



State of Hawaii Grant Terms and Conditions Agreement (GTA) for the 2021 American Rescue Plan Act - Child Care Stabilization Grant Program

The Subrecipient is responsible for compliance with the following terms and conditions:

I. Grant terms and conditions specific to the Child Care Stabilization Grants:

A. Payment rules and procedures:

1. Definitions:

- a. “**ARP Act**” means the American Rescue Plan Act (Public Law 117-2) of 2021.
- b. “**Child Care Stabilization Subaward Grant**” means providing emergency relief to providers that are open at the time an application is submitted in addition to providers temporarily closed due to public health, financial hardship, or other reasons relating to the COVID-19 public health emergency.
- c. “**Subrecipient**” means a non-Federal entity or individual that receives a subaward/grant from a pass-through entity to carry out part of a Federal program
- d. “**Grant Fund**” means **Eligible Expenditures** are allowed that:
 - i. Are incurred in connection with either one of the Child Care Stabilization subaward grants; and
 - ii. Are actually incurred by your organization after receipt of the grant through the duration of the funding program, as well as past expenses and
 - iii. “**Eligible Expenditures**” means costs incurred to purchase or pay for:
 - Personnel costs, including payroll and salaries or similar compensation for an employee (including any sole proprietor or independent contractor), paid sick leave and other benefits;
 - Premium pay, or costs for employee recruitment and retention, including but not limited to staff bonuses, wages, costs of insurance coverage, retirement, educational advancement, tuition reimbursement and child care costs;
 - Tuition and/or copayment relief for families;
 - Rent (including under a lease agreement) or payment on any mortgage obligation, utilities, or insurance.
 - Facility maintenance or improvements;
 - Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices;
 - Purchases of or updates to equipment and supplies to respond to COVID-19;
 - Goods and services necessary to maintain or resume child care services; and
 - Mental health supports for children and employees.
- e. The above uses of funds are otherwise allowed under the DHS Child Care Stabilization Grant authorized under the ARP Act. However, “**Ineligible expenditures**” and specific costs not allowed under this Grant Fund are:
 - i. Allowable facility maintenance or improvements exclude “Major Renovations”, specifically those that encompass structural changes to the foundation of a roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area. In addition, renovations not allowable include extensive alterations to a facility to the

- extent of altering its purpose or function, even if the renovation does not include any structural change.
- ii. Expenses incurred for the purposes of entertainment, perquisites, campaign contributions, or lobbying activities.
- iii. Amounts made available within this funding opportunity shall be used to supplement and not supplant other Federal, State, and local public funds you may have received from past funding opportunities, such as the CARES Act.
- iv. Costs that are determined to be inappropriate or unallowable, Subrecipient will have to repay the DHS the subaward and/or subject to appropriate action under state law.
- f. **“Incurred”** means the Eligible Expenditure has been paid by Subrecipient
- g. **“Payroll Expenses”** means monetary compensation and fringe benefits provided to Subrecipient’s staff who maintain or resume operations implementing either one of the Child Care Stabilization subawards and perform direct services that are reasonably necessary to respond interim cleaning, health and safety protocols, etc. due to COVID-19. The hours charged to the payroll expenses are documented and available for audit purposes by the DHS.
- h. **“Receipt”** means written evidence that an eligible expenditure has been paid. For purchased goods or services, the written evidence is a printed or electronic receipt issued by the payee to the Subrecipient. For other expenses where a receipt is not typically issued by the payee (for example, for staff payroll and fringe benefits), the written evidence is the Subrecipient’s proof of payment used for its own financial records. Confidential personal information shall be redacted from receipts submitted to the DHS when requested.

