

CETA RESEARCH GRANT POLICY

1. PURPOSE

- 1.1. This Research Grant Policy contains the grant making policies and application requirements of the Controlled Environment Testing Association (“**CETA**”) an organization recognized as exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code (the “**Code**”). This policy is intended to comply with all requirements applicable to organizations having such tax-exempt status and should be interpreted consistently with such requirements.
- 1.2. CETA research grants shall be made to help encourage its members to further industry knowledge by providing a financial means for individuals or businesses to test a concept, technology or procedure to better the industry as a whole.

2. SCOPE / BACKGROUND

- 2.1. Mission: To provide a means for CETA members to further ideas, knowledge and development in the controlled environment industry.
- 2.2. Background: Research projects are beneficial to members but can be costly. Research grants made pursuant to this policy (each a “**Grant**”) will aid in covering those costs.
- 2.3. Scope and limitations: This Grant is to cover materials (consumable), lab fees and shipping, but it is not intended for labor costs or testing equipment. The Grant(s) will be limited to the total budget number approved by the CETA Board of Directors (“**BoD**”) which has sole and complete authority and discretion over the awarding of Grants by CETA, including, without limitation, the selection of the Grant recipient (the “**Grantee**”), amount, timing, and purpose of each Grant.

3. RESPONSIBILITIES

- 3.1. A CETA Grant Committee (“**CGC**”) will be formed and will be responsible for development of the Grant program, promotion of the program and screening of Grant applications. The CGC will maintain contact with the Grantee to ensure the project is developing properly and meeting the proposed timelines.
 - 3.1.1. The CGC will consist of one BoD liaison (current and active Board member) who will be the CGC Chair, and four to six other members (suggest keeping an odd number committee).
 - 3.1.2. The BoD will nominate CGC committee members and the BoD will vote on the membership of the committee.
 - 3.1.3. External subject matter experts will be needed to review grants and offer opinions on project costs.

- 3.2. CETA BoD - Final vote on Grants presented.
- 3.3. CETA Executive Director - Send communication as needed to membership.
- 3.4. Grant Chair – Oversees and manages the overall Grant application process. They lead the CGC and conduct meetings as needed. They ensure money is issued, and coordinate following with Grantees to ensure timelines are being met. They are the contact person for all Grant-related questions.

4. ELIGIBILITY CRITERIA

- 4.1. The company or member must be a CETA member in good standing.
- 4.2. The project must benefit the controlled environment industry and/or CETA membership as a whole, not just a specific member.
- 4.3. The applicant must prepare the final results in an appropriate presentation manner consistent with Section 13 of this Policy (e.g., white paper), and must be willing to prepare a presentation which may be shown at the CETA Series and/or CETA Annual conference.
- 4.4. Grant restrictions
 - 4.4.1. What or who is not funded
 - 4.4.1.1. Standard testing equipment
 - 4.4.1.2. Researcher’s time (internal labor)
 - 4.4.2. No limit on number of applications. No more than one Grant per company per CETA fiscal year.
 - 4.4.3. Restricted to the budget approved by CETA. Occasional extensions to going over budget to be determined by the BoD.
- 4.5. Sponsorship requirements
 - 4.5.1. If necessary or required by CETA, the project may obtain at least one sponsor.
 - 4.5.2. The responsibilities of the sponsor are clearly defined.
 - 4.5.3. The sponsor has agreed in writing to the sponsorship.
 - 4.5.4. Project sponsor does not create a conflict of interest pursuant to CETA’s Conflict of Interest Policy.

5. GRANT TYPES OFFERED

- 5.1. CETA is offering a research Grant. The Grant is unrestricted within the limitations and criteria set out within this policy though importantly, the project must benefit the controlled environment industry and/or CETA membership as a whole in order to promote the common business interest of those in the industry. Funds are typically paid as a lump sum at the start of the project though the BoD has the discretion to approve payment of Grant funds in a different manner if appropriate for the project (e.g, payments made at pre-determined milestones of the project).

6. APPLYING FOR A GRANT

See "CETA Research Grant application flow chart" for application method and flow.

