractors while adhering to legal requirements. With established clear processes for

timekeeping, payroll processing, tax compliance, and documentation, BHCA maintains financial integrity, build trust with employees, and enhance operational efficiency.

Key Components of Payroll Procedures

1. Employee Classification

- a. Properly classify employees as either exempt or non-exempt under the Fair Labor Standards Act (FLSA). Exempt employees are not entitled to overtime pay, while non-exempt employees must be compensated for hours worked over 40 in a workweek.

2. Timekeeping Systems

- a. When required, utilize a reliable timekeeping system to accurately track hours worked. This can include:
 - i. Manual timesheets.
 - ii. Electronic timekeeping software that captures clock-in and clock-out times.
 - iii. Ensure employees understand how to record their hours and any necessary approvals.

3. Compensation Structure

- a. Develop a clear compensation structure that outlines salary ranges, hourly rates, and pay scales for different positions. This should align with the organization's budget and mission.

4. Payroll Schedule

- a. Establish a consistent payroll schedule (e.g., bi-weekly or monthly) to ensure employees receive their pay on time. Communicate this schedule to all staff.

5. Payroll Processing

- a. Process payroll in a timely manner by following these steps:
 - i. Collect and verify timesheets and any changes to pay (e.g., bonuses, deductions).
 - ii. Calculate gross pay, taxes, and deductions (e.g., health insurance, retirement contributions).
 - iii. Prepare net pay amounts for distribution.

6. Tax Compliance

- a. Ensure compliance with federal, state, and local tax laws by:
 - i. Withholding the correct amounts for federal income tax, Social Security, Medicare, and any applicable state or local taxes.
 - ii. Filing payroll tax returns accurately and on time, including Forms 941, W-2, and any state-specific forms.

7. Payroll Deductions

- a. Manage voluntary and involuntary deductions, including:
 - i. Retirement plan contributions (e.g., 401(k) or IRA).
 - ii. Health insurance premiums.
 - iii. Wage garnishments if applicable.

8. Use of Payroll Software

- a. Utilize payroll software to automate calculations, tax withholdings, and reporting. This can enhance accuracy and streamline the payroll process.

BHCA uses a third-party payroll service to prepare payroll paychecks, tax reports and employee payroll records. The Finance Director is responsible for managing all interim changes/updates to

payroll-related information, including time sheets for selected employees, student stipends and processing the payroll for payment all other employees on a bi-weekly basis.

The Chief Financial Officer is responsible for review and approval of the bi-weekly payroll processing.

Credit Cards

BHCA maintains a credit card for the organization. The card is available for use by the Director level and above and BHCA limits the use of the card to \$10,000 per month. To use the card, the following is required:

1. Completion of a Visa Card Account Request Form three days prior to the expected date for the charge to occur. Receive approval to use the card from the user's immediate supervisor.

The Finance Director is responsible for monitoring/reviewing all approved credit card transactions and ensuring that a) the proper documentation for the card usage exists and b) the transaction is correctly entered into the general ledger platform.

Procurement

BHCA follows the following steps for its procurement-related activities:

1. Based on their title level, employees are assigned spending levels, under which they do not have to seek additional approval to incur costs, but if the spending level exceeds these pre-assigned levels, then the employee must put their request in writing, describe the items desired to be purchased, include the grant to which the purchase should be charged, and then give the request to their supervisor for approval.
2. After the supervisor has provided their approval, the request is then provided to the Executive Director for final approval.

The Finance Director is responsible for ensuring that the item purchased is properly recorded on the general ledger platform.

As BHCA grows, additional best practices for procurement may include:

1. **Purpose and Scope**
 - a. Purpose: Define the overall goal of the policy, such as ensuring efficient and effective procurement practices that align with organizational goals.
 - b. Scope: Specify which departments, units, or types of procurement (goods, services, works) are covered.
2. **Objectives**
 - a. Fair Competition: Ensure an open and competitive procurement process.
 - b. Transparency: Foster trust through clear and open processes.
 - c. Value for Money: Aim for the best combination of quality and cost.
 - d. Ethical Standards: Promote integrity and avoid conflicts of interest.

3. Procurement Principles

- a. Transparency: All procurement processes must be documented and accessible.
- b. Accountability: Clearly define roles and responsibilities for procurement activities.
- c. Integrity: Ensure adherence to ethical standards and prevent conflicts of interest.
- d. Sustainability: Consider environmental and social impacts in procurement decisions.

4. Procurement Procedures

- a. Needs Assessment:
 - i. Identify and prioritize procurement needs.
 - ii. Conduct market research to inform decision-making.
- b. Vendor Selection
 - i. Establish criteria for vendor evaluation (e.g., price, quality, reliability).
 - ii. Use a standardized form or process for evaluating proposals.
- c. Bidding Process
 - i. Thresholds: Define monetary thresholds that dictate the procurement process (e.g., direct purchase vs. competitive bidding).
 - ii. Request for Proposals (RFPs): Develop and distribute RFPs when necessary.
 - iii. Timeframes: Set clear timelines for bid submission and evaluation.
- d. Evaluation Process
 - i. Form an evaluation committee with defined roles.
 - ii. Use scoring criteria to assess bids objectively.
 - iii. Conduct interviews or presentations if needed.
- e. Contract Management:
- f. Monitor and manage supplier performance against contract terms.
- g. Include procedures for handling disputes or performance issues.

5. Types of Procurement

- a. Direct Purchase: For low-value items, define thresholds for direct purchasing without competitive bidding.
- b. Competitive Bidding: For higher-value items, outline the formal bidding process.
- c. Emergency Procurement: Provide guidelines for expedited procurement in urgent situations, ensuring oversight.

6. Compliance and Reporting

- a. Regulatory Compliance: Ensure adherence to all relevant laws and regulations (e.g., public procurement laws).
- b. Reporting: Establish a system for documenting and reporting procurement activities, including regular audits.

7. Training and Support

- a. Provide regular training sessions for staff involved in procurement to ensure understanding of policies and procedures.
- b. Develop resources, such as a procurement manual or guidelines, to assist employees.

8. Review and Revision

- a. Set a schedule for reviewing the procurement policy (e.g., annually).
- b. Include a process for making revisions based on feedback or changing regulations.

9. Additional Considerations

- a. Supplier Diversity: Encourage the inclusion of diverse suppliers in the procurement process.

- b. Conflict of Interest: Outline procedures for declaring and managing conflicts of interest among staff involved in procurement.
- c. Documentation: Specify required documentation for all procurement activities to ensure accountability and transparency.

Capitalization

BHCA will capitalize any asset that has a purchase price of \$2,500 or greater. Items with a value or cost less than \$2,500 will be charged as an expense in the period purchased.

Asset purchases and their associated depreciation period are as follows:

Asset Class	Depreciation Period
Computer Hardware	36 Months
Office Equipment	60 Months
Office Furniture	60 Months
Computer Software	36 Months
Leasehold Improvements	Term of the Lease

BHCA will use the straight-line method of depreciation.

The Finance Director is responsible for the final review of any asset purchase to be capitalized and recorded as a fixed asset on the general ledger platform.

The Chief Financial Officer is responsible for the approval of any capital expenditure.