2. Procedures:

- A. Subrecipient understands that after the DHS’s receipt of the signed Grant Terms and Conditions Agreement (GTA), the DHS will disburse 100% of the total grant amount to be spent by end of the subaward performance period. At the end of the subaward performance period, Subrecipient understands that the DHS’s final subaward payment will equal the total amount of Subrecipient final request for reimbursement less the amount of the Advance.
- B. Subrecipient understands and acknowledges that payments on this subaward are subject to the availability of funds from the ARP Act Child Care Stabilization Grant Funding Program (Fund). The DHS administers the Fund under a contract with the State of Hawaii. The original source of funds is a federal grant to the State of Hawaii from the American Rescue Plan Act of 2021, Child Care Stabilization Section 2202 for Child Care Stabilization Grants, available until September 30, 2023.
- C. All Subrecipient awards expire on March 31, 2023 unless otherwise approved by DHS in writing.
- D. If you do not spend all or a portion of the subaward, the remaining funds are called “unexpended funds.” Subrecipient must return any unexpended funds to the DHS by 03/31/2023. If the total amount of funds spent is less than the grant award maximum, the remainder of the grant will be returned to the DHS.
- E. Subrecipient is required to submit a final report (close-out report) by 05/31/2023 or within sixty days of expended all funding, whichever is earlier. The final report shall include a brief narrative summary of the impact of the grant, details on the child care services provided, and a final financial report documenting how funds were spent on eligible expenses.
- F. Acceptance of this subaward may subject the Subrecipient to an audit by the DHS, the State, the federal government, or their designees. Subrecipient shall keep complete and accurate records of all award correspondence, expenditures, bonuses, financial transactions, and reports related to this grant for at least three (3) years after the September 23, 2023 ending date of the federal award period. Subrecipient shall provide the DHS with access to these records upon request and shall cooperate with any audit of

this grant required by the DHS, State, the federal government, or their designees. If any expenditures are determined to be inappropriate or unallowable, the DHS may require that monies be refunded by the Subrecipient.

- G. As the lead agency responsible for the use of these federal funds, Hawaii DHS reserves the right to rescind or modify this subaward at their discretion.
- H. Subrecipient must comply with the applicable federal and state laws prohibiting discrimination and provide services described in its proposal to all individuals without regard to, and shall not discriminate on the basis of race, color, national origin, religion, sex, sexual orientation, familial status, age, gender, gender expression, disability, or status as a person living with HIV or AIDS, except as permitted by law.

3. Certification:

A. Subrecipient Agreements:

- a. Subrecipient agrees to the following requirements for receiving the Child Care Stabilization Grant Program:
 - i. Licensed, registered, or regulated child care provider with the DHS as of March 11, 2021¹;
 - ii. On the date the application is submitted must meet the State of Hawaii's and applicable local health and safety requirements and continue to maintain compliance for the duration of the subaward grant period.
- b. Subrecipient is currently compliant with the state labor law section 103-55 of the Hawaii Revised Statutes (HRS) Wages, hours, and working conditions of employees or contractors performing services.
- c. Subrecipient shall comply with the conditions requirements as set forth in the DHS Hawaii Administrative Rules, title 17, chapter 802.2 entitled Child Care Grant Program.
- d. Subrecipient shall ensure payment of all applicable federal, state, and county taxes and fees which may become due and owed by the Subrecipient by reason of this Grant.
- e. Subrecipient shall maintain insurance acceptable to the DHS in full force and effect throughout the term of the grant period in accordance with section 346-157, HRS.
- f. When required, Subrecipient shall complete an independent financial and compliance audit in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards of the Office of Management and Budget.
- g. Subrecipient shall pay at least the same amount in weekly wages and maintain the same benefits for the duration of the subaward grant for each employee.
- h. Subrecipient may not involuntarily furlough employees from the date of the submission of this application through the duration of the subaward grant period
- i. Subrecipient shall provide relief from copayments and tuition payments for families enrolled in its programs to the extent possible, specifically prioritizing such relief for families struggling to make either payment. If unable to provide relief to all families, Subrecipient shall prioritize target families earning below 85% of the State Median Income.
- j. Subrecipient's program is open currently serving families or temporarily closed due to public health, financial hardship, or other reasons related to the COVID-19 health emergency but will reopen within 60 days of receiving subaward and agrees to stay open for a minimum of six month after receipt of the grant award. If the program should be required to close at the direction of the state health department or other authorized officials, Subrecipient will need to notify the DHS to determine how to handle the grant award on a case by case basis.
- k. Subrecipient agrees to reopen once the local health department or other authorized officials determine it is safe to do so.
 - i. Subrecipient will serve, continue to serve, or agree to serve upon request, children receiving child care subsidy assistance from the DHS.
 - ii. Subrecipient will update the DHS of operating status, available space for children, impact of the grant and other necessary information.
- l. Subrecipient will follow written policies in line with the published DHS guidance

