

APPENDIX II. AWARD CLAUSE

1. Limitations on payments made to influence certain Federal contracting and financial transactions. The restrictions described in this clause are set forth in 41 U.S.C. 1352 and OMB Interim Final Guidance at 54 FR 52306 et seq. (December 20, 1989).
2. General Prohibition. No appropriated funds may be used by a recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing, or attempting to influence, Executive or Legislative branch personnel in connection with the award of any Federal contract, the making of any Federal grant or loan, or the entering into of any cooperative agreement. Exceptions to this prohibition are described in OMB Interim Final Guidance, ____.200(a) and (b), ____.205, ____.300.
3. Certifications. Any person who requests or receives a Federal contract, grant, or cooperative agreement exceeding \$100,000, or a Federal loan exceeding \$150,000, must file a certification that the person has not made, and will not make, any prohibited payment from appropriated funds.
4. Statements. Any person who requests or receives a commitment to guarantee or insure a loan exceeding \$150,000 must file a statement that the person will file a disclosure form (SF-LLL) if the person has made, or will make, any payment to influence, or attempt to influence, any Executive or Legislative branch personnel in connection with that loan insurance or guarantee.
5. Disclosure. Every person who requests or receives a Federal contract, grant, or cooperative agreement exceeding \$100,000, or a Federal loan, loan guarantee, or loan insurance exceeding \$150,000, must disclose (on SF-LLL) any payments made, or agreement to make any payment, from nonappropriated funds for the purpose of influencing, or attempting to influence, any Executive or Legislative branch personnel in connection with the contract, grant, cooperative agreement, loan, loan insurance, or loan guarantee. Exceptions to this disclosure requirement are described in OMB Interim Final Guidance, ____.210, ____.300(b). A new

disclosure form must be filed:

- a. at the end of each calendar quarter in which a payment, or an agreement to make a payment, is made which would have otherwise required reporting at the time of application; and
- b. if an event occurs during a calendar quarter which materially affects the accuracy of information reported on a disclosure form submitted previously.

6. Subcontractors and subrecipients. Recipients must inform subcontractors and subrecipients of the requirements for filing, retention, and forwarding of certifications, statements, and disclosure forms to the next tier above the submitter. These procedures are described in OMB Interim Final Guidance, _____.110(d) and (e).

7. Penalties. Disclosure data will be subject to public scrutiny and will be submitted to Congress for review. See OMB Interim Final Guidance, _____.600(a) and (b). Any person who makes a prohibited expenditure or who fails to submit or amend a disclosure form, when required, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure. See OMB Interim Final Guidance, _____.400(a) and (b). Violations of the law will be reported to Congress. See OMB Interim Final Guidance, _____.605(a) and (d).