
GRANT AGREEMENT NO. 24-DEC-17-CERGE

This Grant Agreement ("Agreement") is entered into as of January 1, 2025, by and between the CERGE-EI Foundation ("FOUNDATION"), a non-profit corporation and 501(c)(3) public charity organized and existing under the laws of the Commonwealth of Pennsylvania, and CERGE ("GRANTEE"), an educational institution in the Czech Republic, each a "Party" and together, the "Parties."

Section 1. Grant

- (a) The FOUNDATION hereby grants to GRANTEE an amount not to exceed One Hundred Fifty-Four Thousand US Dollars (USD \$154,000) ("Grant Amount"), to be used by GRANTEE for its charitable purposes in alignment with the purposes of the Foundation and specifically to support the program described in Attachment I ("Program Proposal" or "Program").
- (b) The FOUNDATION will not be obligated to reimburse GRANTEE for any costs incurred in excess of the Grant Amount.
- (c) GRANTEE shall notify the FOUNDATION of any additional funds obtained for the Program from other sources.
- (d) Any unspent funds shall be subtracted from the second disbursement of the grant for the next period.
- (e) Any grant funds, and any income earned on those funds, shall be subtracted from the second disbursement of the grant for the next period.

Section 2. Agreement Duration and Allowable Costs Period

This Agreement covers the period from January 1, 2025, to December 31, 2025. ("Duration")

Costs incurred during this Duration are considered allowable costs, subject to the conditions stipulated herein.

Section 3. Allowable Costs

- (a) GRANTEE shall use the funds provided under this Agreement solely for allowable costs, which are:
 - (i) Allocable to the Program;
 - (ii) Consistent with the Foundation's charitable and educational purposes of training future university and college faculty in the theory, methods, and applications of modern economic and business analysis, and related disciplines and skills;
 - (iii) Reasonable in amount; and
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(iv) Supported by appropriate documentation.

(b) Costs shall include:

- General support for CERGE-EI education, stipends, salaries, and mobility -- \$134,000
- Mobility funds – Stapleton Scholar Award -- \$20,000

Section 4. Disbursements

The FOUNDATION will disburse Grant Funds to GRANTEE with grants to CERGE respectively as indicated, in accordance with the following schedule:

- **First Disbursement:** \$80,000 within fifteen days from signing the contract
- **Second Disbursement:** \$74,000 within fifteen days from the approval of the June meeting update by the FOUNDATION board.
- **Additional funds:** To ensure financial flexibility and security, the grantee may request additional funds in cases where unforeseen circumstances result in financial hardship or when previously unknown opportunities arise, such as the opportunity to hire highly desirable faculty. For this purpose, the grantee shall submit a formal request report to the Foundation Board of Directors. The Foundation shall decide on the additional funds request within 30 days from the time it is submitted and disbursed within 15 days of the approval by the board.

Section 5. Reporting

(a) **Program Reports: GRANTEE shall submit:**

- **Updates delivered during the June and December meetings:** The updates during the June and December Board meetings should provide a summary of the grantee institution's strategic planning, key achievements, and any adjustments to its goals. Both updates must include faculty changes, such as new hires, departures, and significant accomplishments, as well as progress in collaborations with European or other relevant institutions. The December update shall also include a preliminary estimate of unspent funds from the current grant period to assist in determining the next year's funding.
 - **Final Report (covering January 1 – December 31, 2025) due by March 31, 2026.** The final report will include a rough calculation of unspent funds from the current grant period. This calculation will be used to determine the amount of the second disbursement of the next grant, from which the unspent funds shall be subtracted. The final report shall also include a comprehensive summary of the grantee institution's strategic planning, outlining key successes and goals achieved during the grant period. Additionally, the report must provide detailed information regarding changes in faculty, including departures and new hires, to give the Foundation a clear understanding of the institution's academic and operational trajectory.
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(b) Financial Reports: Financial statements reflecting actual expenditures will accompany the Final Report.

Section 6. Records and Audit

GRANTEE shall maintain records of all Program-related expenses and provide access for audit upon reasonable notice. Records must be retained for seven (7) years after the Duration of this Agreement.

