



W.K.
KELLOGG
FOUNDATION®

A Partner With Communities Where Children Come First

One Michigan Avenue East
Battle Creek, MI 49017-4012

MAIN 269.968.1611
FAX 269.968.0413

wkkf.org

May 26, 2015

Ms. Carolyn Seward
President/CEO
Family and Workforce Centers of America
6347 Plymouth Avenue, 5th floor
Saint Louis, MO 63133

RE: P3031909 (Please refer to this P number in ALL correspondence/reports)

Dear Ms. Seward:

The W.K. Kellogg Foundation ("Foundation") is pleased to award the Family and Workforce Centers of America ("Grantee") a grant in the amount of \$850,000 for the Grant Period of May 1, 2015, through October 31, 2017, to increase greater educational, employment and economic security outcomes for unemployed mothers and their children through advancing formal partnerships between workforce and early care stakeholders serving children 0-8. Grant funds shall be used solely as specified in the proposal submitted on May 5, 2015, which is incorporated herein by reference (the "Project") and in accordance with the following terms and conditions of this Grant Agreement ("Agreement").

Furthermore, the Foundation's communications team is coordinating a national announcement for the STEPS and MOVE UP pilot projects, in partnership with all the grantees that make up each of the two pilot cohort groups. Grantee may not make any external announcements about this Project and/or pilot program, independently of this coordinated announcement. The Foundation will share more information at the post award webinar for STEPS on June 16, 2015, at 1:30 p.m. EDT. Grantee is also required to participate in the 2015 STEPS and MOVE UP Employment Pilots convening which will be held on September 28 – 30, 2015, at a location to be determined in Michigan.

- Budget, Reporting Period(s) and Expenditures:** Grant funds shall be used solely for the purpose of the Project and only as indicated in the approved line-item budget submitted by Grantee as specified below. Grantee must obtain advance written approval from the Foundation program officer for disbursements substantially deviating from this budget. Expenses directly tracked to the grant are allowed. In limited circumstances, indirect costs are permitted and require preapproval from your Foundation program officer. Indirect costs are expenditures for activities or services that are not directly tracked to the Project, but rather are an allocation or percentage of organization-wide expenses. If approved, indirect costs shall not exceed 15 percent of the total grant amount (excluding indirect costs). Indirect costs exceeding this percentage or not preapproved by your Foundation program officer may be disallowed. Expenses must be incurred against the budget and during the approved timeline of reporting [hereinafter incorporated by reference as "Reporting Period(s)"] as follows:

	05/01/15 to 10/31/16	11/01/16 to 10/31/17	Total
Personnel	\$243,706	\$181,748	\$425,454
Contractual Services	\$ 72,290	\$ 54,860	\$127,150
Project Supplies	\$ 17,856	\$ 6,870	\$ 24,726
Capital Assets & Equipment	\$ 8,530	\$ 1,210	\$ 9,740
Meetings & Conferences	\$ 10,063	\$ 8,375	\$ 18,438
Travel	\$ 8,175	\$ 5,450	\$ 13,625
Other	\$ 41,631	\$111,369	\$153,000
Indirect Costs	\$ 47,749	\$ 30,118	\$ 77,867
Grand Total	\$450,000	\$400,000	\$850,000

2. **Payment:** Upon receipt of Grantee's signed acceptance of this Agreement, payment of \$450,000 will be made to Grantee. Grantee acknowledges that no more than \$50,000 of this payment will be expended by October 31, 2015, in support of the Project's planning. Successive payments are contingent upon receipt and approval of reports, as defined in the Reporting section, which demonstrates to the Foundation satisfactory progress of the stated objectives of the Project. The Foundation reserves the right to change or adjust the payment schedule of the grant at any time and will inform Grantee of such change.
3. **No Earmarking:** Beyond the rights and obligations specifically stated in this Agreement, the Foundation disclaims any right to control or otherwise influence Grantee's use of these funds. Accordingly, the Foundation will not engage in earmarking any funds under this Agreement.
4. **Subgranting:** Grantee agrees that any subgrant shall be made pursuant to terms and conditions that bind the subgrantee to those set forth in the following sections: Accounting and Audit, Legal and Tax Requirements, Patriot Act Compliance, Ownership and Royalties, Termination/Repayment of Grant Funds, Release and Indemnity, Use of Logo/Letterhead/Copyright, and Governing Law and Compliance. Subgranting occurs when Grantee provides Foundation funds in the form of a grant to one or more organizations that are selected by the Grantee. The Foundation retains no rights to select or veto ultimate recipients. Financial reporting on subgrants must be done on a cash basis.
5. **Accounting and Audit:** Grantee must maintain a separate accounting for this grant. This should be accomplished through the establishment of a separate general ledger account, fund or cost center. Grantee is encouraged to use all interest earned on grant funds to further the Project; however, a formal accounting of such income is not required. Grantee shall (i) maintain complete and accurate separate accounting, detailing receipts and expenditures made under the grant, and (ii) retain these records during the Grant Period and continuing at least four (4) years after receipt and acceptance of the final report. During this time, Grantee shall make such records available to the Foundation (or its designated representatives) for inspection or audit at the Foundation's expense and on reasonable notice to Grantee. The Foundation may also, at its expense and on reasonable notice to Grantee or any subgrantee, monitor and evaluate operations under this grant, including on-site visits to observe Grantee/subgrantee's procedures and talk with Grantee/subgrantee's personnel.
6. **Reporting:** Grantee agrees to submit for the Foundation's review and approval, a formal implementation plan, describing how the Grantee will execute the programmatic portion of the Project, by November 30, 2015. Within 45 days following the end of each Reporting Period, the Grantee will furnish to the Foundation program officer a report. The report will contain (i) a narrative report of what was accomplished by expenditure of the grant funds (including a description of