¹ Includes A+ Providers licensed by the Department of Education

for child care facilities and homes open during, reopened during, or continue care (updated August 2021) called “Guidelines for Child Care Facilities updated October 8, 2021.” Additionally, the Subrecipient will utilize health and safety practices that prevent the spread of COVID-19 by following Center for Disease Control (CDC) and Hawaii Department of Health guidelines as much as possible for the duration of the subaward grant period.

- m. Subrecipient has an accounting system in place to track and allocate employee work time to each funding source, including this Grant, and will make those records available for audit purposes.
- n. Subrecipient indemnifies and holds the State of Hawaii harmless from and against any claims relating to activities carried out by the Subrecipient under this Grant and assumes the sole liability to the Subrecipient’s employees and agents, and to any individual not party to the GTA, for any loss, damage, or injury caused by the Subrecipient, or the Subrecipient’s employees or agents in the course of their employment for purposes of performance under this Grant.
- o. A Subrecipient under this Grant who withholds or omits any material fact, deliberately misrepresents facts to the DHS, or participates in fraud, waste and abuse, shall be in violation of the GTA and shall be prohibited from applying for any DHS grant for a period of five years from the date of termination of the GTA or determination by the DHS of the violation, and may be subject to other penalties, including the refund of the disbursed subgrant funds to the DHS.
- p. Subrecipient certifies that every purchase of goods or services charged to this Grant were reasonable and appropriate, including measures to avoid conflicts of interests; avoid unnecessary or duplicative purchases; avoid fraud, waste and abuse; select vendors and supplies that are reputable and responsible; and assume that every expense would be considered reasonable by a prudent person. If the subgrant funds are misused knowingly, or unknowingly, the DHS may require the refund of the disbursed subgrant funds to the DHS.
- q. Subrecipient has the necessary documentation to demonstrate compliance with the requirements of the GTA.

II. Subrecipient monitoring and other requirements:

Federal guidance requires DHS to conduct periodic monitoring of Subrecipients. DHS is still determining reporting requirements for subrecipients. At a minimum, providers will be required to document and account for spending, staffing and employment metrics, and capacity metrics. A recommended best practice is to regularly upload the receipts and documentation support (i.e., proof of payment; proof of purchases; etc.).

III. General grant terms and conditions for all DHS grants:

- A. This grant is to be used only for the purposes set forth in the approved application package. Any changes to the nature of the activities for which these funds were granted must be approved in writing before the funds may be expended.
- B. The Subrecipient acknowledges that the services provided in connection with the proposal are provided solely as a Subrecipient and there is no principal/agent or employee/employer relationship between the Subrecipient and the DHS.
- C. The Subrecipient must notify the DHS immediately if any of the following situations should occur:
 - 1. Performance under the grant does not comply with the proposal and/or this Agreement; or
 - 2. The Subrecipient materially changes its programs, activities, or mission; or
 - 3. The Subrecipient plans on permanent closure of its business or organization; or
 - 4. The Subrecipient changes designated program or lead staff; or
 - 5. The non-profit Subrecipient changes or loses its exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.
- D. The DHS reserves the right to delay payments and/or terminate the grant for failure to comply with any part of this Agreement.



