

**Grant Award Agreement Between
The State of Florida, Department of State
And**

[INSERT NAME OF GRANTEE TO MATCH W-9]

This Agreement is by and between the State of Florida, Department of State, Division of Arts and Culture hereinafter referred to as the "Division," and [INSERT NAME OF GRANTEE] hereinafter referred to as the "Grantee".

The Grantee has been awarded a [INSERT TYPE OF GRANT] by the Division, grant number [INSERT PROJECT NUMBER] in the amount of \$[INSERT AWARD AMOUNT]. Funds for this grant have been appropriated in the FY [INSERT YEAR] General Appropriations Act on line [INSERT LINE FROM GAA]. The Division has the authority to administer this grant in accordance with Section 265.286, *Florida Statutes*. Grantee is the sub-recipient of federal funding from the National Endowment for the Arts State Partnership Award [INSERT AWARD NUMBER].

All funds disbursed under this program may only be used in compliance with both State and Federal regulations including applicable provisions of 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and all other applicable statutes, regulations, and executive orders.

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. Grant Purpose.

This grant shall be used exclusively for [INSERT PROJECT NAME], the public purpose for which these funds were appropriated.

- a. The Grantee shall perform the following **Scope of Work**:

[INSERT SCOPE OF WORK] All tasks associated with the project, as outlined in the Project Description (See Attachment A), will be completed by [INSERT DATE].

- b. The Grantee agrees to provide the following **Deliverables and Performance Measures** related to the Scope of Work for payments to be awarded.

[INSERT DELIVERABLES AND PERFORMANCE MEASURES]

The Grantee has provided an Estimated Project Budget based upon reasonable expenditures projected to accomplish the Grantee's Scope of Work and Deliverables for fiscal year [INSERT YEAR]. The Budget provides details of how grant funds will be spent (which is incorporated as part of this Agreement and entitled Attachment B). All expenditures for this agreement shall be in accordance with this budget (Attachment B).

- c. Change Orders. Should grant expenditures exceed the budgeted grant amount for any category by more than 20%, the Grantee shall be required to submit a proposal for revision of the Project Budget with a written explanation for the reason(s) for deviation(s) from the original Project Budget to the Division for review and written approval.

2. Length of Agreement.

This Agreement shall begin on [INSERT DATE] and shall end [INSERT DATE], unless terminated in accordance with the provisions of Section 33 of this Agreement. Contract extensions will not be granted unless Grantee is able to provide substantial written justification and the Division approves such extension. The Grantee's written request for such extension must be submitted to the Division no later than thirty (30) days prior to the termination date of this Agreement.

3. Contract Administration.

The parties are legally bound by the requirements of this agreement. Each party's contract manager, named below, will be responsible for monitoring its performance under this Agreement, and will be the official contact for each party. Any notice(s) or other communications in regard to this agreement shall be directed to or delivered to the other party's contract manager by utilizing the information below. Any change in the contact information below should be submitted in writing to the contract manager within 10 days of the change.

For the Division of Arts and Culture:

Program Manager: [INSERT NAME]
Florida Department of State
R.A. Gray Building
500 South Bronough Street
Tallahassee, Florida 32399
Phone:
Email:

For the Grantee:

Contact:
Address:
Phone:
Email:

4. Grant Payments.

All grant payments are requested by submitting a payment request with documentation that the deliverable has been completed.

The total grant award shall not exceed \$[INSERT AWARD AMOUNT] which shall be paid by the Division in consideration for the Grantee's minimum performance as set forth by the terms and conditions of this Agreement. The grant payment schedule is outlined below:

[INSERT PAYMENT METHOD AND SCHEDULE]

5. Electronic Payments

The Grantee may choose to use electronic funds transfer (EFT) to receive grant payments. All grantees wishing to receive their award through electronic funds transfer must submit a Direct Deposit

Authorization form to the **Florida Department of Financial Services**. If EFT has already been set up for your organization, you do not need to submit another authorization form unless you have changed bank accounts. To download this form visit https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/vendors/vendor-relations/dfs-a1-26e-direct-deposit-vendors.pdf?sfvrsn=eff728cf_16. This page also includes tools and information that allow you to check on payments.

