COOPERATIVE AGREEMENT

Between the United States of America acting through the United States Department of Veterans Affairs (hereinafter referred to as VA) and the State acting through its Agency known as the State approving agency or the "SAA"

WHEREAS, the Governor or the legislature of the State has designated a State department or agency to be the State approving agency for the purposes of approval of courses and programs in accordance with the provisions of title 38, United States Code; and

WHEREAS, VA is authorized under the provisions of 38 U.S.C. § 3674 to reimburse the SAA for reasonable and necessary expenses of salary and travel incurred by employees of the SAA and for work performed by its approved subcontractor(s) in rendering necessary services in ascertaining the qualifications of educational institutions and/or training establishments to furnish courses of education under the provisions of the law, and in the supervision of such educational institutions and/or training establishments; and

WHEREAS, the State accepts responsibility under the provisions of 38 U.S.C. § 3671 for approval and supervision of courses offered by qualified educational institutions and/or training establishments in accordance with the standards and provisions of chapters 30, 32, 33, 34, 35, and 36 of title 38, United States Code; section 510 and chapters 1606 and 1607 of title 10, United States Code; title 38, Code of Federal Regulations, case law applying that authority, and VA's published interpretation of statute, regulation, and case law (e.g., in agency guidance or the Federal Register).

NOW THEREFORE, in consideration of the promises and mutual covenants and agreements hereinafter contained, the parties hereto do mutually agree as follows:

ARTICLE I - AREAS OF RESPONSIBILITY

1. The SAA will perform duties necessary for the inspection, approval, compliance, and supervision of those courses or programs, or tests to be pursued by veterans and eligible persons under the provisions of chapters 30, 32, 33, 34, 35, and 36 of title 38, United States Code, and section 510 and chapters 1606 and 1607 of title 10, United States Code, as are specifically set forth in this paragraph and pursuant to the detailed plan as outlined in the referenced appendices, which are attached hereto and incorporated as part of this agreement.

<table>
<thead>
<tr>
<th>TYPE OF PROGRAM OR COURSE</th>
<th>APPENDIX NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Institutions of Higher Learning (IHL) &amp; Non-College Degree Accredited &amp; Non-Accredited</td>
<td>1</td>
</tr>
<tr>
<td>b. Apprenticeship, On-the-Job (OJT)</td>
<td>2</td>
</tr>
<tr>
<td>c. Licensing &amp; Certification Testing Establishments, Governmental &amp; Non-Governmental</td>
<td>3</td>
</tr>
</tbody>
</table>

2. Effective and timely communication is essential to meet agreement requirements. The SAA shall keep VA apprised of the SAA’s activities consistent with the requirements of this agreement, and the SAA must respond to VA requests for information not identified within the other provisions of this agreement, no later than 14 calendar days to enhance support.
ARTICLE II – APPLICATIONS: APPROVALS – SUSPENSIONS – DISAPPROVALS

1. Except to the extent otherwise provided by law, the SAA will require an educational institution and/or training establishment desiring to secure approval of courses or programs, or organizations desiring to provide testing for a license or certification, to be pursued by veterans and eligible persons in accordance with the provisions of chapters 30, 32, 33, 34, 35 and 36 of title 38, United States Code, and section 510 and chapters 1606 and 1607 of title 10, United States Code, to submit an application in accordance with the provisions set forth in the appropriate appendix identified in Article I.

2. SAA will ensure an educational institution’s and/or training establishment’s program approval is in accordance with the provisions of title 38 of United States Code (USC), title 38 of the Code of Federal Regulations (CFR), case law applying that authority, and VA’s published interpretation of statute, regulation, and case law (e.g. in agency guidance or the Federal Register).

3. SAA, upon receipt of a denial of benefits letter, will take action to initiate an approval request, when it is appropriate to do so, within 30 calendar days of receipt.

4. SAA, after final determination on an application of the educational institution, training establishment, or organization providing testing, must take action and will promptly provide VA and the educational institution, training establishment, or organization providing testing with a written report of the details of each approval or disapproval as required by the appropriate appendix, including, in the case of disapproval, the reason or reasons therefor.

5. SAAs are strongly encouraged to include in their approval letters for education and training facilities that VA may discontinue benefit payments if VA determines that the program fails to meet any of the requirements outlined in Title 38.

6. SAA will promptly approve, suspend and/or disapprove programs, in accordance with the provisions of title 38 of United States Code (USC), title 38 of the Code of Federal Regulations (CFR), case law applying that authority, and VA’s published interpretation of VA’s published interpretation of statute, regulation, and case law (e.g., in agency guidance or the Federal Register). The SAA will promptly provide VA with written notice of each amendment, modification, suspension, or withdrawal of any course or program approval and the reasons for the action.

7. Upon notice, SAA will suspend and/or disapprove programs that fail to meet the approval requirements of title 38 of United States Code (USC), title 38 of the Code of Federal Regulations (CFR), case law applying that authority, and VA’s published interpretation of statute, regulation, and case law (e.g., in agency guidance or the Federal Register) within 14 calendar days.

