

# Sample Sub-Recipient Agreement Interlocal Agreement

## With a Local Nonprofit Organization

City/county of \_\_\_\_\_ and  
\_\_\_\_\_

### Sub-Recipient Agreement

This agreement is entered into on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the city/county of \_\_\_\_\_, hereinafter referred to as “the city/county” and \_\_\_\_\_, a private, nonprofit corporation incorporated under the laws of Montana, hereinafter referred to as “the center.”

Witnesseth that

Whereas, the center owns real property in the city/county, hereinafter referred to as the “property,” on which it proposes to \_\_\_\_\_ referred to as the “Project;” and

Whereas, the city/county desires to contract with the center to construct the project to enable the center to \_\_\_\_\_; and

Whereas, the center agrees to operate, manage and maintain the project in a manner so as to be available to all residents of the greater city/county area without regard to race, color, religion, creed, political ideas, gender, age, marital status, physical or mental disability or national origin and with granting agencies required guidelines; and



Whereas, the city/county has applied for and been awarded grant number MT-CDBG-\_\_\_\_\_ under Montana's Community Development Block Grant Program to construct the project; and

Whereas, the parties to this agreement understand that neither party has in any way abrogated any of its individual powers, and that this agreement does not create any new organization or legal entity.

Now, therefore, the city/county and the center mutually agree as follows:

I. Responsibilities delegated to the center

- A. The center agrees to carry out the responsibilities assigned to it as stated in the project management plan, as approved by the Montana Department of Commerce on \_\_\_\_\_, attached hereto and specifically incorporated herein by this reference.
- B. Following the completion of the project, the center will submit annual reports to the city/county, on a date to be specified by the city/county, unless later excused by new regulation or agreement. These annual reports shall include:
  - a. A copy of the center's annual IRS 990 tax form; and
  - b. A copy of the center's annual treasurer's report; and
  - c. Proof of adequate insurance on the facility.

II. Duration of the agreement

- A. This agreement takes effect when the following conditions are satisfied:
  - 1. Commerce and the city/county have executed the CDBG grant contract;
  - 2. Commerce has approved the city/county's request for release of funds and certification;

3. The attorney for the city/county and the attorney for the center have approved this agreement as to form and content; and
4. The city/county's council/commission and the center's board of directors have each reviewed this agreement, agreed fully to its terms and conditions and executed the same.

B. This agreement shall terminate five years after Commerce's final close out of CDBG grant number MT-CDBG-\_\_\_\_\_.

### III. Administration

- A. For purposes of implementing the joint undertaking established by this agreement, the city/county's council/commission and the center's board of directors agree to form as a committee comprising their total membership. The committee will meet as necessary to provide for the efficient and smooth implementation of this agreement and the activities specified herein.
- B. The center will comply with all requirements applicable to subrecipient entities as set forth in the city/county's CDBG contract with Commerce, attached hereto.
- C. The center will carry out each activity under this agreement in compliance with all federal laws and regulations described in 24 CFR Part 570.
- D. The center does not assume the city/county's environmental responsibilities described at 24 CFR Part 58.
- E. The center does not assume the city/county's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

### IV. Disposition of real property or acquired equipment

- A. The center will retain title, control and manage the project after final closeout of the CDBG grant number MT-CDBG-\_\_\_\_\_ in accordance with the terms set forth herein.

- B. With respect to any real property or any equipment under the center's control that was acquired or improved in whole or in part with funds from CDBG grant number MT-CDBG-\_\_\_\_\_ in excess of \$25,000, the center will either:
- a. Use the property to meet one of the national objectives contained in 24 CFR 570.208 for five years after Commerce's final closeout of CDBG grant number MT-CDBG-\_\_\_\_\_, or for such longer period of time as is determined to be appropriate by the city/county or;
  - b. Dispose of the property or equipment in a manner that reimburses the city/county in the amount of the current fair market value of the property or equipment, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvements to, the property or equipment. Reimbursement is not required after the period of time specified in subparagraph B a of this section. The proceeds from such disposition will be subject to the applicable provisions of 24 CFR 570.504 program income and 24 CFR sections 84.24 program income, 84.32 real property, 84.34 equipment, 85.25 program income, 85.31 real property and 85.32 equipment.
- C. Upon the expiration of this agreement, the center will transfer to the city/county any CDBG funds on hand at the time of expiration of this agreement and any accounts receivable attributable to the use of CDBG funds.
- D. The parties agree that concurrent with execution of this agreement, as security for the performance of the obligations set forth herein, an abstract of the lien against the property created by this agreement will be duly recorded with the \_\_\_\_\_ county clerk and recorder's office.

V. Indemnification

The center waives any and all claims and recourse against the city/county, including the right of contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to the center's performance



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of this agreement except claims arising from the concurrent or sole negligence of the city/county or its officers, agents, or employees. The center will indemnify, hold harmless and defend the city/county against any and all claims, demands, damages, costs, expenses or liability arising out of the center's performance of this agreement except for liability arising out of the concurrent or sole negligence of the city/county or its officer, agents or employees.

Remainder of this page left intentionally blank.

## VI. Suspension or termination

In accordance with 24 CFR 84.61, the city/county may suspend or terminate this agreement if the center materially fails to comply with the terms and conditions of this agreement, or if CDBG grant number MT-CDBG-\_\_\_\_\_ is terminated by Commerce in accordance with the terms of the city/county's CDBG contract with Commerce, attached hereto.

In witness whereof, the parties hereto have executed this agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

City/county of \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Name, title)

Attest: \_\_\_\_\_  
(Name, title)

Approved as to form:

By: \_\_\_\_\_  
(Name), city/county attorney

State of Montana )

:

County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me

\_\_\_\_\_, a notary public for the State of Montana, personally appeared

\_\_\_\_\_, known to me to be the \_\_\_\_\_ of the city/county of

\_\_\_\_\_ and \_\_\_\_\_, known to me to be the \_\_\_\_\_

of the city/county of \_\_\_\_\_, a Montana municipal corporation duly organized and incorporated and existing under the laws of the State of Montana, who are personally known to me to be the same persons who executed, as such officers, the



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within instrument on behalf of said municipal corporation and acknowledged to me that such municipal corporation executed the same.

(Notary seal)

\_\_\_\_\_  
Notary public for the state of Montana (type or print name)

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_

\_\_\_\_\_  
(Name of organization)

By: \_\_\_\_\_ Date: \_\_\_\_\_

(Name, title)

State of Montana )

:

County of \_\_\_\_\_ )