

Special Award Conditions

Award Number: NT10BIX5570091

Amendment Number: 3

1) Financial Management

During the site visit, the BTOP team identified several financial management compliance issues. Bluebird Media, LLC (Bluebird) was unable to (1) provide key documents necessitated for financial management compliance and (2) finalize its match valuation methodology. Bluebird indicated that it did not have any formal written financial management procedures, which should include an accounting process and procedure manual (e.g. specific payroll processes) and a financial management policies and procedures manual (e.g. fraud prevention). According to the Department of Commerce's Title 15 Code of Federal Regulations (CFR) Part 14 and the Department's financial assistance standard terms and conditions, without these written policies and procedures, Bluebird is out of compliance with its grant award. In addition, Bluebird indicated that the same individual who approves the invoices also initiates drawdown from the ASAP system. This is also in violation of 15 C.F.R. § 14.21.

Due Date: 06/11/2012

Satisfied Date: 06/19/2012

2) Grants Management

On the Site Visit, Bluebird also lacked a property management policies and procedures process and manual. According to the Department of Commerce's Title 15 Code of Federal Regulations (CFR) Part 14, without this written policy and procedures, Bluebird is out of compliance with its grant award.

Bluebird also indicated that inventory audits are performed every three to four years. Section 15 CFR Part 14 of the Uniform Administrative Requirements requires that inventory audits are completed every two years.

To satisfy the CAP, Bluebird must provide documentation showing that it has adopted and implemented identified property management procedures, as well as provide supporting documentation timeframe of the last inventory audit performed and its plans to become compliant with the two year inventory audit requirement.

Due Date: 06/11/2012

Satisfied Date: 06/18/2012

3) In-kind Match (Property Appraisal)

Bluebird has also not yet finalized its match commitment. The source of the match has been defined as cash match of \$9,158,100 and State in-kind match of \$10,500,000. The in-kind match has been identified as 36 plots of land, of which 12 have been deeded. To satisfy this CAP, Bluebird must provide documentation showing that it has adopted and implemented financial management procedures, which should also include documentation for separation of financial duties, compliant with the award terms and conditions of the grant. In addition, Bluebird will also need to demonstrate and define how it currently utilizes post-merger staffing levels, as well as job descriptions for its key BTOP-specific personnel.

Bluebird will also need to formally agree to deliver final match levels by July 31, 2012. This match will include the finalization of all plots of land with the State of Missouri, including a finalized agreement with the State of Missouri, the deeds to the 36 plots, as well as final appraisal valuations for all 36 plots.

Due Date: 07/31/2012

Satisfied Date: 08/20/2012