8. Upon notice, SAA will take corrective action for approval and disapproval actions not in compliance with title 38 USC, title 38 CFR, case law applying that authority, and VA’s published interpretation of statute, regulation, and case law (e.g., in agency guidance or the Federal Register) within 14 calendar days.

9. SAA will disapprove a course of education provided by a public IHL for all beneficiaries under the Post-9/11 GI Bill (chapter 33 of title 38, United States Code) and Montgomery GI Bill-Active Duty (chapter 30 of title 38, United States Code) if a covered individual, while living in that state, is charged tuition and fees at a higher rate than that charged to residents of the State, regardless of the covered individual’s State of residence. (38 USC Section 3679(c)).
10. In any case where the SAA suspends or withdraws the approval of an approved educational institution, training establishment, or organization providing testing, the SAA will notify the institution, establishment, or organization of the suspension or withdrawal of approval, to include statutory and/or regulatory violation reference, by registered or certified letter and shall secure a return receipt.

11. Required Performance Targets related to Program Approval, Suspension, and Disapproval Activities are as follows:

<table>
<thead>
<tr>
<th>Goal</th>
<th>Performance Measure</th>
<th>Minimally Required Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respond to program approval inquiry timely</td>
<td>Percent within 14 calendar days</td>
<td>95%</td>
</tr>
<tr>
<td>Visit institution w/in 30 days of the date of receipt of the completed application</td>
<td>Percent within 30 calendar days</td>
<td>90%</td>
</tr>
<tr>
<td>Process completed approval package (For FY20 and beyond, including uploading to Salesforce)</td>
<td>Percent within 30 calendar days of receipt</td>
<td>90%</td>
</tr>
<tr>
<td>Submit accurate program approval packages, including original date of receipt of approval package</td>
<td>Percent of received and accepted packages with no substantive errors</td>
<td>90%</td>
</tr>
</tbody>
</table>

ARTICLE III – INSPECTION, TECHNICAL, AND COMPLIANCE VISITS

1. Inspections and technical or compliance visits by the SAA of educational programs offered by institutions, training establishments, or organizations providing testing to determine their qualifications for furnishing approved courses and programs shall be conducted in accordance with the provisions of the appendices listed in Article I. VA will coordinate with SA A's in advance of any compliance visits by providing a listing of educational institutions and training establishments that require compliance visits during the fiscal year, such list to be provided to SAA by September 1st of the preceding year. SAAs will follow procedures prescribed by VA when preparing and completing compliance visits. The SAA will complete all tasks (pre- and post-compliance utilizing VA procedures and systems, including Salesforce and the RPO Referral spreadsheet until such time VA implements the technical solution) associated with the compliance visit. SAAs may exercise professional judgment in conducting additional institutional and facility visits (in addition to the required compliance visit listing) to the degree possible within available resources. The additional school or facility visits shall not impact required compliance or approval work, and a visit report must be submitted to the ELR. (See Article V, paragraph 4).

2. In addition to educational institutions and training establishments that are included on the list provided to the SAA by VA, VA may request additional inspections and technical visits. SAA will complete visits, requested by VA within 45 calendar days of request. Report associated with the visit must be submitted to VA within 50 calendar days of the visit. If necessary, SAA will follow up within 30 calendar days of visit.

3. VA shall report to the SAA each case in which VA has information that a course, program, or test does not meet the standards for approval set forth in the appropriate appendix under Article I of this agreement. In all such cases, and in the case of other irregularities found by the SAA, the SAA will take action within 30 calendar days (or 60 calendar days, if the SAA requests in writing, and VA authorizes additional time to act) after the date of VA's report or the SAA's discovery of such irregularities, either to secure compliance with approval standards or correction of such irregularities,
or to withdraw its approval of the course, program, or test. To inform VA of irregularities and actions taken, SAAs will forward school suspension or withdrawal letters pertaining to fraud, erroneous, or misleading practices to VA Central Office at least one day prior to their release. In the event of a school closure, SAAs will take action to withdraw the program timely and forward the withdrawal letter, which shall include the closure date, to eduresto.vbamus@va.gov, in addition to the ELR.

4. SAAs will access VA’s GI Bill Feedback System to assess the number, nature and status of any complaints against a school/facility prior to performance of a compliance survey.