GRANTEE must maintain records of receipts and expenditures and make its books and records available to the FOUNDATION for inspection at reasonable times. The FOUNDATION may monitor and conduct an evaluation of operations under this grant, which may include a visit by FOUNDATION personnel to observe GRANTEE's program, discuss the program with GRANTEE's personnel, and review financial and other records and materials connected with the activities financed by this grant.

Section 7. Restrictions

GRANTEE shall not:

- (i) Use funds for unallowable expenses outside the Program;
- (ii) Allocate funds for activities generating benefits for ineligible parties;
- (iii) Shift funds between line items without FOUNDATION's prior written consent (unless within a 10% margin);
- (iv) Use funds to carry on propaganda, or otherwise to attempt to influence any legislation (within the meaning of Section 4945(d)(1) of the United States Internal Revenue Code ("IRC"));
- (v) Use funds 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 United States Internal Revenue Code);
- (vi) Use funds to make grants to individuals for travel, study or other similar purposes by such individuals (such as scholarships, fellowships or grants for research), unless such grants satisfy the requirements of Section 4945(g) of the IRC; or
- (vii) Use funds to undertake any activity for any purpose other than the charitable purposes specified in Section 170(c)(2)(B) of the IRC.

Section 8. Compliance

GRANTEE agrees that it will comply with all applicable anti-terrorist financing, sanctions, and asset control laws, regulations, rules and executive orders, including but not limited to, the USA Patriot Act of 2001 and Executive Order 13224. GRANTEE verifies that neither the organization itself, nor any of the organization's directors/governors/trustees, staff, or consultants appear on the U.S. Treasury's Office of Foreign Assets Control "Specially Designated Nationals and Blocked Persons List ("SDN List"); and that if such organization or personnel described here should appear on the SDN List, the Grantee will promptly notify the FOUNDATION, and subject to the FOUNDATION's further request, make immediate repayment of all remaining grant funds in the GRANTEE's possession. GRANTEE further agrees that none of the grant funds will be paid, distributed, contributed, given, or otherwise made available to, or for use by, any person or firm appearing on the SDN List.

Section 9. Site Visits.

GRANTEE agrees that the FOUNDATION and/or its agents or representatives shall be allowed to visit and inspect project sites and/or programs for which any grant funds have been used or will be used, and GRANTEE will provide access to and assistance with such site visits as may be necessary, and the FOUNDATION shall give reasonable notice to GRANTEE of such site visit and shall make reasonable accommodation to schedules and will minimize interruptions when possible.

Section 9. Notices

All notices shall be sent to:

FOUNDATION:

CERGE-EI Foundation

26 Broadway, Fl 3

New York, NY 10004

Attn: Tony Claudino, President & CEO

Email: tclaudino@cerge-ei-foundation.org

GRANTEE:

CERGE

Politických vězňů 7

110 00 Prague

Email: mkapicka@cerge-ei.cz

Section 10. Entire Agreement

This Agreement, including the Reference Document specified below, constitutes the full and final understanding between the Parties.

Section 11. Register of Agreements

Pursuant to the provisions of Section 2 e) of Act. No. 340/2015 Coll. on special conditions for the effectiveness of certain agreements, publication of such agreements on the register of agreements (Act on the Register of Agreements), as amended, the GRANTEE is an entity required to publish concluded private agreements. The FOUNDATION agrees with publication of this Agreement, including its amendments, in the manner and within

the scope of the said Act. The GRANTEE undertakes to ensure compliance with this obligation within the statutory period.

Section 12. Effective Date

This Agreement shall come to effect on the date of publication of the Agreement in the Register of Agreements.

Reference Document

24-DEC-17-CERGE-EI Award Notification Letter

(As communicated on December 17, 2024, by Tony Claudino, President and CEO, CERGE-EI Foundation, notifying GRANTEE of funding approval up to \$154,000.)

FOUNDATION

By: _____

Name: Tony Claudino

Title: President and CEO

Date: _____

GRANTEE

By: _____

Name: Marek Kapicka

Title: Director

Date: _____