Financial Reporting

Key Components of Financial Reporting include:

1. Financial Statements

- a. Statement of Financial Position (Balance Sheet). This report displays the organization's assets, liabilities, and net assets at a specific point in time. It reflects the overall financial health and liquidity of the organization.
- b. Statement of Activities (Income Statement). This report shows revenues, expenses, and changes in net assets over a specified period. It details how resources are utilized to further the organization's mission.
- c. Statement of Cash Flows. This report provides information about cash inflows and outflows from operating, investing, and financing activities. This statement helps assess the organization's cash management and liquidity.

2. Net Asset Classification

- a. Net assets are categorized into the following classifications:
 - i. Without Donor Restrictions - funds that can be used for general operations and programmatic purposes.
 - ii. With Donor Restrictions - funds that must be used for specific purposes as designated by donors, including time restrictions (when funds can be used) and purpose restrictions (specific projects or programs).

3. **Budgeting and Forecasting**

- a. Development of annual budgets that align with strategic goals. This involves estimating revenues and expenses based on historical data and future projections.
- b. Regular comparison of actual financial performance against the budget to monitor variances and adjust as necessary.

4. **Notes to the Financial Statements**

- a. Include notes that provide additional context and details about the financial statements. This may cover accounting policies, significant assumptions, contingent liabilities, and additional information about revenues and expenses.

Compliance and Regulatory Requirements

BHCA recognizes that financial reporting is a fundamental aspect of management that fosters transparency, accountability, and informed decision-making. By adhering to established reporting standards, maintaining accurate records, and effectively communicating financial information, BHCA can enhance its credibility, build trust with stakeholders, and better achieve its mission. Effective financial reporting not only supports operational efficiency but also helps secure funding and resources necessary for the organization's sustainability and growth.

1. **Generally Accepted Accounting Principles (GAAP)**

- a. BHCA follows GAAP as set by the Financial Accounting Standards Board (FASB), particularly ASU 2016-14, which outlines specific reporting requirements for non-profit organizations.

2. **IRS Form 990**

- a. BHCA is required to file Form 990 annually with the IRS. This form provides comprehensive information about the organization's financial performance, governance, and programs. It is essential for maintaining tax-exempt status.

3. **Audits and Reviews**

- a. BHCA is required to undergo regular audits or reviews by independent auditors to ensure compliance and enhance credibility with stakeholders.

Internal Controls

BHCA recognizes that having internal controls in place is important to protect its assets, ensure accurate financial reporting, and promote operational efficiency. Internal controls not only support compliance and transparency but also build trust with stakeholders, including donors, board members, and the communities served. Regular evaluation and adaptation of internal control practices will further strengthen the organization's resilience and mission fulfillment.

1. **Segregation of Duties**

- a. Separate responsibilities among different individuals for key processes, such as:
 - i. Authorization of transactions (e.g., approvals for expenses).
 - ii. Recording of transactions (e.g., bookkeeping).
 - iii. Custody of assets (e.g., handling cash or inventory).
- b. This reduces the risk of errors and fraud by ensuring that no single individual has control over all aspects of a financial transaction.

2. Authorization and Approval Processes

- a. Establish clear policies for authorizing expenditures, including:
 - i. Pre-approval of budgeted expenses.
 - ii. Limitations on spending authority based on position.
 - iii. Documentation of approvals to provide a clear audit trail.

3. Access Controls

- a. Implement controls to restrict access to financial systems and sensitive information. This includes:
 - i. Password protection and user authentication.
 - ii. Limiting access to financial records and assets to authorized personnel only.
 - iii. Regularly reviewing and updating access rights as needed.

4. Documentation and Record-Keeping

- a. Maintain thorough documentation for all transactions, including:
 - i. Invoices, receipts, and contracts.
 - ii. Meeting minutes and approvals.
 - iii. Bank statements and reconciliations.
 - iv. Proper documentation supports accountability and audits.

5. Reconciliations

- a. Regularly reconcile financial accounts, such as:
 - i. Bank reconciliations to compare internal records with bank statements.
 - ii. Accounts receivable and accounts payable reconciliations to ensure accuracy.
 - iii. This helps identify discrepancies and ensures that financial records are up to date.

The Finance Director is responsible for ensuring internal controls processes are established and incorporated into the day-to-day activities of the finance function.

The Chief Financial Officer is responsible for the overall oversight of the implementation/use of internal controls processes.

Compliance and Audit

BHCA believes that compliance and audit practices are vital to uphold its integrity, maintain public trust, and ensure responsible management of resources. In this regard, BHCA strives to ensure that it:

1. Compliance and Audit

- a. Maintains ongoing compliance with laws and regulations.
- b. Facilitates both internal and external audit procedures.
- c. Addresses any audit findings and recommendations in a timely manner.

2. Legal and Regulatory Compliance

- a. Maintains compliance with federal, state, and local laws, including:
 - i. Tax Compliance - adheres to IRS regulations, including maintaining tax-exempt status under 501(c)(3) or other applicable designations.

- ii. Charitable Solicitation Laws – maintains registration to solicit donations in states where required and follows guidelines for fundraising practices.
 - iii. Employment Laws - comply with labor laws, including wage and hour laws, employee classification, and non-discrimination regulations.
- 3. **Financial Reporting Compliance**
 - a. Prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP) or relevant accounting standards. This includes:
 - i. Timely filing of Form 990 with the IRS, providing comprehensive information about finances, governance, and programs.
 - ii. Adhering to reporting requirements set forth by the Financial Accounting Standards Board (“FASB”) for non-profits.
- 4. **Program Compliance**
 - a. Ensures that programs and services align with the organization’s mission and comply with any restrictions set by funders or donors. This includes:
 - i. Maintaining accurate records of grant expenditures and related activities.
 - ii. Reporting to funders as required, demonstrating the effective use of their resources.
- 5. **Policy Development**
 - a. Establishes internal policies to promote compliance, including:
 - i. Conflict of interest policies.
 - ii. Whistleblower protection policies.
 - iii. Financial management and internal control policies.

Audit Practices

BHCA engages an external auditor for the entirety of all external audit-related processes and procedures and follows the items listed below:

- 1. **Types of Audits**
 - a. Financial Audits - conducted by independent auditors to assess the accuracy of financial statements and compliance with accounting standards.
 - b. Internal Audits - performed by the organization’s staff to evaluate the effectiveness of internal controls and operational efficiency.
 - c. Single Audits - required for non-profits that expend \$750,000 or more in federal funds in a fiscal year, focusing on compliance with federal regulations (in some cases the threshold applies to state funding as well, e.g., Connecticut).
- 2. **Audit Process**
 - a. Preparation - organize financial records, documentation, and policies in anticipation of the audit. This includes:
 - i. Ensuring all financial statements and records are up to date.
 - ii. Providing access to relevant documents for auditors.
 - b. Fieldwork - auditors will conduct fieldwork to review financial statements, test transactions, and evaluate internal controls.
 - c. Reporting - after the audit, auditors will provide a report detailing their findings, including:
 - i. An opinion on the accuracy of financial statements.
 - ii. Recommendations for improving internal controls and compliance.

3. Follow-Up on Audit Findings

- a. Any audit findings are taken seriously, and an action plan is developed to address any issues or recommendations provided by auditors. This includes:
 - i. Implementing corrective actions and monitoring progress.
 - ii. Reporting back to the board and stakeholders on steps taken to enhance compliance and controls.