See Grant Application template available on at www.cetainternational.org

6.1. All requests shall include:

6.1.1. General Information

6.1.1.1. Name and title (List organization if applicable)

6.1.1.2. Address

6.1.1.3. Phone

6.1.1.4. Email

6.1.1.5. Tax ID Number

6.1.2. Narrative Materials

6.1.2.1. While the substance and form of narratives will vary based on the proposed project, narratives should provide the following information:

6.1.2.1.1. A clear and concise summary description, objective and research plan of the project to be funded, the amount requested, list of equipment and facilities required, and project schedule including the length of time expected for the project to be completed, as applicable.

6.1.2.1.2. For renewals of support, a brief description of previous Grants awarded to the applicant for the same purpose and the results, if not previously provided.

6.1.2.1.3. A description of expected outcomes and benefits of the project.

6.1.2.1.4. An account of other sources of financial support for the project (e.g., donated materials, sponsorships).

6.1.3 Summarized budget

6.1.4 Research Team

6.1.4.1. Information regarding the applicant's research team or other key personnel who will be administering the project for which funding is requested.

6.1.5 Project schedule Chart (Appendix A)

6.1.6 Required supporting documentation (as applicable):

6.1.6.1. IRS Form W9 (CETA will report this payment to the IRS on form 1099)

6.1.6.2. Recommendation or endorsement from subject matter expert (letter).

6.1.6.3. Conflict of interest statement (companies affiliated with directors and officers of the BoD, key employees or independent contractors of CETA etc.)

7. GRANT COMMITTEE

- 7.1. The BoD shall apply the foregoing as it deems it appropriate in light of the amount of any proposed Grant, the nature, history, and size of operations of the proposed Grantee, and other similar applicable information, as documented in the minutes of the BoD.
- 7.2.
- 7.3. The BoD will nominate CGC members and the BoD will vote on the membership of the committee.
- 7.4. Any CETA member can express interest in being on the CGC.
- 7.5. Complete a formal application to be on the CGC, sign non-disclosure agreements, and conflict of interest form (same as the CAG committee applications).
- 7.6. Comprised of 5 members in total.
- 7.7. Each member serves a term of 2 years, unlimited terms allowed but must reapply after each term.
- 7.8. Required to review applications 4 times a year by specific due date. Required to meet 4 times ahead of BoD meeting (virtual or in person).
- 7.9. Committee members cannot submit applications for Grants.

8. GRANT REVIEW AND EVALUATION

- 8.1. Procedure (See "CETA Research Grant application flow chart")
 - 8.1.1. Applications are sent to BoD Grant Chair and are then distributed to the CGC.
 - 8.1.1.1. If applications are incomplete, they are to be returned to the applicant with a description of errors or omissions for correction and must be resubmitted.
 - 8.1.2. Applications are reviewed quarterly and scheduled to be reviewed ahead of each CETA BoD meeting. The CGC will meet one month prior to each BoD meeting. This will be the cut off time for applications.
 - 8.1.3. The "Review of Application for CETA Research Grant - Guidance Document" document is used to review and select successful Grant applications.
 - 8.1.4. The CGC may present changes to the Review of Application for CETA Research Grant - Guidance Document to the CETA BoD for review. A majority vote from the CETA BoD is needed to approve document changes.
 - 8.1.5. Successful applications will be presented to the BoD by the Grant Chair at the meeting, for a BoD vote.
 - 8.1.6. Unsuccessful applications will be presented to the BoD with a brief reasoning as to why they were rejected.
- 8.2. Criteria for evaluation