6. Florida Substitute Form W-9

A completed Substitute Form W-9 is required from any entity that receives a payment from the State of Florida that may be subject to 1099 reporting. The Department of Financial Services (DFS) must have the correct Taxpayer Identification Number (TIN) and other related information in order to report accurate tax information to the Internal Revenue Service (IRS). To register or access a Florida Substitute Form W-9 visit <https://flvendor.myfloridacfo.com/>. **An updated W-9 must be on file with www.myfloridacfo.com prior to release of payment. Grantee should confirm current Substitute W-9 is up to date prior to signing contract.**

7. Grant Funds Expenditure Log.

The Grantee must submit an expenditure log demonstrating the use of grant funds prior to the release of any subsequent payments. Each log must list all grant expenditures, including check numbers or transaction numbers, payees, dates of payment, check amounts, and associated Deliverables that support the satisfactory completion of services for each payment. The expenditure log details how grant funds were spent to achieve the deliverable(s) during the previous payment period. Expenditure logs will be submitted online with payment requests at www.dosgrants.com.

8. Amendment to Contract.

Either party may request modification of the provisions of this Agreement by contacting the Division to request an Amendment to the Contract. Changes which are agreed upon shall be valid only when in writing, signed by each of the parties, and attached to the original of this Agreement. If changes are implemented without the Division's written approval, the organization is subject to noncompliance, and the grant award is subject to reduction, partial, or complete refund to the State of Florida and termination of this agreement.

9. Financial Consequences.

The Department shall apply the following financial consequences for failure to perform the minimum level of services required by this Agreement in accordance with Sections 215.971 and 287.058, *Florida Statutes*.

[INSERT FINANCIAL CONSEQUENCES]

10. Grant Reporting Requirements.

The Grantee must submit the following reports to the Division. All reports shall document the completion of any deliverables/tasks, expenses and activities that occurred during that reporting period. All reports on grant progress will be submitted online through <https://dosgrants.com/>.

[INSERT PROGRESS REPORT DUE DATES]

11. Grant Completion Deadline.

The grant completion deadline is [INSERT DATE]. The Grant Completion Deadline is the date when the project is 100% complete and all grant and matching funds have been paid out in accordance with the work described in the Scope of Work, detailed in the Approved Project Budget. If the Grantee finds it necessary to request an extension of the Grant Completion Deadline, the extension may not exceed 30 days, unless the Grantee can demonstrate extenuating circumstances as described in Section 12 of this Agreement.

12. Extension of the Grant Completion Deadline.

An extension of the completion date must be requested at least 30 days prior to the end of the grant period and may not exceed 30 days, unless the Grantee can clearly demonstrate extenuating circumstances. An extenuating circumstance is one that is beyond the control of the Grantee, and one that prevents timely completion of the project such as a natural disaster, death or serious illness of the individual responsible for the completion of the project, litigation related to the project, or failure of the contractor or architect to provide the services for which they were contracted to provide. An extenuating circumstance does not include failure to read or understand the administrative requirements of a grant or failure to raise sufficient matching funds. Prior written approval is required for extensions.

13. Credit Line(s) to Acknowledge Grant Funding.

In publicizing, advertising, or describing the sponsorship of the program the Grantee shall include the following statement, or logo made available by the Division, in the same size, type, style, and location as credit to other major donors, in accordance with Section 286.25 *Florida Statutes*:

“Sponsored in part by the Division of Arts and Culture, the State of Florida, and the National Endowment for the Arts.”

14. Non-allowable Grant Expenditures.

The Grantee agrees to expend all grant funds received under this agreement solely for the purposes for which they were authorized and appropriated. Expenditures shall be in compliance with the state guidelines for allowable project costs as outlined in the Department of Financial Services’ Reference Guide for State Expenditures, which are incorporated by reference and are available online at https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/reference-guide-for-state-expenditures.pdf?sfvrsn=b4cc3337_2 and in compliance with Federal requirements at 2 CFR 200 and are available online at <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>. In addition, the following are not allowed as grant or matching expenditures:

- a. General programming activities;
- b. Expenses incurred or obligated before or after the grant period;
- c. Lobbying or attempting to influence federal, state, local legislation the judicial branch or any state agency;
- d. Capital expenditures (acquisitions, building projects, renovation or remodeling of facilities).
Exception: capital expenditures that are directly related to the proposal such as exhibit construction or stage lighting.

- e. Costs associated with bad debts, contingencies (money set aside for *possible* expenses), fines and penalties, interest, taxes (does not include payroll taxes), depreciation, and other financial costs including bank fees and charges and credit card fees;
- f. Private entertainment;
- g. Food, and beverages;
- h. Plaques, awards, and scholarships;
- i. Activities that are restricted to private or exclusive participation, which shall include restricting access to programs on the basis of sex, race, color, national origin, religion, disability, age, or marital status;
- j. Re-granting;
- k. Contributions and donations;
- l. Mortgage payments;
- m. Payments to current Department of State employees.
- n. Telephone; utilities; office supplies; fixtures; building maintenance; equipment costing over \$1,000 and other overhead and indirect costs; and
- o. Travel.