5. All compliance survey visits must be performed before August 15th of the agreement year.

6. Required Performance Targets related to Inspection, Technical, and Compliance Visits are as follows:

<table>
<thead>
<tr>
<th>Goal</th>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance surveys as scheduled</td>
<td>Number of completed compliance surveys (including EP)</td>
<td>90%</td>
</tr>
<tr>
<td>End Product established</td>
<td>Within 7 calendar days of compliance survey</td>
<td>90%</td>
</tr>
<tr>
<td>Compliance surveys complete; including EP (no referral action), including uploading to Salesforce.</td>
<td>Percent within 30 calendar days</td>
<td>95%</td>
</tr>
<tr>
<td>Compliance survey referral action, if required</td>
<td>Referral submitted to RPO within 10 calendar days of compliance survey</td>
<td>95%</td>
</tr>
<tr>
<td>Compliance survey complete; including EP (if referral action) and uploading to Salesforce.</td>
<td>Within 15 calendar days of receipt of response to a referral</td>
<td>95%</td>
</tr>
<tr>
<td>Narratives must follow VA procedures and contain over or underpayments associated with each error found (if referral action is taken)</td>
<td>As required</td>
<td>100%</td>
</tr>
<tr>
<td>Follow up if necessary</td>
<td>Percent within 30 calendar days</td>
<td>95%</td>
</tr>
<tr>
<td>Initiate corrective action (approval issues) as the result of a compliance visit</td>
<td>Percent within 10 calendar days of event</td>
<td>95%</td>
</tr>
<tr>
<td>SAA responds to VA regarding follow-up or corrective action taken</td>
<td>Percent within 20 calendar days of action</td>
<td>95%</td>
</tr>
<tr>
<td>Compliance survey visits must be performed by August 15</td>
<td>As scheduled</td>
<td>90%</td>
</tr>
<tr>
<td>Quality review score based on five compliance surveys reviewed by ELR each quarter</td>
<td>Actual score</td>
<td>90%</td>
</tr>
</tbody>
</table>

7. If an SAA has a reduction in staff at any point during the fiscal year, JPRG will consider SAA and ELR reports of mitigating circumstances at the time of the fiscal year evaluation.
ARTICLE IV – PRINCIPLES OF EXCELLENCE

1. SAA will comply with, and enforce, applicable requirements originally outlined in Executive Order 13607, Principles of Excellence, and set in VA Policy January 2018. For those schools that have agreed to adhere to the Principles of Excellence, areas of compliance or non-compliance with the Principles of Excellence will be validated during compliance surveys and documented on the Principles of Excellence addendum to VA Form 22-1934.

2. In the event an SAA performs a Targeted Risk Based Review, the SAA will have a commensurate reduction of a compliance survey for each TRBR completed. SAAs will access VA’s GI Bill Feedback System to assess the number and nature of any complaints against a school/facility prior to performance of a Targeted Risk Based Review. SAA will initiate review within 7 calendar days of request and provide a report to VA within 35 calendar days of request.

3. SAAs that receive complaints from students shall encourage those students to enter their complaints into VA’s GI Bill Feedback System, or the SAA may enter the complaints on the students’ behalf. The SAA will investigate student complaints as appropriate or as requested by VA.

ARTICLE V - REPORTS - RECORDS

1. SAA will submit to VA the Compliance Survey Worksheet for each student and the original VA Form 22-1934, Compliance Survey Report for each compliance visit in accordance with the provisions of the appropriate appendix under ARTICLE I. Each report must provide the name and address of the institution, establishment, or organization; the purpose of the visit; specific types of records examined; any changes in approval status; any discrepancies or irregularities found; any corrective action taken; any action the institution, establishment, or organization is required to take directly with VA; and any finding, based on the records examined, that the course or program either continues to meet requirements for approval or fails to do so.

2. SAA will maintain complete approval records for all approved courses or programs. When an approval is withdrawn, the approval records will be retained for a period of at least 6 years from the date of disapproval of the course or program, if not already uploaded into VA’s system, presently known as Salesforce.

3. SAA will submit to VA a written report of the results of any special investigation or inspection of an educational institution or training establishment that is conducted at the written request of VA. The report shall respond to each item referred to the SAA by VA that involves areas in question that fall within the purview of the SAA’s responsibility.

4. SAA will submit to VA a copy of the written narrative report of each technical assistance visit to an educational institution or training establishment. Such visits shall be conducted by the SAA to provide to the educational institution or training establishment technical assistance relating to the approval process and for purposes of supervision.

5. In conjunction with outreach services furnished by the Secretary of Veterans Affairs, for education and training benefits, each SAA will conduct outreach programs and provide outreach services to eligible persons and veterans in their state about education and training benefits available under applicable Federal and State law. “Outreach” is defined as an activity designed to promote increased participation and utilization by eligible veterans or persons of VA or Department of Defense educational assistance programs. Emphasis will be given to developing job-readiness skills and employment opportunities for VA program participants. “Outreach” also includes any activity, which encourages educational institutions, training establishments, or organizations providing testing for a license or certification to obtain approval for VA purposes of courses and programs. Outreach
activities by the SAA may include, but are not limited to, employer visits, workshops and presentations, Transition Assistance Program (TAP) briefings, meetings, mailings, media announcements, telecommunication activities, and computer applications. The SAA will submit to VA a written report of each outreach visit made. The report shall include pertinent names, dates, number of attendees, length of time spent at the event (not including travel time), address(es) of the event, and a description of the activities performed at the event.