- 8.2.1. Grant applications will be compared against the task statements in the “Review of Application for CETA Research Grant - Guidance Document” to determine eligibility criteria.
- 8.3. Criteria for determining Grant award amount (if different from requested amount)
 - 8.3.1. Summarized budget of required purchases.
 - 8.3.2. CGC reviews the budget and goes over and approves reasonable expenses. Unreasonable expenses will be denied and not included in the Grant funds.
 - 8.3.3. CGC assists in helping to reach out to other members or manufacturers for material support.
- 8.4. CGC membership
 - 8.4.1. Must be a CETA member in good standing.
 - 8.4.2. CETA BoD will nominate committee members. Board will vote on the membership of the committee.
 - 8.4.3. There should not be multiple CGC members from one company. In the event this situation does occur, the BoD should review CGC membership to determine whether there is a conflict of interest.
 - 8.4.4. The CGC should be made up of at least 2 manufacturers and at least 3 certifiers.
 - 8.4.5. CGC members must have the support of their company and the time to review applications and attend meetings (virtual or in person) 4 times per year. (must complete paperwork/contract as such).
 - 8.4.6. CGC members must be available to perform research and due diligence on Grant applications.
- 8.5. Notification
 - 8.5.1. Approved Grant projects
 - 8.5.1.1. Grant Chair takes approved projects and notifies Grantee by email.
 - 8.5.1.2. Grant Chair sends grant contract to Grantee. CETA shall have written agreements for all Grants awarded by CETA, which shall be consistent with the forms of agreements annexed to this Policy and the advice of legal counsel.
 - 8.5.2. Declined Grant projects
 - 8.5.2.1. Notification of decline projects is sent by the Grant Chair over email to the applicant.
 - 8.5.2.2. A brief description of the reason for the project being declined is sent, along with any other relevant information.
 - 8.5.3. Successful projects are posted on the CETA website behind the paywall.
 - 8.5.3.1. Grant Chair sends the successful RFP and headshot photo to the Executive Director with the itemized budget redacted.

9. AWARDING A GRANT

- 9.1. Grantee signs and returns contract to Grant Chair, contract is sent to Executive Director to be filed with the corporate records.
- 9.2. Grant Chair notifies the Treasurer to release funds to the Grantee and funds are sent by check.
- 9.3. Funds to distributed to Grantee between 2 and 4 weeks of receiving the signed contract.

10. AFTER GRANT IS AWARDED

- 10.1. Grantee completes check in's with Grant Chair as required by their suggested timeline.
- 10.2. Site visits are conducted by the Grant Chair, at the discretion of the BoD, to oversee project progress.
- 10.3. Final results must be prepared in an appropriate presentable format consistent with Section 13 of this Policy.
- 10.4. Final results must be submitted to the Grant Chair who will then submit the results to the CETA BoD.
- 10.5. Expense reports may need to be submitted at regular intervals during the project.
- 10.6. Grantee shall communicate with BoD representative with status updates at regular intervals.
- 10.7. Unspent funds may be required to be returned to CETA.
- 10.8. Upon completion of the project, the results must be presented through at least one of the following options in Section 13.
- 10.9. Final presentations must meet the requirements outlined in Section 12.

11. Recordkeeping and Reporting

- 11.1. CETA requires timely and informative grant reporting consistent with and appropriate to the size of each Grant. Narrative and financial reports should be submitted together on or before the due dates specified in the award letter, as applicable. CETA may suspend Grant activities and require the return of funds for delinquent or unsatisfactory reporting, and will consider reporting history in the awarding of future Grants.

Narrative reports should describe the activities undertaken and the use of Grant funds, and evaluate the progress made toward achieving the purposes of the Grant during the reporting period.

Financial reports should be specific to the Grant. If a company has multiple Grants from CETA, each Grant must be separately reported. Grantees are required to use the same budget categories used in the Grant proposal, as applicable, making it possible for line-by-line comparison of the approved budget and actual expenditures.

Grantees are required to retain accounting records, detailing all receipts and expenditures, for a minimum of three years following submission of final Grant report. In cases where Grantee spending is not consistent with the award or representations made

in the proposal, CETA reserves the right to return of awarded funds, disallow expenditures, or take other remedial actions.

12. Changes in Grant Terms

- 12.1. Grant modification requests considered by CETA include use of funds for different, or additional, equipment and supplies than originally requested in the Grant application. Grantees must obtain advance written approval from CETA for these and other material changes.

CETA reserves the right to suspend the use of Grant funds if the change is considered material to the success of the Grant.

13. Presentation of Final Results

13.1. Performance Review

- 13.1.1. Project is presented through a written paper. Research projection description, process and results are to be presented. Paper should include photos, charts or tables were appropriate.

13.2. CETA Series

- 13.2.1. An AV presentation (powerpoint, video, etc.) must be created for the Series.
13.2.2. Research presentation must be presented by a person.
13.2.3. Photos, video, charts, tables or props should be included where appropriate.
13.2.4. Presentations should plan to fill up to a 60-minute time slot.
13.2.5. CETA Series presentation must be submitted for BoD review by a specified date.