Best Practices for Compliance and Audit

1. Regular Review of Policies

- a. Periodically review and update compliance policies to reflect changes in laws and regulations and ensure they align with the best practices.

2. Training and Awareness

- a. Provide training for staff and board members on compliance requirements and the importance of adhering to internal controls and policies.

3. Establish a Compliance/Finance/Audit Committee

- a. Create a committee responsible for overseeing compliance efforts, monitoring changes in regulations, and ensuring adherence to policies.

4. Continuous Monitoring

- a. Implement ongoing monitoring processes to assess compliance with internal controls and legal requirements, enabling early detection of issues.

The Finance Director is responsible for the coordination of all activities related to the audit process.

The Chief Financial Officer is responsible for reviewing the results and reports provided as output from the audit process.

Training and Development

Training and development for BHCA's finance staff is to ensure the ability to maintain financial integrity, compliance, and operational efficiency. When deemed necessary by the Executive Director or members of the Finance Function, the following may be completed:

1. Understanding Non-Profit Financial Principles

- a. Provide foundational training on the unique aspects of non-profit accounting, including:
 - i. Differences between for-profit and non-profit accounting.
 - ii. Fund accounting principles, including the management of restricted and unrestricted funds.
 - iii. Key financial statements (Statement of Financial Position, Statement of Activities, and Statement of Cash Flows).

2. Regulatory Compliance and Reporting

- b. Train staff in compliance with requirements specific to non-profits, including:
 - i. IRS regulations for tax-exempt organizations.
 - ii. Annual Form 990 preparation and filing.
 - iii. State and local regulations regarding charitable solicitations and reporting.

3. **Financial Management and Budgeting**
 - a. Develop skills in budgeting and financial forecasting, including:
 - b. How to create, manage, and monitor budgets.
 - c. Variance analysis to compare budgeted versus actual performance.
 - d. Understanding funding sources and cash flow management.
4. **Internal Controls and Risk Management**
 - a. Educate staff on the importance of internal controls to prevent fraud and ensure financial accuracy:
 - i. Segregation of duties, authorization processes, and documentation.
 - ii. Best practices for financial record-keeping and reporting.
5. **Use of Accounting Software**
 - a. Provide training on accounting software QuickBooks.
 - b. Navigating the software, entering transactions, and generating reports.
 - c. Leveraging software features for budgeting, grant management, and donor tracking.
6. **Ongoing Training and Professional Development**
 - a. Offer continuous learning opportunities through workshops, seminars, and webinars. Encourage staff to pursue professional certifications such as:
 - i. Certified Nonprofit Accounting Professional (CNAP).
 - ii. Certified Public Accountant (CPA) for more advanced expertise.
 - iii. Leverage external resources, such as:
 1. Non-profit associations (e.g., National Council of Nonprofits) that offer training and resources.
 2. Local community colleges or universities that may provide relevant courses.

Glossary of Accounting Terms

1. **Accrual Basis Accounting** - an accounting method where revenues and expenses are recorded when earned or incurred, regardless of when cash is received or paid.
2. **Assets** - resources owned by the organization that provide future economic benefits, such as cash, investments, property, and equipment.
3. **Audit** - an independent examination of financial statements and records to ensure accuracy and compliance with accounting standards and regulations.
4. **Balance Sheet** - a financial statement that presents the organization's assets, liabilities, and net assets at a specific point in time.
5. **Budget** - a financial plan that outlines expected revenues and expenses over a specific period, guiding the organization's financial decision-making.
6. **Classified Statement of Financial Position** - a detailed balance sheet that categorizes assets and liabilities into current and long-term categories.

7. **Contributions** - donations or gifts received from individuals, foundations, corporations, or government entities, typically classified as either restricted or unrestricted.
8. **Donor Restrictions** - conditions placed by donors on how their contributions can be used, which may be either time-restricted or purpose-restricted.
9. **Financial Statements** - formal records that summarize the organization's financial activities, including the statement of financial position, statement of activities, and statement of cash flows.
10. **Fund Accounting** - a method of accounting used by non-profits to track revenues and expenses by specific funds or programs, ensuring that resources are used in accordance with donor restrictions.
11. **GAAP** (Generally Accepted Accounting Principles) - a set of accounting standards and guidelines that organizations in the U.S. must follow for financial reporting.
12. **Net Assets** - the difference between total assets and total liabilities, representing the residual interest in the organization's assets after liabilities are deducted. Classified as with donor restrictions or without donor restrictions.
13. **Operating Fund** - the primary fund used for day-to-day operations and program expenses, typically consisting of unrestricted contributions.
14. **Pledges Receivable** - amounts promised by donors to be paid in the future, recorded as assets on the balance sheet.
15. **Restricted Fund** - a fund that can only be used for specific purposes as designated by donors.
16. **Revenue Recognition** - the process of recognizing revenue when it is earned and realizable, following relevant accounting standards.
17. **Statement of Activities** - a financial statement that summarizes revenues, expenses, and changes in net assets over a specific period.
18. **Statement of Cash Flows** - a financial statement that provides information about cash inflows and outflows from operating, investing, and financing activities.
19. **Unrestricted Fund** - a fund that can be used for any purpose as determined by the organization's management.
20. **Variance Analysis** - the process of comparing actual financial performance to budgeted figures to identify differences and assess performance.
21. **Wage Garnishment** - legal order directing an employer to withhold a portion of an employee's earnings for the payment of a debt.

Exhibit 4

**Memorandum of Understanding
By and Between**

**BLUE HILLS CIVIC ASSOCIATION, INC. and LIFT EVERY VOICE & SING GOSPEL
FESTIVAL & FAIR, INC.**

This Memorandum of Understanding (“MOU”) is made and entered as of this 30th day of September, 2024 by and between BLUE HILLS CIVIC ASSOCIATION, INC. (“BHCA”) a Connecticut non-profit non-stock corporation with a business address of 1229 Albany Avenue, Hartford, CT 06112 and LIFT EVERY VOICE & SING GOSPEL FESTIVAL & FAIR, INC. (“Subrecipient”) a Connecticut non-profit non-stock corporation with a business address of 289 Granby Street, Hartford CT 06112.

Preliminary Statement

WHEREAS BHCA is the recipient of a Five Million and Five Hundred Thousand Dollar (\$5,500,000.00) FY25 Legislative Grant (“Legislative Grant”) (Leg-0000000004) from the Connecticut Department of Economic Development (“DECD”); and

WHEREAS The intent of the legislature is that BHCA pass a portion of the Legislative Grant funds on to certain designated subrecipient organizations servicing the North Hartford area; and

WHEREAS Subrecipient has been designated as a subrecipient of Legislative Grant funds in the amount of Fifty Thousand Dollars (\$50,000.00) (“Grant Funds”).

This MOU will serve to express the intention of the parties in the administration of the Grant Funds. To accomplish the goals described herein, the staff and volunteer leadership of the partnering organizations will work collaboratively to design, implement, manage and, if applicable, fund activities to take place throughout North Hartford and surrounding areas. The parties agree to apply their best efforts to provide services and programs that will fully support the success of program participants. The success of this effort will depend upon the ability of partners to work collaboratively.

This MOU supersedes any and all previous MOUs into which both above parties have entered.