6. SAA will submit to VA a quarterly report showing the number of approval actions and technical assistance, inspection, approval, and compliance visits, made to educational institutions and/or training establishments for which reimbursement is requested by the SAA pursuant to the terms of this agreement. Such quarterly report will be accessed and monitored by VACO and the ELR. The respective dates for submission will be no later than the following: February 1, May 1, August 1, and October 11. The last quarterly report shall clearly reflect the status of all incomplete compliance surveys where an end product has not been taken. The SAA will be considered non-compliant with the standards and provisions of this section should reports not be submitted on a timely basis.

7. SAA will meet with ELR on a quarterly basis to review performance under this agreement, utilizing the jointly developed quarterly report.

8. SAA will maintain records and books of accounts showing in detail the actual cost to the SAA for salary and fringe benefits, outreach activities, travel, and approved subcontractor services for which reimbursement is requested from VA under this agreement. Such records shall be open to the authorized representatives of the Federal Government for purposes of verification and audit or review, either before or after invoices are submitted for payment.


10. SAA will be authorized to access VA information solely to perform functions necessary under this agreement. VA has authority to disclose this information to the SAA (38 U.S.C. §5701). Information disclosed to the SAA is contained in the Privacy Act System of Records, "VA Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records - VA (58VA21/22/28)" and disclosure is authorized pursuant to routine use #60.

ARTICLE VI - REVIEWS AND AUDITS

1. SAA shall submit supporting documents for all reimbursable expenses. Amounts invoiced must be documented by State travel vouchers, inspection/visit reports, and a statement of the hourly time distribution for employees performing other than solely VA-related activities. The SAA will maintain a balance sheet, by category, of all expenditures. The balance sheet must be updated monthly or whenever a proper invoice is paid. A copy of the balance sheet will be made available to the VA upon request.

2. SAA will obtain an audit of the accounts and records associated with the claims for reimbursement in accordance with the requirements of OMB Circular A-133 (revised June 26, 2007). A copy of the audit shall be made available to VACO upon request within 15 calendar days.

ARTICLE VII - PERSONNEL STANDARDS

1. The SAA will use fully qualified personnel in accordance with qualification and performance standards mandated by 38 U.S.C. § 3674A(a)(b), and the State's Civil Service or other existing State employment standards for the performance of the functions for which reimbursement is provided under this agreement. However, with the prior written approval of VACO, the SAA may use qualified
subcontractors for performance of functions that have a direct relationship to the requirements of this agreement. The subcontractors must meet the same qualification and performance standards as those listed in subparagraphs 2(a) through 2(c) below. A copy of the resume for each newly-hired professional staff member must be submitted to VA within 10 business days of the date of hire. The Director, Education Service or delegated authority will evaluate the education and qualifications to determine whether the newly-hired staff meets the required qualification standards in order to be placed on the agreement.

2. The personnel qualification standards adopted by the State and incorporated as part of this agreement shall describe a level of qualification standards which shall equal or exceed the level of qualification standards listed in subparagraphs (a) through (c) below.

(a) Qualification standards for personnel approving and supervising courses offered by educational institutions are as follows: Bachelor's Degree with 5 years of related experience; Master's Degree with 3 years of related experience; or Doctoral Degree with 1 year of related experience.

(b) Qualification standards for personnel approving and supervising courses offered by job training establishments are as follows: Bachelor's Degree with 2 years of related experience or equivalent in education and/or related work experience totaling 6 years.

(c) Qualification standards for personnel performing compliance reviews of courses offered by educational institutions and job training establishments are as follows: Bachelor's Degree with 2 years of experience or equivalent in education and/or related work experience, totaling 6 years.

(d) Veterans' preference in hiring shall be given in accordance with State law.

3. The SAA will require all personnel to initiate a background investigation, and receive a National Criminal History Check (NCHC) Clearance from VBA Security prior to being placed on the agreement, regardless of whether they will have access to VA systems. VA will reimburse a SAA for work completed by a newly hired staff member who receives a favorable State Criminal background check, prior to receiving a favorable NCHC clearance from VBA Security. Any personnel requiring access to VA systems must apply for and obtain the PIV card. A minimum of two employees must have access to VA systems, except for SAAs with a single person staff. In addition, SAA staff with system access who no longer need access (i.e. change in duties or leave the agency) will immediately return the PIV card to the VA office that issued the card.

4. SAA will provide statements of the qualifications of all professional staff employees under the agreement, each fiscal year, as specified by 38 U.S.C. 3674A(b)(1), (2).

5. SAA shall ensure compliance with 38 U.S.C. 3683.

6. VA will continue providing support to SAAs who experience difficulties accessing VA systems during times when the VA systems are online and operating and when problems prevent the SAA from meeting requirements. SAAs are encouraged to follow the same process used by the VA staff when difficulties arise to include using the technical assistance telephone number and online system as applicable. SAAs are required to maintain access to VA systems, which includes accessing those systems to prevent deactivation. If an SAA experience performance issues related to system access at no fault of their own, JPRG will consider mitigating circumstances at the time of the fiscal year evaluation. VA will explore issuing a VA owned-government laptop to each SAA Director and SAA staff listed with the VA beginning in FY19, upon request.

