

separately identify for each cost submitted for payment to the SFA the amount of that cost that is allowable (can be paid from the Nonprofit School Food Service Account) and the amount that is unallowable (cannot be paid from the Nonprofit School Food Service Account); or (2) exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification. The Awarded Distributor's determination of its allowable costs must be made in compliance with the applicable USDA and CN Program regulations and Office of Management and Budget cost circulars. The Awarded Distributor must identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the SFA for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. If approved by the applicable State Department of Education or other State agency having jurisdiction, the SFA may permit the Awarded Distributor to report this information on a less frequent basis than monthly, but no less frequently than annually. The Awarded Distributor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract. The Awarded Distributor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the SFA, the applicable State Department of Education or other State agency having jurisdiction, or the USDA, as applicable. **Understood**

4. **Access to Records.** Upon request, the Awarded Distributor must provide the HPS Institution, the USDA, the Inspectors General, the Comptroller General of the United States, and the applicable State Department of Education or other State agency having jurisdiction, or any of their duly authorized representatives, with (1) access to documents, papers, and records which are pertinent to the contract, in order to make audits, examinations, excerpts and transcripts, and (2) timely and reasonable access to the Awarded Distributor's personnel for the purpose of interview and discussion related to such documents (2 CFR §200.337). **Agreed**

5. **Record Retention.** The Awarded Distributor must retain all records with respect to a HPS Institution required under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200.334), for at least three years after the HPS Institution makes its final payments and all other pending matters are closed. Whenever practicable, the Awarded Distributor should collect, transmit and store such records in open and machine-readable formats rather than in closed formats or on paper. **Agreed**

6. **Environmental Protection; Recovered Materials.** To the extent applicable and in accordance with Appendix II to 2 CFR Part 200 ¶(G), the Awarded Distributor must comply with all standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387), as amended, as well as any mandatory standards and policies relating to energy efficiency which are contained in any state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871). Violations must be reported to the USDA and the Regional Office of the Environmental Protection Agency ("EPA"). Further, to the extent applicable and in accordance with 2 CFR § 200.322 and Appendix II to 2 CFR Part 200 ¶(L), the Awarded Distributor must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, including without limitation the establishment of an affirmative procurement program for procurement of recovered materials identified in the EPA Guidelines at