progress toward achieving the evaluation questions, if any, established for the grant as outlined in the Evaluation section below) and (ii) a financial statement reporting expenditures according to the approved grant budget. This reporting should be done using consistent accounting practices (cash or accrual) and should be certified only by an agent of the Grantee authorized to submit financial accounting on behalf of the Grantee. Failure to submit timely reports will result in delay in processing any subsequent payments to Grantee. A final report (which includes a narrative report and a financial statement of expenditures) is to be provided to the Foundation no later than three (3) months after the close of the final Reporting Period. Any unexpended funds remaining at the end of the final Reporting Period must be immediately returned to the Foundation, unless an extension has been approved in writing by the Foundation. Grantee agrees to provide the Foundation, upon request, a copy of all information relating to the results, findings or methods developed under the grant.

7. **Evaluation:** The Foundation views evaluation as an important management and learning tool. The Project requires an evaluation report separate from the narrative report. Therefore, unless otherwise prohibited, any evaluation reports created regarding the Project are to be submitted by the Grantee in their entirety, in electronic format, to your Foundation program officer at the end of each reporting period. Initial evaluation questions/information to be addressed in evaluation reports for the Project will be sent directly to Grantee as a separate communication from the Foundation program officer. (The specific questions/information may be refined and/or revised over the life of the grant with mutual agreement of Grantee and the Foundation program officer.)
8. **Legal and Tax Requirements:** Grantee represents and warrants to the Foundation that:
 - A. Grantee is an organization in good standing, is either a governmental unit or an organization described in Section 501(c)(3) of the U.S. Internal Revenue Code (“Code”), and is not a “private foundation” within the meaning of Section 509(a) of the Code. Grantee will notify the Foundation immediately of any change in its tax status.
 - B. Grant funds may be expended only for charitable, educational, literary or scientific purposes. In no event will Grantee use grant funds or any income earned thereon:
 - a) To carry on propaganda or otherwise to attempt to influence legislation (within the meaning of Section 4945(d)(1) of the Code).
 - b) To influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code).
 - c) To make grants to individuals or to other organizations for travel, study or similar purpose that do not comply with the requirements of Section 4945(d)(3) or (4) of the Code.
 - d) To undertake any activity other than for a charitable, educational, literary or scientific purpose specified in Section 170(c)(2)(B) of the Code.
 - C. Grantee agrees that any subgrant utilizing funds from this grant must only be made to a governmental unit or an organization described in Section 501(c)(3) of the Code and which is not a “private foundation” within the meaning of Section 509(a) of the Code.
 - D. No part of the grant can inure to the benefit of any private person or entity in violation of Section 501(c)(3) and 4941 of the Code, including, but not limited to, any Foundation trustee, officer,

employee, or his/her spouse, children, grandchildren, and great grandchildren or their respective spouses for any purpose.