15. Travel.

The grantee must pay any travel expenses necessary for the completion of grant activities from local matching funds.

16. International Travel.

In accordance with Section 15.182, *Florida Statutes* (International travel by state-funded musical, cultural, or artistic organizations; notification to the Department of State), the grantee shall notify the Department of State of any international travel at least 30 days before the date the international travel is to commence or, when an intention to travel internationally is not formed at least 30 days in advance of the date the travel is to commence, as soon as feasible after forming such travel intention.

Notification shall include date, time, and location of each appearance.

17. Unobligated and Unearned Funds and Allowable Costs.

In accordance with Section 215.971, *Florida Statutes*, the Grantee shall refund to the State of Florida any balance of unobligated funds which has been advanced or paid to the Grantee. In addition, funds paid in excess of the amount to which the recipient is entitled under the terms and conditions of the agreement must be refunded to the state agency. Further, the recipient may expend funds only for allowable costs resulting from obligations incurred during the specified agreement period. Expenditures of state financial assistance must be in compliance with the laws, rules, and regulations applicable to expenditures of State funds, including, but not limited to, the *Reference Guide for State Expenditures*.

18. Repayment.

All refunds or repayments to be made to the Department under this agreement are to be made payable to the order of the "Department of State" and mailed directly to the following address: Florida Department of State, Division of Arts and Culture, 500 South Bronough Street Tallahassee, FL 32399. In accordance with Section 215.34(2), *Florida Statutes*, if a check or other draft is returned to the

Department for collection, Recipient shall pay to the Department a service fee of \$15.00 or five percent (5%) of the face amount of the returned check or draft, whichever is greater.

19. Single Audit Act.

The grantee is required to complete a Single Audit Act certification form through the Department of State grants management system at <https://dosgrants.com/>. Each grantee, other than a grantee that is a State agency, shall submit to an audit pursuant to 2 CFR 200, Subpart F - Audit Requirements, and Section 215.97, *Florida Statutes*. See Attachment B for additional information regarding this requirement.

20. Retention of Accounting Records.

Financial records, supporting documents, statistical records, and all other records including electronic storage media pertinent to the Project shall be retained for a period of five (5) years after the close out of the grant. If any litigation or audit is initiated, or claim made, before the expiration of the five-year period, the records shall be retained until the litigation, audit, or claim has been resolved.

21. Obligation to Provide State Access to Grant Records.

The Grantee must make all grant records of expenditures, copies of reports, books, and related documentation available to the Division or a duly authorized representative of the State of Florida for inspection at reasonable times for the purpose of making audits, examinations, excerpts, and transcripts.

22. Obligation to Provide Public Access to Grant Records.

The Division reserves the right to unilaterally cancel this Agreement in the event that the Grantee refuses public access to all documents or other materials made or received by the Grantee that are subject to the provisions of Chapter 119, *Florida Statutes*, known as the *Florida Public Records Act*. The Grantee must immediately contact the Division's Contract Manager for assistance if it receives a public records request related to this Agreement.

23. Noncompliance with Grant Requirements.

Any applicant that has not submitted required reports or satisfied other administrative requirements for other Division of Arts and Culture grants or grants from any other Office of Cultural, Historical, and Information Programs (OCHIP) Division will be in noncompliance status and subject to the OCHIP Grants Compliance Procedure. OCHIP Divisions include the Division of Arts and Culture, the Division of Historical Resources, and the Division of Library and Information Services. Grant compliance issues must be resolved before a grant award agreement may be executed, and before grant payments for any OCHIP grant may be released.

24. Accounting Requirements.

The Grantee must maintain an accounting system that provides a complete record of the use of all grant funds as follows:

- a. The accounting system must be able to specifically identify and provide audit trails that trace the receipt, maintenance, and expenditure of state funds;

- b. Accounting records must adequately identify the sources and application of funds for all grant activities and must classify and identify grant funds by using the same budget categories that were approved in the grant application. If Grantee's accounting system accumulates data in a different format than the one in the grant application, subsidiary records must document and reconcile the amounts shown in the Grantee's accounting records to those amounts reported to the Division.
- c. An interest-bearing checking account or accounts in a state or federally chartered institution may be used for revenues and expenses described in the Scope of Work and detailed in the Estimated Project Budget.
- d. The name of the account(s) must include the grant award number;
- e. The Grantee's accounting records must have effective control over and accountability for all funds, property, and other assets; and
- f. Accounting records must be supported by source documentation and be in sufficient detail to allow for a proper pre-audit and post-audit (such as invoices, bills, and canceled checks).