Department of Health and Human Services
Administration for Children and Families

Notice of Award

Award # 2101HICSC6

FAIN# 2101HICSC6

Federal Award Date: April 14, 2021

SUPPLEMENTAL TERMS and CONDITIONS

The General Terms and Conditions apply to all mandatory grant programs, which for the purposes of this document includes formula and block grants, and can be found at <https://www.acf.hhs.gov/grants/mandatory-formula-block-and-entitlement-grants>. These Supplemental Terms and Conditions are additional requirements applicable to the program named below.

By acceptance of awards for this program, the Lead Agency agrees to comply with the requirements included in both the General and Supplemental Terms and Conditions for this program. Failure to comply with these terms and conditions may result in the loss of Federal funds and may be considered grounds for the suspension or termination of this grant.

Administration for Children and Families
Office of Child Care (OCC)

CHILD CARE STABILIZATION FUNDS
AMERICAN RESCUE PLAN (ARP) ACT
Child Care and Development Fund Grants
Assistance Listing No. [93.575]

APPLICABLE LEGISLATION, STATUTE, REGULATIONS

1. The administration of this program is subject to:
 - Statutory requirements of the American Rescue Plan (ARP) Act of 2021 [P.L. 117-2] (<https://www.congress.gov/117/bills/hr1319/BILLS-117hr1319enr.pdf>).
 - Child Care and Development Block Grant (CCDBG) Act and related regulations
 - a. The CCDBG Act is codified at 42 U.S.C. §9857 et seq.,
 - b. Implementing program regulations are located at 45 CFR Part 98 and 99 (<https://ecfr.federalregister.gov/current/title-45/subtitle-A/subchapter-A/part-98> and <https://ecfr.federalregister.gov/current/title-45/subtitle-A/subchapter-A/part-99>).
 - Provisions of the current approved CCDF State, Territory, or Tribal plan, as applicable, including all approved amendments or revisions.
2. As noted in the Information Memorandum on Child Care Stabilization funds available under the ARP Act (available on the OCC website at www.acf.hhs.gov/occ) these funds are subject to all CCDF Discretionary requirements, except as noted. Lead Agencies may use Child Care Stabilization to award subgrants to qualified child care providers based on the amount of the provider's stated current operating expenses. A qualified child care provider may use the funds for at least one of the following activities:
 - Personnel costs, including payroll and salaries or similar compensation for an employee (including any sole proprietor or independent contractor), employee benefits, premium pay, or costs for employee recruitment and retention.
 - Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements or insurance.
 - Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
 - Purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency.
 - Goods and services necessary to maintain or resume child care services.
 - Mental health supports for children and employees.
3. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards is located under 45 CFR Part 75. In accordance with 45 CFR §75.101(d), only limited portions of Federal regulations at 45 CFR Part 75 are applicable to the CCDF programs.
 - Subpart A, "Acronyms and Definitions," remains applicable.
 - Subpart B, "General Provisions," remains applicable.
 - Subpart C, "Pre-Award Requirements," Not Applicable except §75.202 remains applicable to the Federal awarding agency.
 - Subpart D, "Post-Award Requirements" Not Applicable except §§75.351-.353 remain applicable.
 - Subpart E, "Cost Principles." Not Applicable in its entirety, except as noted under 45 CFR §98.84.
 - Subpart F, "Audit Requirements," remains applicable (replaces the provisions of OMB Circular A-133).
4. In accordance with 45 CFR 87.2(b), the provisions of Federal regulations at 45 CFR Part 87 are not applicable to the CCDF programs in their entirety.
5. Additional applicable regulations and requirements can be found in the General Terms and Conditions for Mandatory: Formula, Block and Entitlement Grants.



COST SHARING OR MATCHING (NON-FEDERAL SHARE) OF PROGRAM FUNDING

6. Funds shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide child care services for eligible individuals.
7. These grant funds may not be used to meet the matching requirements of other Federal grant programs.

States and Territories

8. For States and Territories, Child Care Stabilization funds for this program are awarded with a 100 percent Federal Financial Participation (FFP) rate for program costs, which means a non-Federal share of program funding is not required for this program (i.e., there is no State or Territory Match required).