Terms and Conditions

1. **Term.** This MOU shall be effective from September 30, 2024 through June 30, 2025 (“Term”). This MOU may be extended by written agreement of the parties at any time.
2. **Termination.** This MOU shall be subject to termination with 30 days written notice by either party for cause, convenience or any other reason, subject to the conditions set forth by the State of Connecticut or BHCA, including, but not limited to the State’s and/or BHCA’s discontinuation of funding to Subrecipient. Upon termination by either party, any and all unexpended Grant Funds shall be returned to BHCA within ten (10) business days. In addition,

upon termination by either party, Subrecipient shall be responsible for providing BHCA a written program evaluation and financial report for any completed or partially completed portions of the programming funded by Grant Funds in the format specified by DECD, a sample of which is attached as Appendix C within fifteen (15) business days of termination.

3. **Modification.** The parties understand that from time to time, matters or subjects within the scope of this MOU may require review and approval by BHCA and/or Subrecipient. The parties agree to work collaboratively to obtain such approvals where necessary.

4. **Programmatic Elements and Deliverables.**

- a) Subrecipient shall provide the services and programs as set forth in the submitted Budget Narrative attached as Appendix A.
- b) Services set forth in Appendix A shall be funded for the Term. This funding shall be paid from the Legislative Grant funding received by BHCA and is based on the approval and availability of the Legislative Grant funds from DECD.
- c) Grant Funds shall be expended for the project or projects as set forth in Appendix A according to the budget and within the Term unless a written request for a change is made and approved by BHCA before the end of the Term.
- d) *Any expenses reported as part of this grant funding must NOT be reported under any other funding source that Subrecipient receives.*
- e) Any budget variances in excess of +/-10%, or \$500, whichever is less, as well as the addition or removal of any line items must be preapproved by BHCA in writing.
- f) In any news release or printed material promoting programing utilizing Grant Funds, prominent credit must be given to DECD and BHCA by including the following phrase, ***“with the support of the Department of Economic and Community Development and Blue Hills Civic Association.”***
- g) BHCA shall conduct an interim site evaluation to determine if Subrecipient is on track relative to stated programs and expenditures.
- h) In the event Subrecipient closes or substantially reduces or suspends operations, Subrecipient shall notify BHCA in writing within ten (10) business days and return any and all unexpended Grant Funds within ten (10) business days
- i) At the end of the Term, Subrecipient shall return any and all unexpended Grant Funds to BHCA within ten (10) business days.
- j) Within thirty (30) days after the end of the Term, Subrecipient agrees to provide to BHCA a written program evaluation narrative and financial report in the format specified by DECD, a sample of which is attached as Appendix B.

5. **Audit Requirements for Recipients of State Financial Assistance.** The Subrecipient will provide for an annual financial audit for any expenditure of state-awarded funds as may be

required by the State Single Audit Act, and the Subrecipient shall comply with federal and state single audit standards as applicable. [Note that an organization registered in Connecticut is generally required to obtain a state single audit if it exceeds \$300,000 in state-funded expenditures in its fiscal year.]

6. **Audit Requirements.** The Subrecipient must comply with the Conn. Gen. Stat. §§ 7-396a and 396b, and the State Single Audit Act, §§ 4-230 – 4-236, and regulations promulgated thereunder. The Subrecipient agrees that all fiscal records pertaining to the project shall be maintained for a period of not less than three (3) years. Such records shall be made available to the state and its auditors upon request.
- (a) For purposes of this Agreement, “Perform” shall mean all acts and things of the Subrecipient and Subrecipient Parties, severally and collectively, that are necessary or appropriate to fulfill or accomplish this Agreement fully, according to its terms. For purposes of this Agreement, the verb “to Perform” includes all parts of speech. Further, for purposes of this Agreement, “Records” means all working papers and such other information and materials as may have been accumulated by the Subrecipient in performing the Agreement, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form. For purposes of this Agreement, “Claims” means all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.
 - (b) The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State’s Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the Subrecipient’s and Subrecipient Parties’ plants and places of business which, in any way, are related to, or involved in, the performance of this Agreement.
 - (c) The Subrecipient shall maintain accurate and complete Records. The Subrecipient shall make all of its Records available at all reasonable hours for audit and inspection by the State and its agents.
 - (d) The State shall make all requests for any audit or inspection in writing and shall provide the Subrecipient with at least twenty-four (24) hours’ notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
 - (e) The Subrecipient shall keep and preserve all of its Records until three (3) years after the latter of (i) final payment under this Agreement, or (ii) the expiration or earlier termination of this Agreement, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Subrecipient shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.

- (f) The Subrecipient shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Subrecipient shall cooperate with an exit conference.
7. **Injury Reporting.** Subrecipient shall report any and all injuries to any participants in programming funded in whole or in part by Grant Funds within two (2) business days of becoming aware of such injuries and shall commit to keeping confidential, wherever possible, the identity of the individual disclosing the incident(s).
8. **Child Abuse Disclosure.** Subrecipient agrees that the safety and wellbeing of the individuals and families we serve are at the heart of this partnership. Staff and volunteers of either party who receive a disclosure of child abuse or neglect for any participants in programming funded in whole or in part by Grant Funds will follow their agency's reporting procedures and report such occurrences to BHCA within twenty four (24) hours of notice of the event.
9. **Background Checks.** Subrecipient shall screen and qualify paid staff and agency volunteers engaged in programming that may involve working with youth participants and is funded in whole or in part by Grant Funds and prohibit employment or volunteer opportunities to individuals who have been convicted of crimes against children. Subrecipient shall keep results of said background checks on file at its offices and make said results available to BHCA upon request.
10. **Non-discrimination.** (1) BHCA and Subrecipient agree and warrant that in the performance of the MOU the parties will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Subrecipient that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to ensure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Subrecipient that such disability prevents performance of the work involved;
- a) Subrecipient agrees, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission;
 - b) Subrecipient agrees to provide each labor union or representative of workers with which the Subrecipient has a collective bargaining Agreement or other contract or understanding and each vendor with which the Subrecipient has a contract or

understanding, a notice to be provided by the Commission on Human Rights and Opportunities (“Commission”), advising the labor union or workers’ representative of the Subrecipient’s commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;

- c) Subrecipient agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and
- d) Subrecipient agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Subrecipient as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Subrecipient agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

(2) The Subrecipient agrees and warrants that in the performance of the MOU such Subrecipient will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

- a) Subrecipient agrees to provide each labor union or representative of workers with which such Subrecipient has a collective bargaining Agreement or other contract or understanding and each vendor with which such Subrecipient has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Subrecipient’s commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
- b) Subrecipient agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and
- c) Subrecipient agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Subrecipient which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

11. Protection of Confidential Information. (1) Subrecipient, at their own expense, has a duty to and shall protect from a confidential information breach any and all confidential information which they come to possess or control, wherever and however stored or maintained, in a

commercially reasonable manner in accordance with current industry standards and legal requirements.

(2) Each Subrecipient shall develop, implement and maintain a comprehensive data - security program for the protection of Confidential Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Confidential Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of DECD or State concerning the confidentiality of Confidential Information. Such data-security program shall include, but not be limited to, the following:

- a) A security policy for employees related to the storage, access and transportation of data containing Confidential Information;
- b) Reasonable restrictions on access to records containing Confidential Information, including access to any locked storage where such records are kept;
- c) A process for reviewing policies and security measures at least annually;
- d) Creating secure access controls to Confidential Information, including but not limited to passwords; and
- e) Encrypting of Confidential Information that is stored on laptops, portable devices or being transmitted electronically.