ARTICLE VIII — AGREEMENT AND SUBCONTRACT COMPLIANCE

1. All reimbursements provided by this agreement are conditioned upon compliance by the SAA with the standards and provisions of this agreement, chapters 30, 32, 33, 34, 35, and 36 of title 38, United States Code, section 510 and chapters 1606 and 1607, title 10, United States Code, title 38 of the Code of Federal Regulations (CFR), case law applying that authority, VA's published
interpretation of statute, regulation, and case law (e.g. in agency guidance or the Federal Register). VACO must approve all subcontracts in advance.

2. The SAA will obtain all necessary licenses and/or permits required to perform this work. SAA will take all reasonable precautions necessary to protect persons and property from injury or damage during the performance of this contract. SAA will be responsible for any injury to himself/herself or his/her employees, as well as for any damage to personal or public property that may occur during the performance of this contract that is caused by employees’ fault or negligence, and will maintain personal liability and property damage insurance having coverage for a limit as required by the laws of the State. Further, it is agreed that any negligence of the Government, its officers, agents, servants and employees, will not be the responsibility of the SAA hereunder with the regard to any claims, loss, damage, injury, and liability resulting there from.

ARTICLE IX - REQUIREMENTS FOR REIMBURSEMENT

1. Effective October 1, upon receipt and review of properly prepared and certified invoices, VA shall reimburse the SAA for the reimbursable cost of salaries and travel expenses incurred by employees of the SAA and/or approved subcontractors pursuant to the terms of this agreement. These costs are to be determined in accordance with the provisions of Appendix 6.

2. SAA will submit to VA each month or quarter, an invoice under this agreement showing only the total amount of salary and travel expenses incurred under this agreement for which reimbursement has not previously been requested and for which reimbursement is requested on the invoice submitted. Invoices must be received by the ELR no later than the following: February 18, May 18, August 18 and November 18. The invoice shall have attached to it a detailed supporting schedule, in such form as may be prescribed by VA, showing separately for each individual: the name; position or title; salary rate; amount paid for salary; amount paid for travel expense; and periods covered by such expense or salaries. Travel expenses and allowances reimbursable pursuant to 38 C.F.R. § 21.4153(c)(2)(ii) must be supported by a detailed copy of the SAA travel voucher, clearly delineating the travel for VA agreement purposes and indicating the cost, destination, and purpose of travel, will be included for all travel expenses claimed. All travel claimed for visits to educational institutions and training establishments must be supported by a copy of the report of the visit in a format prescribed by VA. Claims for salary and travel must include a statement of the hourly time distribution and supporting documentation for VA-related activities by employees who are performing both those and other activities.

3. A final invoice must be received not later than November 18.

4. Reimbursement payments under this agreement will be made by the Education Regional Processing Office of jurisdiction unless otherwise specified by VA in a notice to the SAA.

5. No reimbursement payment will be made under this agreement for the salary or travel expenses of any person other than an employee of the SAA, acting in his or her official capacity when performing SAA related duties, or of an approved subcontractor of the SAA.

6. No reimbursement payment will be made under this agreement for any salary payment to SAA personnel in excess of the established salary or wage rate paid other employees of the SAA for equivalent duties and responsibilities.

7. Reimbursement during the term of this agreement will be made for salaries of SAA or approved subcontractor employees during periods for which they are granted leave not in excess of the amount of leave to which the employee is entitled under State leave regulations applicable to all State employees. Where the State has no law or published regulations governing the accrual and granting of leave to State employees, the SAA will furnish to VA reasonable leave regulations to govern the
granting of leave to employees whose salaries are reimbursable under this agreement. Such regulations shall be subject to the approval of VA and shall specifically provide for the accrual and use of leave. Reimbursement for salary paid to an employee on leave shall be made only if the leave has been taken in accordance with such policy. Reimbursement for such expense is authorized under this agreement only if leave is accrued by the employee while performing services under the terms of this agreement, or prior year agreements or contracts between VA and the SAA for services similar to those provided for in this agreement.

8. In accordance with OMB Circular A-87, Attachment B, payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component. See OMB Circular A-87, Attachment B, section 11 (Compensation for personal services), paragraph d. 3. (Fringe benefits)

9. A reimbursement payment for travel expenses under this agreement will be made on the basis of expenses allowable under the provisions of applicable State laws or regulations. Where the State has no published regulation governing payment of the travel expenses to State employees, VA and the State will agree upon reasonable and acceptable travel regulations, and reimbursement for travel expenses shall be made only in accordance with such regulations.

10. Subject to paragraph 11 of this Article, reimbursement will be made for the salary and travel expenses of individuals employed by the State or its approved subcontractors only while they are engaged in VA related approval and compliance functions or when the employee is assigned or sent to a VA and NASAA (National Association of State Approving Agencies, Inc.) sponsored function for training or in furtherance of approval duties.