Tribes

9. For Tribes, Child Care Stabilization funds for this program are awarded with a 100 percent Federal Financial Participation (FFP) rate for program costs, which means a non-Federal share of program funding is not required for this program (i.e., there is no Tribal Match required).

FINANCIAL REPORTING AND REQUIREMENTS

10. Federal funds awarded under this grant must be expended for the purposes for which they were awarded.
11. Each grantee's fiscal and accounting procedures must be sufficient to permit the preparation of required reports and the tracing of expenditures to a level necessary to establish that Federal funds have not been used in violation of the terms and conditions.
12. Administrative cost cap.
 - The regular CCDF administrative cost cap (5 percent for States and Territories, 15 percent for Tribes) does not apply to the Child Care Stabilization funds under the ARP.
 - States and Territories shall reserve not more than 10 percent of the Child Care Stabilization funds to administer subgrants, provide technical assistance and support for applying for and accessing the subgrant opportunity, publicize the availability of the subgrants, carry out activities to increase the supply of child care, and provide technical assistance to help child care providers.
 - Tribes shall reserve not more than 20 percent of the Child Care Stabilization funds to administer subgrants, provide technical assistance and support for applying for and accessing the subgrant opportunity, publicize the availability of the subgrants, carry out activities to increase the supply of child care, and provide technical assistance to help child care providers. The CCDF base amount awarded as stabilization funds is not included in the calculation of the amount subject to this administrative cost cap.
13. Quality spending requirements (at 658G of the CCDBG Act; 45 CFR 98.53) and direct services spending requirements (at 658E(c)(3)(D) and (E) of the CCDBG Act; 45 CFR 98.50(f) and (g)) do not apply to Child Care Stabilization funds.
14. Reporting. These funds are subject to government-wide and CCDF-specific reporting requirements. OCC will provide additional guidance on reporting requirements on its website at www.acf.hhs.gov/occ and at the centralized ACF COVID-19 resource website at <https://www.acf.hhs.gov/coronavirus>.
15. Obligation/Liquidation Deadline.
 - Child Care Stabilization funds must be obligated by September 30, 2022 and liquidated by September 30, 2023. Any Federal funds from this award not obligated or liquidated by the deadlines cited above will be recouped by ACF. ARP Act funds are subject to the reallocation process at 45 CFR 98.64(b) for States and Puerto Rico and 45 CFR 98.64(d) for Tribes. In addition, the State, Territory, or Tribe must notify ACF if it is unable to obligate at least 50 percent of Child Care Stabilization funds by December 11, 2021.

PROGRAM REPORTING

16. Reporting. These funds are subject to government-wide and CCDF-specific reporting requirements. OCC will provide additional guidance on reporting requirements on its website at www.acf.hhs.gov/occ.

REAL PROPERTY REPORTING



Department of Health and Human Services
Administration for Children and Families

Notice of Award

Award # 2101HICSC6

FAIN# 2101HICSC6

Federal Award Date: April 14, 2021

17. OCC will provide additional guidance on real property reporting requirements on its website at www.acf.hhs.gov/occ. ACF Property Guidance is also found at <https://www.acf.hhs.gov/grants/real-property-and-tangible-personal-property>.

EFFECTIVE PERIOD

18. These program-specific Terms and Conditions are effective on the date shown in the margin at the bottom of the page and will remain in effect until updated. They will be updated and reissued only as needed whenever a new program-specific statute, regulation or other requirement is enacted or whenever any of the applicable existing Federal statutes, regulations, policies, procedures, or restrictions is amended, revised, altered, or repealed.

POINTS OF CONTACT

19. Points of contact for additional information or questions concerning either the operation of the program or related financial or grant matters should be directed to your assigned Grants Specialist or OCC Regional office and may be found on the Notice of Award. Specialist or OCC Regional office and may be found on the Notice of Award.

Remarks

* This field is intended to be included in the standardized Notice of Award and will be displayed in subsequent quarters.