25. Availability of State Funds.

The State of Florida's performance and obligation to pay under this Agreement are contingent upon an annual appropriation by the Florida Legislature. In the event that the state funds upon which this Agreement is dependent are withdrawn, this Agreement will be automatically terminated and the Division shall have no further liability to the Grantee, beyond those amounts already expended prior to the termination date. Such termination will not affect the responsibility of the Grantee under this Agreement as to those funds previously distributed. In the event of a state revenue shortfall, the total grant may be reduced accordingly.

26. Independent Contractor Status of Grantee.

The Grantee, if not a state agency, agrees that its officers, agents and employees, in performance of this Agreement, shall act in the capacity of independent contractors and not as officers, agents, or employees of the state. The Grantee is not entitled to accrue any benefits of state employment, including retirement benefits and any other rights or privileges connected with employment by the State of Florida.

27. Grantee's Subcontractors.

The Grantee shall be responsible for all work performed and all expenses incurred in connection with this Agreement. The Grantee may subcontract, as necessary, to perform the services and to provide commodities required by this Agreement. The Division shall not be liable to any subcontractor(s) for any expenses or liabilities incurred under the Grantee's subcontract(s), and the Grantee shall be solely liable to its subcontractor(s) for all expenses and liabilities incurred under its subcontract(s). The Grantee must take the necessary steps to ensure that each of its subcontractors will be deemed to be "independent contractors" and will not be considered or permitted to be an agents, servants, joint venturers, or partners of the Division.

28. Copyright.

If publications, films, or similar materials are developed, directly or indirectly, from a program, project, or activity supported by the grant funds herein, any resulting copyright shall be held by the Grantee. As a condition of grant assistance, the Grantee agrees to and hereby awards to the Department and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, nonexclusive, and irrevocable license throughout the world for official purposes, to publish, translate, reproduce, and use all subject data or copyrightable material based on such data covered by the copyright.

29. Liability.

The Division will not assume any liability for the acts, omissions to act, or negligence of, the Grantee, its agents, servants, or employees; nor may the Grantee exclude liability for its own acts, omissions to act, or negligence, to the Division.

- a. The Grantee shall be responsible for claims of any nature, including but not limited to injury, death, and property damage arising out of activities related to this Agreement by the Grantee, its agents, servants, employees, and subcontractors. The Grantee shall indemnify and hold the Division harmless from any and all claims of any nature and shall investigate all such claims at its own expense. If the Grantee is governed by Section 768.28, *Florida Statutes*, it shall only be obligated in accordance with this Section.
- b. Neither the state nor any agency or subdivision of the state waives any defense of sovereign immunity, or increases the limits of its liability, by entering into this Agreement.
- c. The Division shall not be liable for attorney fees, interest, late charges or service fees, or cost of collection related to this Agreement.
- d. The Grantee shall be responsible for all work performed and all expenses incurred in connection with the project. The Grantee may subcontract as necessary to perform the services set forth in this Agreement, including entering into subcontracts with vendors for services and commodities; provided that such subcontract has been approved in writing by the Department prior to its execution; and provided that it is understood by the Grantee that the Department shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and that the Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract.

30. Strict Compliance with Laws.

The Grantee shall perform all acts required by this Agreement in strict conformity with all applicable local, state and federal laws and regulations. The Grantee shall during the term of this Agreement be in strict conformity with all applicable local, state and federal laws and regulations.

31. No Discrimination.

The Grantee may not discriminate against any employee employed under this Agreement, or against any applicant for employment because of race, color, religion, gender, national origin, age, disability or marital status. The Grantee shall insert a similar provision in all of its subcontracts for services under this Agreement.

32. Breach of Agreement.

The Division will demand the return of grant funds already received, will withhold subsequent payments, and/or will terminate this agreement if the Grantee improperly expends and manages grant funds, fails to prepare, preserve or surrender records required by this Agreement, or otherwise violates this Agreement.