11. A reimbursement payment will be made for the out-of-State travel expenses of an individual(s) employed by the State or its approved subcontractor only while he or she is assigned or sent to a VA and NASAA sponsored or Regional School Certifying Official function for training. Reimbursement for any other out-of-State travel expenses for meetings and conferences is permitted only if the Director, Education Service, or his/her designee gives prior written authorization for the travel. (38 C.F.R. §21.4153(c)(2)(i)(B)).

12. Reimbursement will be made for the reasonable and necessary salary and travel expenses of individuals employed by the SAA and/or its approved subcontractors while they are engaged in providing outreach activities in their state. In conjunction with outreach services furnished by the Secretary of Veterans Affairs, for education and training benefits, each State approving agency will conduct outreach programs and provide outreach services to eligible persons and veterans in their state about education and training benefits available under applicable Federal and State law. All outreach events will be supported by copies of visit reports required under Article V paragraph 5, state travel vouchers, and receipts for materials purchased and/or rentals.

ARTICLE X - PAYMENTS

1. The principles and standards for determining salary, travel, and subcontract costs applicable to this agreement shall be governed by OMB Circular A-87, Cost Principles for State and Local Governments.

2. Subject to the Fiscal Year estimated cost, an administrative expense allowance for services performed under this agreement shall be paid to the SAA in an amount determined under 38 U.S.C. § 3674(b). The amount of such allowance shall be computed by the VA staff and included in the payment voucher based upon the reimbursement amount for salary expenses payable for each invoice. The provisions of OMB Circular A-87 are not applicable to the determination of this allowance. The SAA will use the allowance for expenses associated with discharge of its responsibilities under
this agreement, and shall maintain complete records of such expenses. Administrative expenses may include, but are not limited to, outreach events and supplies, rental, repair, fees, maintenance, utility, and insurance expenses for agency facilities; postage; costs of office equipment and supplies, educational supplies, freight and delivery services; in-state and out-of-state non-reimbursed travel expenses as defined in Article IX, numbers 9,10,11, and 12; and other miscellaneous operating expenses. These administrative expense funds will be maintained in a separate account, designated as the "Administrative Expense Allowance Account," for SAA purposes only. VA may audit the Administrative Expense Allowance Account to ensure that these funds have been utilized for agreement-related functions and not for other State programs that are not related to this SAA agreement.

3. It is understood and agreed that reimbursement for salaries and travel will be limited to salaries and travel for the positions and in the authorized amounts as set forth in paragraphs 2 and 3 of this Article. The SAA may allocate agreement funds at its discretion for what it determines to be the most effective utilization, provided that the services necessary for the approval and supervision of educational institutions and/or training establishments shall be carried out over the full 12 month term of this agreement.

4. The SAA will not be deemed to have breached its responsibility under this agreement if it is unable to provide the services and facilities agreed to under this agreement for a period not to exceed one month for reasons beyond its control (e.g., State furloughs of employees for budgetary reasons, strikes, fire damage to facilities), provided that the SAA in good faith otherwise provides the services and meets the requirements of the agreement hereunder during the full term of this agreement. The SAA is required to provide prompt written notification to VA of the specific act or event that caused the SAA's inability to perform. The SAA is required to provide VA with an actual or projected date for restoration of the services agreed to under this agreement.

5. All reimbursement payments for salaries, travel, and administrative expenses under this agreement are subject to availability of appropriated funds. SAAs should notify VA as early as it is determined that they will not use all their allocated funding, but no later than September 1. VA will periodically assess the use of funds by the SAA and may reallocate funds determined to be in excess of needs as mutually agreed to through a modification to this agreement. It also is understood and agreed that the SAA will incur reasonable and necessary salary and travel expenses in connection with carrying out its responsibilities under this agreement. VA reserves the right to determine whether it will consider supplemental agreements to cover reasonable and necessary expenses incurred during the performance period that are above the original allocation amount. SAAs are advised that the availability of funds for supplemental agreements is not guaranteed, and that VA cannot be held responsible for reimbursement of expenses above the original allocation amount.

6. Reimbursement for salaries of part-time employees will be at a rate not in excess of the prorata portion of the full-time rate that the part-time employment bears to full-time employment. Amounts charged for salary or wages will be based on payrolls documented and approved in accordance with the generally accepted practice of the State. Payrolls must be supported by time and attendance, or equivalent, records for individual employees.

7. Reimbursement of salary and travel expenses will be for services actually performed under the terms of this agreement by employees in positions for which Appendix 6 authorizes such expenses. The amounts shown as salary (includes fringe benefits), travel expenses and subcontractor expense are average allowances which may be exceeded by authorized individuals monthly but the total amount reimbursable for the full agreement period may not exceed the total salary (includes fringe benefits), travel expense or subcontractor expense authorized for the year as shown in Appendix 6. Salaries and wages of part-time employees and salaries and wages of employees, who, provide services to both VA, under this agreement, and to the State, for other purposes, will be supported by appropriate time-distribution records. The method used must produce
an equitable distribution of time and effort. Reimbursement will not exceed the pro rata part of the employee's salary, supported by such time distribution records, devoted to the performance of this agreement. Travel expenses in connection with services provided to both VA, under this agreement, and to the SAA, for other purposes, will be supported by appropriate mileage and time-distribution records.