13.3. Annual Conference

- 13.3.1. An AV presentation (powerpoint, video, etc.) must be created for the Annual Conference.
13.3.2. Research presentation must be presented by a person.
13.3.3. Photos, video, charts, tables or props should be included where appropriate.
13.3.4. Presentations should plan to fill up to a 60-minute time slot.
13.3.5. Presentation must be submitted for BoD review by a specified date.
13.3.6. Grantees will not receive any additional compensation for presenting at the CETA Annual Conference.

14. LEGAL/ TAX IMPLICATIONS

- 14.1. CETA acknowledges and agrees that it shall acquire no rights, title, or interest, whether by ownership, license or otherwise, in or to any intellectual property or other work product owned, developed, or created by any grantee regardless of whether the same is developed, created, or conceived of as part of the project and/or with use of the Grant.

- 14.2. Notwithstanding the foregoing, the Grantee hereby grants CETA a non-exclusive, world-wide, royalty-free, perpetual license to use any non-confidential project papers, reports, and/or other presentation materials generated as required by Section 13 of this Policy.

15. REVISION HISTORY

Initial draft for Board review and presentation 2023-JAN-25

Amended 2024-MAR-__

Appendix "A"

GRANT AGREEMENT

[Date]
[Grantee Name]
[Address]

Dear _____:

Controlled Environment Testing Association ("**CETA**") is pleased to inform you that a grant has been approved in the amount of \$_____ (the "**Grant**") for [description of grant purposes].

This letter and its attachments, entitled "General Terms and Conditions" (collectively, this letter and its attachment are referred to herein as the "**Agreement**"), outline the terms and conditions upon which the Grant shall be made. Please read this Agreement carefully, sign, and return it no later than [date to be returned]. Note that both this letter and the attachment must be signed. After we receive your signed Agreement, funds will be transferred to you in accordance with our grant distribution procedures. The Grant funds must be used specifically for the purposes and in accordance with the timelines, representations, and other matters set forth in your Grant application, which representations are incorporated into and made a part hereof as if fully set forth herein. In addition, we will request a report on the expenditure of the Grant funds three months after the date of disbursement thereof, and for each three-month period thereafter until all Grant funds have been fully expended. We will also request a final report after completion of the purposes for which the Grant has been awarded. When available, please furnish us with a copy of any audited statement of the finances of the project or purpose funded by the Grant.

Congratulations on this recognition of your important efforts. We look forward to working with you during the coming year.

Sincerely,

By: _____, President

ACCEPTED AND AGREED:

[APPLICANT NAME]

By: _____, [Title]

GENERAL TERMS AND CONDITIONS

In addition to the CETA Research Grant Policy (the “**Research Grant Policy**”), incorporated by reference into and made a part of these General Terms and Conditions, and the specific terms and conditions contained in the letter dated ____ (the “**Letter Agreement**”), to which these General Terms and Conditions are attached, Controlled Environment Testing Association (“**CETA**”) is awarding this Grant as such term is defined in the Letter Agreement to you as the Grantee contingent upon the following:

1. Expenditure of Funds.

The Grant is made for the purposes specified in the Letter Agreement and may not be expended for any other purpose. If the Grant is intended to support a specific project or to provide general support for a specific period, any portion of the grant unexpended at the completion of the project or the end of the period shall be returned immediately to CETA.

2. No Assignment or Delegation.

You may not assign, or otherwise transfer, your rights or delegate any of your obligations with respect to the Grant without prior written approval from CETA.

3. Records and Reports.

You are required to keep a record of all receipts and expenditures relating to the Grant and to provide CETA with a written report summarizing such receipts and expenditures promptly following the end of the period during which you are to use all Grant funds, pursuant to the Letter Agreement. CETA may also require interim reports, at least annually. Your reports should describe your progress in achieving the purposes of the Grant and include a detailed accounting of the uses or expenditure of all Grant funds, consistent with reporting requirements outlined in CETA’s Grant Making Policies and Application. You also agree to provide any other information reasonably requested by CETA. If your company obtains any audited financial statements covering any part of the period of this grant, you agree to provide a copy to CETA upon request. You are required to keep the financial records with respect to this Grant, along with copies of any reports submitted to CETA, for at least three years following the year in which all Grant funds are fully expended.