33. Termination of Agreement.

The Division will terminate or end this Agreement if the Grantee fails to fulfill its obligations herein. In such event, the Division will provide the Grantee a notice of its violation by letter, and shall give the Grantee fifteen (15) calendar days from the date of receipt to cure its violation. If the violation is not cured within the stated period, the Division will terminate this Agreement. The notice of violation letter shall be delivered to the Grantee's Contract Manager, personally, or mailed to his/her specified address by a method that provides proof of receipt. In the event that the Division terminates this Agreement, the Grantee will be compensated for any work completed in accordance with this Agreement, prior to the notification of termination, if the Division deems this reasonable under the circumstances. Grant funds previously advanced and not expended on work completed in accordance with this Agreement shall be returned to the Division, with interest, within thirty (30) days after termination of this Agreement. The Division does not waive any of its rights to additional damages, if grant funds are returned under this Section.

34. Preservation of Remedies.

No delay or omission to exercise any right, power, or remedy accruing to either party upon breach or violation by either party under this Agreement, shall impair any such right, power or remedy of either party; nor shall such delay or omission be construed as a waiver of any such breach or default, or any similar breach or default.

35. Non-Assignment of Agreement.

The Grantee may not assign, sublicense nor otherwise transfer its rights, duties or obligations under this Agreement without the prior written consent of the Division, which consent shall not unreasonably be withheld. The agreement transferee must demonstrate compliance with the requirements of the project. If the Division approves a transfer of the Grantee's obligations, the Grantee shall remain liable for all work performed and all expenses incurred in connection with this Agreement. In the event the Legislature transfers the rights, duties, and obligations of the Division to another governmental entity pursuant to Section 20.06, *Florida Statutes*, or otherwise, the rights, duties, and obligations under this Agreement shall be transferred to the successor governmental agency as if it was the original party to this Agreement.

36. Required Procurement Procedures for Obtaining Goods and Services.

The Grantee shall provide maximum open competition when procuring goods and services related to the grant-assisted project. Government entities shall follow procurement procedures in accordance with Section 287.057, *Florida Statutes*. All grantees shall maintain documentation demonstrating an open procurement process.

37. Conflicts of Interest.

The Grantee hereby certifies that it is cognizant of the prohibition of conflicts of interest described in Sections 112.311 through 112.326, *Florida Statutes*, and affirms that it will not enter into or maintain a business or other relationship with any employee of the Department of State that would violate those provisions. The Grantee further agrees to seek authorization from the General Counsel for the Department of State prior to entering into any business or other relationship with a Department of State Employee to avoid a potential violation of those statutes.

38. Binding of Successors.

This Agreement shall bind the successors, assigns and legal representatives of the Grantee and of any legal entity that succeeds to the obligations of the Division of Arts and Culture.

39. No Employment of Unauthorized Aliens.

The employment of unauthorized aliens by the Grantee is considered a violation of Section 274A (a) of the Immigration and Nationality Act. If the Grantee knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of this Agreement.

40. Severability.

If any term or provision of the Agreement is found to be illegal and unenforceable, the remainder will remain in full force and effect, and such term or provision shall be deemed stricken.

41. Americans with Disabilities Act.

All programs and facilities related to this Agreement must meet the standards of Sections 553.501-553.513, *Florida Statutes*, and the Americans with Disabilities Act of 1990.

42. Governing Law.

This Agreement shall be construed, performed, and enforced in all respects in accordance with the laws and rules of Florida. Venue or location for any legal action arising under this Agreement will be in Leon County, Florida.

43. Entire Agreement.

The entire Agreement of the parties consists of the following documents:

- a. This Agreement
- b. Estimated Project Budget (Attachment A)
- c. Single Audit Act Requirements and Exhibit I (Attachment B)
- d. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions (Attachment C)

In acknowledgement of Grant Number xx.x.xx.xxx.xxx provided for from funds appropriated in the FY [INSERT YEAR] General Appropriation Act, in the amount of \$xxxxxx, I hereby certify that I have read this entire Agreement, and will comply with all its requirements.

Department of State:

Grantee:

Division Director

* Authorizing Official for the Grantee

Print Name & Title

Print Name & Title

Witness

Witness

Date

Date

Attachment A
Estimated Project Budget

[INSERT BUDGET]

Attachment B

Florida Single Audit Act Requirements

[INSERT FLORIDA SINGLE AUDIT ACT LANGUAGE]

Attachment C

**CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 45 CFR 1183.35, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211). Copies of the regulations may be obtained by contacting the person to which this proposal is submitted.

(BEFORE COMPLETING CERTIFICATION, READ ATTACHED INSTRUCTIONS)

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name and Title of Authorized Representative

Signature

Date _____

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms “covered transaction,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” “participant,” “person,” “primary covered transaction,” “principal,” “proposal,” and “voluntarily excluded,” as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion-Lower Tier Covered Transactions,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntary excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.