9. **Patriot Act Compliance:** Grantee certifies that Foundation funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules and executive orders including, but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224. Furthermore, Grantee agrees to ensure that any Foundation funds, either directly or through a subgrant, will not be disbursed to any organization or individual listed on the United States Government's Terrorist Exclusion List or the Office of Foreign Assets Control (OFAC) Specially Designated Nationals & Blocked Persons List. In addition, Grantee takes reasonable steps to ensure that its board, staff, subgrantees and volunteers have no dealings whatsoever with known terrorist organizations.
10. **Ownership and Royalties:** Grantee shall retain all rights, title and interest in any intellectual property to include, but not limited to, literary and artistic works, products, materials, information and computer software created or developed as a result of this grant. Grantee hereby grants to the Foundation a perpetual, worldwide, royalty-free, non-exclusive right and license to use, publish, distribute, reproduce, copy and modify any intellectual property developed as part of the Project for non-commercial purposes. Any moneys realized by the Grantee or subgrantee from sales or licenses of the intellectual property created or developed from this grant must be utilized exclusively for the Project or for educational and charitable purposes and shall not inure to the personal benefit of individual(s) or noncharitable entities.
11. **Termination/Repayment of Grant Funds:** The Foundation reserves the right to discontinue funding and terminate the grant at any time if the Foundation determines, in its sole discretion, that: (i) it is not satisfied with the progress of the grant or the content of any written report, (ii) grant funds are not being used by Grantee or any subgrantee in an effective and efficient manner to further the grant's purpose or (iii) Grantee or any subgrantee has otherwise failed to comply with the terms of this Agreement. In the event the Foundation makes any such determination, the Foundation shall have the right to (i) discontinue any further payments to Grantee (under this or any other agreement the Foundation may have with Grantee), (ii) direct Grantee or subgrantee to repay to the Foundation any grant funds not used in accordance with this agreement and (iii) set-off any funds owing to the Foundation by Grantee under this agreement against funds the Foundation may owe Grantee under any other agreement.
12. **Release and Indemnity:** To the fullest extent permitted by law, Grantee shall release, indemnify, defend and hold harmless the Foundation and its directors, officers, trustees, employees, representatives and agents from and against any and all claims, demands, suits, damages, liabilities, injuries (personal or bodily), property damage, causes of action, losses, judgments, costs, expenses and penalties, including, without limitation, court costs and attorney's fees, arising out of (directly or indirectly) or related in any way to the negligent or wrongful acts or omissions of Grantee or any Grantee director, officer, employee or agent in connection with this grant or Project, except to the extent resulting from the negligent or wrongful acts or omissions of the Foundation. Grantee shall require any subgrantee or subcontractor to indemnify the Foundation in a manner consistent with this paragraph.

13. **Equal Opportunity:** The Foundation gives high priority to the realization of equality of opportunity for all members of society and strongly encourages diversity by the Grantee in all aspects of the Project and throughout all levels of the organization.
14. **Assignment Clause:** This Agreement, or any of the rights, obligations or funds awarded under this Agreement, may not be assigned without the Foundation's prior written consent. An assignment includes (i) any transfer of the Project; (ii) an assignment by operation of law, including a merger or consolidation; or (iii) the sale or transfer of all or substantially all of Grantee's assets.
15. **Use of Logo/Letterhead/Copyright:** The name, logo, letterhead or any item copyrighted by the Foundation may not be used by Grantee or any subgrantee without the written permission from the Foundation's communications department.
16. **Governing Law and Compliance:** This Agreement will be governed by and construed in accordance with the laws of the state of Michigan, with jurisdiction in the State and Federal Courts of Michigan. Grantee or any subgrantee will comply with all applicable local, state and federal laws and regulations.
17. **Entire Agreement, Severability and Amendment:** This Agreement contains the entire agreement between the Foundation and the Grantee relating to the subject matter hereof and supersedes all prior and contemporaneous negotiations, correspondence, understandings and agreements between the parties relating to the subject matter hereof. This Agreement may be modified or amended only by mutual written consent of the parties. In the event of any conflicting terms between this Agreement and the Project, this Agreement will supersede and govern. The Foundation's waiver or failure to enforce the terms and conditions of this Agreement in one instance shall not constitute a waiver of its rights hereunder with respect to other violations of this Agreement.
18. **Grantee Contact Information:** Grantee has indicated the following individuals hold key roles for this Project. Grantee shall provide written notification to the Foundation of any changes:

Legal Designee: Carolyn Seward, President/CEO
Financial Designee: Rochelle Lebbing, Director of Finance
Project Director: Angela J. Hall, Project Director

19. **Foundation Contact Information:** Your Foundation contact information for this grant is as follows:

Program Officer: Paula R. Sammons, PRS@wkkf.org
Grant Support: Paxton J. Olney, paxton.olney@wkkf.org, (269) 969-2085

If you have any questions about the terms or conditions of this Agreement, please contact me directly at (269) 969-2330 or ann.sherzer@wkkf.org. On behalf of the Foundation, I extend every good wish for the success of this effort.

Sincerely,

DocuSigned by:
Cindy W. Smith
26CA69E4CD8846B...

DS
cmc

Cindy W. Smith
Vice President for Integrated Services

As an authorized representative of the Family and Workforce Centers of America, Carolyn Seward, President/CEO, agrees to the terms and conditions of this Agreement.

Signature of Grantee:

DocuSigned by:
Carolyn Seward
E1F894093F0F42A...

5/26/2015

Carolyn Seward