4. Required Notification.

You are required to provide CETA with immediate written notification of: (1) your inability to expend the Grant funds for the purposes described in the Letter Agreement; or (2) any expenditure from the Grant funds made for any purpose other than those for which the Grant was intended.

5. Publicity.

You will allow CETA to review and approve the text of any proposed publicity concerning this Grant prior to its release. CETA may include information regarding this Grant, including the amount and purpose of the Grant, any photographs you may have provided, your logo or trademark, or other information or materials about your company and its activities, in CETA’s periodic public reports, newsletters, and news releases.

6. Right to Modify or Revoke.

CETA reserves the right to discontinue, modify, or withhold any payments to be made under this Grant award or to require a total or partial refund of any Grant funds if, at CETA's sole discretion, such action is necessary: (1) because you have not fully complied with the terms and conditions of the Letter Agreement, including these General Terms and Conditions, or if any misrepresentations were made in connection with your application for the Grant; (2) to protect the purpose and objectives of the Grant; or (3) to comply with the requirements of any law or regulation applicable to CETA or this Grant.

If CETA does not receive signed copies of the Letter Agreement and of these General Terms and Conditions within fourteen (14) days after the date of Letter Agreement, the Grant award may be revoked.

7. Intellectual Property.

CETA acknowledges and agrees that it shall acquire no rights, title, or interest, whether by ownership, license or otherwise, in or to any intellectual property or other work product owned, developed, or created by any grantee regardless of whether the same is developed, created, or conceived of as part of this Agreement and/or with use of the Grant.

Notwithstanding the foregoing, the Grantee hereby grants CETA a non-exclusive, world-wide, royalty-free, perpetual license to use any non-confidential project papers, reports, and/or other presentation materials generated as required by Section 13 of the Research Grant Policy.

8. Publication.

Consistent with Section 4.3 of the CETA Research Grant Policy, the Grantee agrees to prepare a presentation and accompanying materials as described in Section 13 of the Research Grant Policy for presentation at the CETA Series and/or CETA Annual Conference.

9. Indemnification.

To the fullest extent permitted by law, Grantee shall indemnify and hold harmless CETA and its respective agents, officers, directors, and employees (the "**Indemnified Persons**") from and against any and all liability, loss, claims, damages, fines, penalties, costs, and expenses (including reasonable attorney's fees), judgments and awards (collectively, "**Damages**") sustained, incurred or suffered by or imposed upon any Indemnified Person resulting from (i) any breach of this Agreement or false representation of Grantee, its officers, directors employees, agents, subcontractors, or assigns under this Agreement, or (ii) any negligent acts or omissions or reckless misconduct of Grantee, its officers, directors, employees, agents, subcontractors, or assigns. Without limiting the foregoing, Grantee shall indemnify and hold harmless each Indemnified Person against any and all Damages that may arise out of or are imposed due to the failure to comply with the provisions of applicable law by Grantee or any of its agents, officers, directors, employees, subcontractors, or assigns.

11. Miscellaneous.

This Grant and any and all agreements related hereto shall be governed by the laws of the State of New York without regard to conflict of law doctrines. Except as otherwise provided herein, no rights or obligations hereunder are assignable by either party. The descriptive headings of sections and subsections of this Agreement are for convenience only and do not constitute a part of this Agreement.

This Agreement and any amendment hereto may be executed in one or more counterparts which together shall constitute a single binding and enforceable agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein, and there are no understandings of any kind except as expressly set forth herein. Any prior understandings and agreements between the parties, expressed or implied, written or oral, are superseded by this Agreement. This Agreement may only be amended by agreement in writing signed by all parties.

The undersigned certify that they are duly elected or appointed and authorized officers of the Grantee and that, as such, are authorized to accept this Grant on behalf of the Grantee, to obligate the Grantee to observe all of the terms and conditions placed on this Grant, and in connection with this Grant to make, execute and deliver on behalf of the Grantee all grant agreements, representations, receipts, reports and other instruments of every kind.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and delivered by their duly authorized representatives. The Grantee acknowledges receipt of these General Terms and Conditions and agrees to comply with all requirements, including those set forth in the CETA Research Grant Policy.

Controlled Environment Testing Association

By:

Date

[Grantee Name]

By:

Date