8. Reimbursement for work done by subcontractors must have a direct relationship to the requirements of chapters 30, 32, 33, 34, 35, and 36 of title 38, United States Code, and section 510 and chapters 1606 and 1607 of title 10, United States Code, and may not exceed the authorized subcontract amount set forth in Appendix 6.

9. The Federal Government's obligation for performance of this agreement is contingent upon the availability of appropriated funds from which payment for agreement purposes can be made. No legal liability on the part of the Federal Government (hereinafter referred to as the "Government") for any payment may arise for performance under this agreement until funds are made available to the Director, Education Service for performance and until the Agency receives notice of availability, to be confirmed in writing by the Director, Education Service. Subject to the availability of upcoming fiscal year funding, VA will provide the funding level for the new fiscal year when the new agreement is offered.

10. Claims by the SAA for payment under this agreement submitted later than 12 months after the expiration of the agreement will not be honored unless the SAA demonstrates that failure to timely submit such claims was due to circumstances beyond the SAA's control.

11. Payment disputes must be directed to the Director, Education Service (223C), VACO, 810 Vermont Avenue, N.W., Washington, DC 20420.

ARTICLE XI - EVALUATIONS OF STATE APPROVING AGENCIES

1. VA shall conduct, in conjunction with SAAs, an annual evaluation of each SAA. The evaluation is based on the performance of this agreement, and the standards developed jointly by VA with the SAA, the application of the SAA's performance standard, and the SAAs required self-evaluation.
   (a) The performance of each SAA during the immediate prior year will be evaluated by a Joint Peer Review Group, which shall be comprised of four representatives each from the SAAs and from VA. VA shall provide each SAA with a rating letter for that fiscal year based on the evaluation, which will include a rating of Satisfactory, Minimally Satisfactory or Unsatisfactory. The SAA will have an opportunity to comment on the rating. Each SAA has 30 calendar days from receipt of a rating in which to appeal in writing to VACO Education Service, 223C via the 223C corporate mailbox. SAAs have the option for an appeal by teleconference or in person, if SAA funding is available. Each appeal will be heard jointly by the Director, Education Service, and the President of NASAA. If a joint decision cannot be reached, the Director, Education Service, will exercise his authority per 38 USC Section 3674A on behalf of the Secretary, and make the final appeal determination. The SAA will provide all pertinent information to the appeal officials prior to the appeal; in addition, the SAA must provide sufficient proof during the appeal to allow the appeal officials to determine that an upgrade to the rating is appropriate.

2. If the SAA materially breaches any of its representations, warranties, or obligations or is non-compliant with an article of this agreement, VA will determine whether termination may be warranted. Refusal by an SAA to take corrective action after notice of noncompliance by VA may be viewed as breach of the agreement regardless of whether the minimum targets are generally being met. The following steps will be applied prior to the VA exercising termination:
   a. VA may terminate this agreement after a 30-day notice to the SAA for cause
   b. Prior to termination,
i. The VA Agreements Officer will outline concerns in writing and send to the SAA Agreement Signatory.
ii. VACO will chair a virtual or in person meeting to discuss concerns.
iii. SAA will be provided 30 calendar days to resolve all outlined concerns for the fiscal year.
iv. The VA Agreements Officer will review the SAA actions and provide SAA with a written reply.
v. VA, Education Service Director will make the final decision.

3. VA will take into account the result of the annual evaluation of the SAA when negotiating the terms and conditions of an agreement for any subsequent agreement period.

ARTICLE XII – OPTION TO EXTEND

The base year for this agreement is from October 1, 2018 through September 30, 2019. The Government reserves the option to unilaterally extend the period of performance of this agreement under the same terms and conditions for the following periods:

- October 1, 2019 through September 30, 2020
- October 1, 2020 through September 30, 2021
- October 1, 2021 through September 30, 2022
- October 1, 2022 through September 30, 2023

The Government will provide advance notice of its intent to exercise the option not less than 60 calendar days before the end of the current period of performance.

