

## MEMORANDUM OF UNDERSTANDING

Between the

INDIANA STATE BUDGET AGENCY

and the

INDIANA BOND BANK

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

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

**WHEREAS**, IBB is an independent body corporate and politic, not a department or agency of the state, but is an independent instrumentality empowered to buy and sell securities and make loans to qualified entities (IC 5-1.5-2-1); and

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

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

### I. Purpose

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

### II. Grant Information

- a) CFDA number and name: **21.019**
- b) Federal Award Name: **Coronavirus Relief Fund (“CRF”)**
- c) Federal Award Identification Number: **N/A**
- d) Federal Award Date: **March 27, 2020**
- e) Name of Federal Agency: **Treasury**
- f) Federal Award project description: **see Attachment A**
- g) Total Amount of Funds obligated to the subrecipient: **\$504,401.50**

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

### III. Term

The MOU shall be in effect from March 1, 2020, through April 30, 2022.

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

### IV. Obligations of the Parties

The parties agree to the following obligations under this MOU:

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

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

## **V. Records Retention**

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

1. general ledger and subsidiary ledgers used to account for (a) the receipt of Coronavirus Relief Fund payments and (b) the disbursements from such payments to meet eligible expenses related to the public health emergency due to COVID-19;
2. budget records for 2019, 2020, 2021, and 2022;
3. payroll, time records, human resource records to support costs incurred for payroll expenses related to addressing the public health emergency due to COVID-19;
4. receipts of purchases made related to addressing the public health emergency due to COVID-19;
5. contracts and subcontracts entered into using Coronavirus Relief Fund payments and all documents related to such contracts;
6. grant agreements and grant subaward agreements entered into using Coronavirus Relief Fund payments and all documents related to such awards;
7. all documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipient and subrecipients;
8. all documentation supporting the performance outcomes of contracts, subcontracts, grant awards, and grant recipient subawards;
9. all internal and external email/electronic communications related to use of Coronavirus Relief Fund payments; and

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

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

#### **VI. SEFA Reporting**

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

#### **VII. Modifications**

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

#### **VIII. Notices**

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

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

Indiana Bond Bank  
Attn: Mark J. Wuellner  
Executive Director  
10 W. Market Street, Suite 2410  
Indianapolis, IN 46204  
mwuellner@inbondbank.com

Treasure of State  
Attn: Ryan Locke  
Deputy Treasurer and General Counsel  
Office of the Indiana Treasurer of State  
200 W. Washington Street, Suite 242  
Indianapolis, IN 46204  
rlocke@tos.in.gov

**IX. Termination or Suspension**

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

**X. Entire Agreement**


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

**XI. Non-Collusion and Acceptance**

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

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

**Indiana Bond Bank**



Mark Wuellner, Executive Director  
Indiana Bond Bank

DATE: February 23, 2021

**State Budget Agency**



Zachary Q. Jackson, Director  
State Budget Agency

DATE: 2/23/2021

**Indiana Bond Bank**



Kelly Mitchell,  
Chair, Indiana Bond Bank

DATE: February 23, 2021

## **ATTACHMENT A**

The IBB will use the fund to reimburse the costs incurred for establishing and operating the Midyear Cash Flow Borrowing Program (“COVID Relief Program”), which allowed qualified entities to bridge their cash flow deficits by issuing tax anticipation warrants to the IBB as part of a pooled financing. IBB structured the COVID Relief Program to minimize the costs to participating local units of government, recognizing that they found themselves in cash deficit positions through no fault of their own and as a direct result of COVID-19 and public health measures taken to stop or slow the spread of COVID-19. The IBB will reimburse itself for costs of issuance not covered by interest paid by local units, and then pass through the balance to the 33 participating units on a pro rata basis as reimbursement to such participating units for a portion of the interest paid on their respective tax anticipation warrants.