(3) The Subrecipient shall notify BHCA as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Confidential Information which Subrecipient or Subrecipient Parties have come to possess or control has been subject to a Confidential Information Breach. If a Confidential Information Breach has occurred, the Subrecipient shall, within three (3) business days after the notification, present a credit monitoring and protection plan to BHCA for review and approval. Such credit monitoring or protection plan shall be made available by the Subrecipient at its own cost and expense to all individuals affected by the Confidential Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Conn. Gen. Stat. § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Confidential Information Breach. The Subrecipients costs and expenses for the credit monitoring and protection plan shall not be recoverable from BHCA, DECD, any State of Connecticut entity or any affected individuals

12. Governing Law. This MOU shall be governed by, and construed, interpreted and enforced in accordance with the laws of the State of Connecticut and any applicable federal law.

13. Assignment. This MOU may not be assigned, in whole or in part, by either party without the express prior written consent of the other party.

14. Amendments. This MOU may not be amended, modified or supplemented, except by a writing signed by the parties hereto that specifically refers to this MOU.

- 15. Entire Agreement.** This MOU constitutes the entire agreement and understanding between the parties hereto and concerning the subject matter hereto and supersedes any previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof.
- 16. No Waiver.** Failure to enforce any provision of this MOU or to require at any time performance of any provision hereof shall not be construed to be a waiver of such provision, or to affect the validity of this MOU or the right of any party to enforce each and every provision in accordance with the terms hereof.
- 17. Successor and Assigns.** This MOU shall be binding upon, successors and assigns of the parties hereto.
- 18. Severability.** The parties understand and agree that if any part, term or provision of this MOU is held by any court to be invalid, illegal or in conflict with any applicable law, the validity of the remaining portions of this MOU shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this MOU did not contain the particular part, term or provision held to be invalid, illegal or in conflict with any applicable law.
- 19. Notices.** All notices, approvals, demands, requests or other documents required or permitted under this MOU, other than routine communications necessary for day-to-day operations, shall be deemed properly given if hand delivered or sent by United States registered or certified mail, postage prepaid, or by overnight courier, to the addresses first set forth above or to such other addresses as either party hereto may supply to the other in accordance with this section.
- 20. Counterparts.** This MOU may be executed in any number of counterparts by the parties hereto. Each such counterpart so executed shall be deemed an original and all such executed counterparts shall constitute but one and the same instrument.
- 21. Insurance Requirements.** Subrecipient shall be responsible for maintaining sufficient general liability insurance to satisfy its obligations under the MOU. Notwithstanding the foregoing, Subrecipient shall, at its own expense, maintain a policy of comprehensive general liability which will afford protection of not less than One Million (\$1,000,000) Dollars, per occurrence, for bodily injury, property damage, or a combination thereof. Subrecipient shall also maintain a policy for Workers Comp of not less than \$500,000 per occurrence. Subrecipient shall maintain coverage for the Term. At the time of MOU execution, and each time the insurance policies are renewed, Subrecipient will submit a certificate of insurance to BHCA.

22. Indemnification. To the fullest extent permitted by law, BHCA and Subrecipient shall indemnify, defend, and hold the other agency and its respective officers, directors, employees and agents, and their successors and assigns (“Indemnified Parties”), harmless from and against all claims, damages, demands, losses, expenses, fines, causes of action, suits or other liabilities, (Including all costs, reasonable attorneys’ fees, consequential damages, and punitive damages), arising out of or resulting from, or alleged to arise out of or arise from, the performance by the other party, regardless of whether such claim, damage, demand, loss, expense, fine, cause of action, suit or other liability is attributable to bodily injury, personal injury, sickness, disease or death, or injury to or destruction of tangible property, including the loss of use resulting from therefrom; but only to the extent attributable to the negligence of either agency or any entity for which it is legally responsible, including any allegations that the Services infringe, misappropriate, or violate any intellectual property rights of any third party. This indemnity applies regardless of whether the claim is presented by an employee of either agency and shall not be limited in any way by any limitation on the amount of type of damages, compensation or benefits payable by or for the other agency under any workers compensation acts, disability benefits acts or other employee benefits acts.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed and delivered by their duly authorized representatives as of the date hereof.

BHCA	SUBRECIPIENT
<u>Signature:</u>	<u>Signature:</u>
<u>Authorized Signatory’s Name:</u> Vicki Gallon-Clark	<u>Authorized Signatory’s Name (print):</u>
<u>Authorized Signatory’s Title:</u> Executive Director	<u>Authorized Signatory’s Title (print):</u>

Appendix A: Budget Narrative

	GRANT REPORTING REPORT		
	DECD	Lift Every Voice and sing Festival fair	
Step #1: Before the grant is received please submit the following PROJECTIONS:			
	Description	Budget Narrative	Projected Amount
EX:	Administrative Staff	\$25/hrX35 hrs/wk X 52 weeks	45500
	Exec/CEO Salary		
	Salaries- Admin. Staff		
	Salaries-Program Staff		
	Salaries-Technical Staff		
	Salaries - Other		
	Employee Benefits		
	Payroll Taxes		
	Bonuses		
	Other Personnel Expenses		
	Non-employee contracted services-Administrative	Bookkeeping expenses	\$ 1,000.00
	Non-employee contracted services-Programmatic		
	Non-employee contracted services-Technical	Sound Prod: tech/Backline instruments	\$ 5,000.00
	Other Contracted Services	Performer contracted expenses	\$ 25,000.00
	Occupancy costs (lease, mortgage, utilities, insur.	Insurance	\$ 1,000.00
	Marketing,Publicity,Advertising	Website/Flyers/billbord/tv spot for Festival Cost	\$ 6,000.00
	Supplies and Materials	General Office supplies , award material, Banners	\$ 2,000.00
	Telecommunications		
	Postage & Shipping	PO Box renewal \$166, Postage/Fedex expenses	\$ 1,000.00
	Travel & Meetings	Artist travel expenses, office meeting space, collaboration events	\$ 2,000.00
	Other-not covered above	Rental(Chairs, tents, tables, Bouncer, \$3,000 toilets \$2,000 insurance \$600	\$ 7,000.00
	Total		\$ 50,000.00

Appendix B Sample Program Evaluation

Narrative Questions for DECD Final Report that BHCA will Submit to the State

1. Is there any additional information to share regarding how the grants funds were used?
2. Did receiving the grant funds from the State of Connecticut leverage other funding sources? If so, what source? (municipal, state, regional, national government, private, etc.)
3. Was the grant funding from the State of Connecticut used to create new or support existing jobs within your organization?
4. If yes to question number 3, indicate the number of jobs created or supported:
 - a. Number of full-time positions:
 - b. Number of part-time positions:
5. Do you collect demographic data (age, race, ethnicity, etc.) of the people served by your organization?
6. What method or process do you use to gather demographic data?
7. How does your organization utilize the data?
8. Was the State of Connecticut credited for its support?
9. Is there anything else you would like to share regarding how your organization benefited from the grant funding?