ARTICLE XIII - OTHER PROVISIONS

1. INFORMATION SYSTEM SECURITY

ACCESS TO VA INFORMATION AND VA INFORMATION SYSTEMS

a. SAA will request logical (technical) or physical access to VA information and VA information systems for their employees, subcontractors, and affiliates only to the extent necessary to perform the services specified in the contract, agreement, or task order.

b. All SAAs, and subcontractors working with VA information are subject to the same investigative requirements as those of VA appointees or employees who have access to the same types of information. The level and process of background security investigations for SAAs must be in accordance with VA Directive and Handbook 0710, Personnel Suitability and Security Program. The Office for Operations, Security, and Preparedness is responsible for these policies and procedures. The SAA will initiate a background investigation for all employees. Such background check shall be required before access is permitted to VA IT for the purpose of conducting compliance surveys and meeting the requirements of 38 U.S.C. § 3675, as amended by Pub. L. 111-377, § 203. VBA will provide the agency with appropriate information and documents, including a "Background Investigation Request Worksheet" for purposes of this paragraph. The SAAs will defray the cost of any background investigation from the SAA's Administrative Expense allowance.

c. SAAs or subcontractor must notify VACO and the CELO immediately when an employee working on a VA system or with access to VA information is reassigned or leaves the SAA or subcontractor's employment, including notice of an unfriendly termination.
2. SECURITY TRAINING

a. All SAAs and subcontractor employees requiring access to VA information and VA information systems will complete the following before being granted access to VA information and its systems:
   (1) Sign and acknowledge (either manually or electronically) understanding of and responsibilities for compliance with the current Contractor Rules of Behavior, previously contained in VA Handbook 6500.6 Appendix D relating to access to VA information and information systems; (Copy Attached)
   (2) Successfully complete the VA Privacy and Information Security Awareness and Rules of Behavior training and annually complete required security training;
   (3) Successfully complete the appropriate VA privacy training and annually complete required privacy training; and
   (4) Successfully complete any additional cyber security or privacy training, as required for VA personnel with equivalent information system access [to be defined by the VA program official and provided to the Director, Education Service for inclusion in the solicitation document – e.g., any role-based information security training required in accordance with NIST Special Publication 800-16, Information Technology Security Training Requirements.]

b. SAA will provide VACO a copy of the training certificate for each applicable employee.

c. Failure to complete the mandatory annual training and sign the Rules of Behavior annually, within the timeframe required, is grounds for suspension or termination of all physical or electronic access privileges and removal from work on the agreement until such time as the training and documents are complete.

3. PAYMENT DUE DATE

Payments for services provided or executed under this agreement shall be due no later than the 30th calendar day after the date of receipt of a proper invoice in the designated payment office or acceptance by the Government of the services required under the agreement, whichever is later. Payment shall be considered to be made on the date the electronic funds transfer is made.

4. PROPER INVOICE

Invoices submitted for payment for services provided under this agreement must contain, as a minimum, the following information:

(a) Name and address of the SAA entity;

(b) Invoice date;

(c) Agreement number or other authorization for delivery or services;

(d) Description cost, and nature of services actually provided or executed;

(e) Account number and routing number to which payment is to be sent; and

(f) Other substantiating documentation or information as required by this agreement or by law.

5. METHOD OF PAYMENT

(a) Payments under this agreement will be made by electronic transfer through the Treasury Financial Communications Systems at the option of the Government.

(b) The SAA will forward the following information in writing to the VA office of jurisdiction not later than 7 calendar days after receipt of notice of award of this agreement:
(1) Who may be contacted concerning the bank account information.

(2) If payment is to be accomplished by wire transfers:

(i) Name, address, and telegraphic abbreviation of the receiving financial institution.

(ii) Receiving financial institution's 9-digit American Bankers Association (ABA) identifying number for routing transfer of funds. (Provide this number only if the receiving financial institution has access to the Federal Reserve Communications System.)

(iii) Recipient's name and account number at the receiving financial institution to be credited with the funds.

(iv) If the receiving financial institution does not have access to the Federal Reserve Communications System, provide the name of the correspondent financial institution through which the receiving financial institution receives electronic funds transfer messages. If a correspondent financial institution is specified, also provide:

(a) Address and telegraphic abbreviation of the correspondent financial institution.

(b) The correspondent financial institution's 9-digit ABA identifying number for routing transfer of funds.

(c) Any changes to the information furnished under paragraph (b)(2) of this clause shall be furnished to the VA office of jurisdiction in writing at least 30 calendar days before the effective date of the change. It is the SAAs responsibility to furnish these changes promptly to avoid issuance of payments to erroneous addresses or bank accounts.

(d) The document furnishing the information required in paragraphs (b)(1) and (b)(2) must be dated and contain the signature, title, and telephone number of the SAA official authorized to provide it, as well as the SAA's name.

The immediate Supervisor and contact information of the person in charge of the agreement (SAA Director or Administrator):

[Redacted]

[Redacted]

[Redacted]

[Redacted]

SAAs will notify the VACO Representative within 14 calendar days if there is a change to this Supervisory position or address during the fiscal year.
The provisions of this agreement shall become effective on the 1st day of October 2018, and extend to and include the 30th day of September 2019. The SAA must return the signed agreement, and appendices to VACO within 3 business days of the end of the fiscal year. Failure to return the signed agreement on this date may render this agreement offer void.

IN WITNESS WHEREOF, the parties hereto have executed this agreement.

THE UNITED STATES OF AMERICA

By __________________________
Director, Education Service
Veterans Benefits Administration
Department of Veterans Affairs

Date _________________________