Exhibit 5

From: Dayeshell Muhammad <dpm@mypeople-ct.com>

Sent: Tuesday, September 24, 2024 9:18 PM EDT

To: Vicki Gallon Clark <clarkv@bluehillscivic.org>

CC: Abdul-Rahmaan Muhammad <arim@mypeople-ct.com>

Subject: Re: Grant Award and Meeting on Thursday, September 26 at 12:15 p.m.

Attachment(s): "DECD Budget Template for Projected Allocations 9-24-24.xlsx","Untitled attachment 35388.htm"

Good evening,

This is very exciting news and we look forward to meeting with you and the other community groups and organizations.

I will work on the budget and send that over to you by the end of week.

Thank you!

Dr. Dayeshell P. Muhammad, EdD
Director of Operations

On Sep 24, 2024, at 12:51 PM, Vicki Gallon Clark <clarkv@bluehillscivic.org> wrote:

Good afternoon Abdul and Dayeshell,

Congratulations! My People Clinical is a recipient of a grant through Legislative Funds in the amount of \$300,000. The funding is for the fiscal year that began on July 1 and ends June 30, 2025. Our goal is to transfer these funds to you by October 1st. All we need are the following completed forms:

1. A *projected* budget (a template is attached) indicating how you will spend the funding you will be receiving. Your projected budget is just that, a projection of how you think you will spend the funds.
2. The attached W-9 Form (if nothing has changed since last year you can indicate this when you return the budget).
3. A BHCA ACH authorization form. By completing this form, it enables us to transfer the funds from our account to yours in a seamless manner.

Please also include a very brief Program Description.

Tom Sussman and I will conduct an interim conversation with you about mid-way during the year to see how you are doing in spending down these funds. Tom is our CFO and will assist in managing this process.

We are meeting as a group this Thursday, September 26 at 12:15 p.m. The location is Lily's Soul Food Restaurant, 305 Windsor Avenue, Windsor, CT. Why are we meeting? We are coming together to create stronger relationships with other community groups and organizations. Please bring any information about upcoming events or other promotional items you want to share with others.

Looking forward to seeing you on Thursday!

--

--

Vicki Gallon-Clark, MPA

Executive Director

BHCA

410 Homestead Avenue

Hartford, CT 06112

(860) 560-7360, ext. 303

BHCA Website:

<https://www.bluehillscivic.org>

BHCA Facebook:

[BHCA Facebook](#)

BHCA Instagram:

[BHCA Instagram](#)

Exhibit 6

	A	B	C	D
1	BLUE HILLS CIVIC ASSOCIATION			
2	GRANT REPORT			
3				
4	Source of grant funds:			CT Dept. of Economic and Community Dev.
5	Grant identifying number:			11000-ECD46830-16275
6				
7	Please report total expenditures through June 30, 2025 under this grant program, and provide the name, title, and date of the individual certifying this report below:			
8				
9				
10	Name of organization:			My People Community Services, Inc.
11				
12	Description	Narrative	Expended	
13	Ex.: Administrative Staff	\$25/hr X 35 hrs/wk X 52 weeks	\$ 45,500.00	
14	Exec/CEO Salary			
15	Salaries-Admin. Staff	\$52.88/hr x 5 weeks	\$ 10,295.05	
16	Salaries-Program Staff	\$27.54/hr x 7 weeks	\$ 7,490.88	
17	Salaries-Program Staff	\$25/hr x 40 hrs/wk x 52 weeks	\$ 52,000.00	
18	Salaries-Other (explain)			
19	Salaries Total		\$ 69,785.93	
20	Fringe Benefits		\$ 11,898.50	
21	Bonuses			
22	Other Personnel Expenses (explain)			
23	Non-employee contracted services-Administrative			
24	Non-employee contracted services-Programmatic			
25	Non-employee contracted services-Technical			
26	Other Contracted Services (explain)	Upgrade of agency communication	\$ 22,750.00	
27	Community Support	Contracted services includes Strategic	\$ 55,000.00	
28	Occupancy costs (lease, mortgage, utilities, insur.)	Support for Community Partners	\$ 10,000.00	
29	Marketing, Publicity, Advertising	Extra Office for New Staff	\$ 18,000.00	
30	Program Expense	Funding is to support marketing support	\$ 12,000.00	
31	Supplies and Materials	Funding is to support community support	\$ 18,000.00	
32	Maintenance & Repairs	Various supplies and materials for	\$ 10,000.00	
33	Telecommunications		\$ 15,000.00	
34	Postage & Shipping	Virtual assistance	\$ 3,600.00	
35	Travel & Meetings	Postage & Shipping	\$ 1,500.00	
36	Total Direct Expense	Transportation for clients as well as	\$ 7,465.57	
37			\$ 173,315.57	
38	G&A Total		15%	\$ 45,000.00
39	Total			\$ 300,000.00
40				
41				
42	By providing my name below, I certify that, to the best of my knowledge, the expenditures reported above			
43	are true, accurate, and complete:			
44				

	A	B	C	D
45		Name of responsible individual:		
46			<i>Dayeshell Muhammad</i>	
47		Title of responsible individual:		
48			<i>Director of Operations</i>	
49		Date of report:	<i>27-Sep-24</i>	

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

Dreams Empower, Inc.

2 Business name/disregarded entity name, if different from above

My People Community Services, Inc.

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC

☐ C Corporation

☐ S Corporation

☐ Partnership

☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ►

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☒ Other (see instructions) ►

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

111 Gillett Street.

6 City, state, and ZIP code

Hartford, CT 06105

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

____ - ____ - ____

or

Employer identification number

4 6 - 4 4 6 3 0 3 3

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign
Here

Signature of
U.S. person ►

Date ► 9/27/24

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

From: dpm@mypeople-ct.com <dpm@mypeople-ct.com>
Sent: Friday, September 27, 2024 11:02 AM EDT
To: Vicki Gallon Clark <clarkv@bluehillscivic.org>
CC: Abdul-Rahmaan Muhammad <arim@mypeople-ct.com>
Subject: RE: Grant Award and Meeting on Thursday, September 26 at 12:15 p.m.
Attachment(s): "MPCS W9 9.27.24.pdf", "BHCA Budget Report for My People Community Services FY25.xlsx"

Good morning,

Attached are the budget and the W9 for My People. Please let me know if you have any questions.

Thanks!

Dr. Dayeshell P. Muhammad, EdD
Director of Operations

111 Gillett St.
Hartford, CT 06105
860-656-0450 (office)
860-656-0491 (fax)
www.mypeople-ct.com

From: Dayeshell Muhammad <dpm@mypeople-ct.com>
Sent: Tuesday, September 24, 2024 9:18 PM
To: Vicki Gallon Clark <clarkv@bluehillscivic.org>
Cc: Abdul-Rahmaan Muhammad <arim@mypeople-ct.com>
Subject: Re: Grant Award and Meeting on Thursday, September 26 at 12:15 p.m.

Good evening,

This is very exciting news and we look forward to meeting with you and the other community groups and organizations.

I will work on the budget and send that over to you by the end of week.

Thank you!

Dr. Dayeshell P. Muhammad, EdD
Director of Operations

On Sep 24, 2024, at 12:51PM, Vicki Gallon Clark <clarkv@bluehillscivic.org> wrote:

Good afternoon Abdul and Dayeshell,

Congratulations! My People Clinical is a recipient of a grant through Legislative Funds in the amount of \$300,000. The funding is for the fiscal year that began on July 1 and ends June 30, 2025. Our goal is to transfer these funds to you by October 1st. All we need are the following completed forms:

1. A *projected* budget (a template is attached) indicating how you will spend the funding you will be receiving. Your projected budget is just that, a projection of how you think you will spend the funds.
2. The attached W-9 Form (if nothing has changed since last year you can indicate this when you return the budget).
3. A BHCA ACH authorization form. By completing this form, it enables us to transfer the funds from our account to yours in a seamless manner.

Please also include a very brief Program Description.

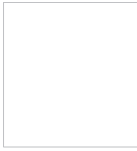
Tom Sussman and I will conduct an interim conversation with you about mid-way during the year to see how you are doing in spending down these funds. Tom is our CFO and will assist in managing this process.

We are meeting as a group this Thursday, September 26 at 12:15 p.m. The location is Lily's Soul Food Restaurant, 305 Windsor Avenue, Windsor, CT. Why are we meeting? We are coming together to create stronger relationships with other community groups and organizations. Please bring any information about upcoming events or other promotional items you want to share with others.

Looking forward to seeing you on Thursday!

--

--



Vicki Gallon-Clark, MPA

Executive Director

BHCA

410 Homestead Avenue

Hartford, CT 06112

(860) 560-7360, ext. 303

BHCA Website:

<https://www.bluehillscivic.org>

BHCA Facebook:

[BHCA Facebook](#)

BHCA Instagram:

[BHCA Instagram](#)

Exhibit 7



ACH Authorization Form

Please provide all required information requested below:

Company Name: My People Community Services, Inc

Company Address: 111 Gillett St. Hartford, CT 06105

Bank Name: Coastal Community Bank

Account Number: 875105471929

ABA/Routing Number: 125109019

(The ABA/Routing number is the 9-digit number on the bottom left of your check)

Account Type (check one): Checking ☒ Savings ☐ Corporate ☐

By signing below, I authorize BHCA to make ACH payments to the above listed account, and that I am the authorized account holder to whom inquires concerning ACH transfers are to be directed.

Authorized Representative Name: Dayeshell Muhammad

Authorized Representative Signature: Dayeshell Muhammad

Authorized Representative Phone Number: (860)656-0405

Authorized Representative Email Address: dpm@mypeoples-ct.com

Date: 10/04/2024

BHCA USE ONLY:

ACH Payment for Invoice #: _____

ACH Total: \$ _____

ACH Date: _____

Blue Hills Civic Association
410 Homestead Avenue, Hartford, CT 06112
www.bluehillscivic.org
860-560-7360
BHCA@bluehillscivic.org
EIN: 06-0876558

	A	B	C	D
1	BLUE HILLS CIVIC ASSOCIATION			
2	GRANT REPORT			
3				
4	Source of grant funds:			CT Dept. of Economic and Community Dev.
5	Grant identifying number:			11000-ECD46830-16275
6				
7	Please report total expenditures through June 30, 2025 under this grant program, and provide the name, title, and date of the individual certifying this report below:			
8				
9				
10	Name of organization:			My People Community Services, Inc.
11				
12	Description	Narrative	Expended	
13	Ex.: Administrative Staff	\$25/hr X 35 hrs/wk X 52 weeks	\$ 45,500.00	
14	Exec/CEO Salary			
15	Salaries-Admin. Staff	\$52.88/hr x 5 weeks	\$ 10,295.05	
16	Salaries-Program Staff	\$27.54/hr x 7 weeks	\$ 7,490.88	
17	Salaries-Program Staff	\$25/hr x 40 hrs/wk x 52 weeks	\$ 52,000.00	
18	Salaries-Other (explain)			
19	Salaries Total		\$ 69,785.93	
20	Fringe Benefits		\$ 11,898.50	
21	Bonuses			
22	Other Personnel Expenses (explain)			
23	Non-employee contracted services-Administrative			
24	Non-employee contracted services-Programmatic			
25	Non-employee contracted services-Technical			
26	Other Contracted Services (explain)	Upgrade of agency communication	\$ 22,750.00	
27	Community Support	Contracted services includes Strategic	\$ 55,000.00	
28	Occupancy costs (lease, mortgage, utilities, insur.)	Support for Community Partners	\$ 10,000.00	
29	Marketing, Publicity, Advertising	Extra Office for New Staff	\$ 18,000.00	
30	Program Expense	Funding is to support marketing support	\$ 12,000.00	
31	Supplies and Materials	Funding is to support community support	\$ 18,000.00	
32	Maintenance & Repairs	Various supplies and materials for	\$ 10,000.00	
33	Telecommunications		\$ 15,000.00	
34	Postage & Shipping	Virtual assistance	\$ 3,600.00	
35	Travel & Meetings		\$ 1,500.00	
36	Total Direct Expense	Transportation for clients as well as	\$ 7,465.57	
37			\$ 173,315.57	
38	G&A Total		15%	\$ 45,000.00
39	Total			\$ 300,000.00
40				
41				
42	By providing my name below, I certify that, to the best of my knowledge, the expenditures reported above			
43	are true, accurate, and complete:			
44				

	A	B	C	D
45		Name of responsible individual:		
46			<i>Dayeshell Muhammad</i>	
47		Title of responsible individual:		
48			<i>Director of Operations</i>	
49		Date of report:	<i>27-Sep-24</i>	

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

Dreams Empower, Inc.

2 Business name/disregarded entity name, if different from above

My People Community Services, Inc.

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC

☐ C Corporation

☐ S Corporation

☐ Partnership

☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ►

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☒ Other (see instructions) ►

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

111 Gillett Street.

6 City, state, and ZIP code

Hartford, CT 06105

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

____ - ____ - ____

or

Employer identification number

4 6 - 4 4 6 3 0 3 3

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign
Here

Signature of
U.S. person ►

Date ► 9/27/24

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

From: Dayeshell Muhammad <dpm@mypeoples-ct.com>

Sent: Friday, October 04, 2024 12:42 PM EDT

To: Tom Sussman <sussmant@bluehillscivic.org>

CC: Vicki Gallon Clark <clarkv@bluehillscivic.org>

Subject: RE: Grant Award and Meeting on Thursday, September 26 at 12:15 p.m.

Attachment(s): "BHCA Budget Report for My People Community Services FY25.xlsx", "MPCS W9 9.27.24.pdf", "BHCA ACH Form.pdf"

Good Afternoon, Tom.

Attached are the budget, ACH completed form and the W9 for My People as per Vicki's request. Please let me know if you have any questions.

Thanks!

Dr. Dayeshell P. Muhammad, EdD

Director of Operations

111 Gillett St.

Hartford, CT 06105

860-656-0450 (office)

860-656-0491 (fax)

www.mypeople-ct.com

Exhibit 8

ACH Payment

ACH-04289539 - BLUE HILLS CIVIC ASSOCIATION INC (8899)



ACH Batch Details

Transaction Number ACH-04289539
Import File Name
Import Batch ID
Recurring Frequency One-Time Payment
Total Credits \$291,000.00 (1)
ACH Company BLUE HILLS CIVIC - BLUE HILLS CIVIC (1060876558)
Batch Type Business (CCD) - Credit Only
Memo 10629383
Company Discretionary Data State Funds
Company Entry Description MyPeople
Notify Initiator Options Pending Actions: Notify via EMAIL
System Events: Notify via EMAIL
Complete - Unsuccessful: Notify via EMAIL
Complete - Successful: Notify via EMAIL
Early Action Taken: Notify via EMAIL
Early Action Removed: Notify via EMAIL
Expired: Notify via EMAIL
Payment Creation Date Oct 7, 2024 1:12 PM EDT
Processing Date 10/07/2024
Payment Date 10/07/2024

Excluded	Payee	ABA	Account	Amount	Addenda	Prenote
	My People Community Services (0450)	125109019	*71929 (DDA)	\$291,000.00	State CT Alloc. Sen McCrory	

Status History

Timestamp	Status	Initiator	Description
Oct 7, 2024 1:12:00 PM EDT	Created	8899 / CFSNORIEGA (SILVIA NORIEGA)	Batch Created.

ACH Payment

ACH-04303955 - BLUE HILLS CIVIC ASSOCIATION INC (8899)



ACH Batch Details

Transaction Number ACH-04303955
Import File Name
Import Batch ID
Recurring Frequency One-Time Payment
Total Credits \$9,000.00 (1)
ACH Company BLUE HILLS CIVIC - BLUE HILLS CIVIC (1060876558)
Batch Type Business (CCD) - Credit Only
Memo 10629383
Company Discretionary Data State Funds
Company Entry Description Mypeople
Notify Initiator Options Pending Actions: Notify via EMAIL
System Events: Notify via EMAIL
Complete - Unsuccessful: Notify via EMAIL
Complete - Successful: Notify via EMAIL
Early Action Taken: Notify via EMAIL
Early Action Removed: Notify via EMAIL
Expired: Notify via EMAIL
Payment Creation Date Oct 10, 2024 11:29 AM EDT
Processing Date 10/10/2024
Payment Date 10/10/2024

Excluded	Payee	ABA	Account	Amount	Addenda	Prenote
	My People Community Services (0450)	125109019	*71929 (DDA)	\$9,000.00	2nd Fund. State Ct Alloc. Sen McCrory	

Status History

Timestamp	Status	Initiator	Description
Oct 10, 2024 11:29:13 AM EDT	Created	8899 / CFSNORIEGA (SILVIA NORIEGA)	Batch Created.

Exhibit 9

From: Dayeshell Muhammad <dpm@mypeople-ct.com>
Sent: Tuesday, December 03, 2024 12:24 PM EST
To: Tom Sussman <sussmant@bluehillscivic.org>
CC: mramos@mypeople-ct.com <mramos@mypeople-ct.com>
Subject: Re: My People Grant Funding

Good afternoon,

Just checking back in to see if you have any updates? Upon reviewing the form more closely we also noticed that the phone number and email is incorrect.

Thanks!

Dr. Dayeshell P. Muhammad, EdD
Director of Operations

On Dec 3, 2024, at 9:07 AM, Tom Sussman <sussmant@bluehillscivic.org> wrote:

Dayeshell,

Attached is the ACH information that was provided to us. When I look at the ABA and Account #, they appear to match with the data we were provided.

Can you check again?

Thanks.

Tom

On Mon, Dec 2, 2024 at 6:32 PM Dayeshell Muhammad <dpm@mypeople-ct.com> wrote:

Good evening,

We do not have these funds and after reviewing the ABA number and ending account number, those numbers do not match our accounts.

Please let us know if you need us to provide our banking information again.

Thank you!

Sent from my iPhone

Dr. Dayeshell P. Muhammad, EdD
Director of Operations

On Dec 2, 2024, at 6:02 PM, Tom Sussman <sussmant@bluehillscivic.org> wrote:

Here's a copy of the ACH record from Webster Bank showing \$291,000 of the funds being sent to you on October 7th which reflected the 3% reduction due to the intention to fund a lobbyist at that time. In addition, I've attached a copy of the ACH record from Webster Bank showing \$9,000 of the funds being sent to you on October 10th reflecting the 3% of the total following our decision to source lobbyist funding from another source as the DECD funds are not permitted to be used for that purpose.

Please confirm that your records agree.

Thanks.

Tom

On Mon, Dec 2, 2024 at 3:44 PM <dpm@mypeople-ct.com> wrote:

Good afternoon,

Can you please confirm that the funding was deposited into our account? Our fiscal team has informed me that they have not seen the deposit.

Thank you!

[Dr. Dayeshell P. Muhammad, EdD](#)

[Director of Operations](#)

111 Gillett St.

Hartford, CT 06105

860-656-0450 (office)

860-656-0491 (fax)

www.mypeople-ct.com

<My People Community Services.pdf>

<Return of 3% - My People.pdf>

<My People BHCA ACH Form.pdf>

Exhibit 10

From: Tom Sussman <sussmant@bluehillscivic.org>

Sent: Wednesday, December 04, 2024 9:22 AM EST

To: Vicki Gallon Clark <clarkv@bluehillscivic.org>; Silvia Noriega <noriegas@bluehillscivic.org>

Subject: Fwd: Grant Award and Meeting on Thursday, September 26 at 12:15 p.m.

Attachment(s): "BHCA Budget Report for My People Community Services FY25.xlsx", "MPCS W9 9.27.24.pdf", "BHCA ACH Form.pdf"

Vicki,

As a follow-up to the status of the funding we thought we provided to My Peoples - CT from yesterday's meeting:

- It appears that someone representing themselves as Dayeshell sent an email with their budget, W9 form, and ACH form. What we now know from Dayeshell is:
 - The email address from which the message was sent contains an "s" after people which does not exist.
 - The perpetrator was able to complete the BHCA ACH form and sign it electronically and attach it along with the other forms to what looks like the email that you sent out in late September referring to the Grant Award and Meeting...
 - Dayeshell never received the funds and yesterday discovered that all of my confirmation messages about funds being transferred went to her Spam folder.
 - The funds were transferred to the fraudulent bank account over two transactions - \$291,000 on 10/7 and \$9,000 a few days later
- Silvia is checking with Webster Bank to see if there is anything that can be done about this.
- I checked with the insurance carrier and they confirmed that BHCA does not have cyber coverage, so at this time, there's nothing they can do.

Not sure of the exact next steps, but a) Dayeshell has not received her monies - she only sent the budget and the W9 form to you on 9/27; b) these are DECD funds, so I assume that we would need to let them know; c) communications with others - the Senator, the Board?; d) wait to hear from Webster Bank.

That's what I know as right now.

Tom

----- Forwarded message -----

From: **Dayeshell Muhammad** <dpm@mypeoples-ct.com>

Date: Fri, Oct 4, 2024 at 12:42 PM

Subject: RE: Grant Award and Meeting on Thursday, September 26 at 12:15 p.m.

To: Tom Sussman <sussmant@bluehillscivic.org>

Cc: Vicki Gallon Clark <clarkv@bluehillscivic.org>

Good Afternoon, Tom.

Attached are the budget, ACH completed form and the W9 for My People as per Vicki's request. Please let me know if you have any questions.

Thanks!

[Dr. Dayeshell P. Muhammad, EdD](#)

[Director of Operations](#)

111 Gillett St.

Hartford, CT 06105

860-656-0450 (office)

860-656-0491 (fax)

www.mypeople-ct.com

