during the recipient’s or subrecipient’s preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

i. Salary and bonus.

ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

v. Above-market earnings on deferred compensation which is not tax-qualified.

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.

§ 175.15 Award term.

(a) To implement the trafficking in persons requirement in section 106(g) of the TVPA, as amended, a Federal awarding agency must include the award term in paragraph (b) of this section in—

1. A grant or cooperative agreement to a private entity, as defined in § 175.25(d); and

2. A grant or cooperative agreement to a State, local government, Indian tribe or foreign public entity, if funding could be provided under the award to a private entity as a subrecipient.

(b) The award term that an agency must include, as described in paragraph (a) of this section, is:

1. Trafficking in persons.

a. Provisions applicable to a recipient that is a private entity.

i. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

   i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
   
   ii. Procure a commercial sex act during the period of time that the award is in effect; or
   
   iii. Use forced labor in the performance of the award or subawards under the award.

   ii. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity—

   A. Associated with performance under this award;

   B. Procure a commercial sex act during the period of time that the award is in effect; or

   C. Uses forced labor in the performance of the award or subawards under the award.

§ 175.15 Award term.

(a) To implement the trafficking in persons requirement in section 106(g) of the TVPA, as amended, a Federal awarding agency must include the award term in paragraph (b) of this section in—

1. A grant or cooperative agreement to a private entity, as defined in § 175.25(d); and

2. A grant or cooperative agreement to a State, local government, Indian tribe or foreign public entity, if funding could be provided under the award to a private entity as a subrecipient.

(b) The award term that an agency must include, as described in paragraph (a) of this section, is:

1. Trafficking in persons.

a. Provisions applicable to a recipient that is a private entity.

i. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

   i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
   
   ii. Procure a commercial sex act during the period of time that the award is in effect; or
   
   iii. Use forced labor in the performance of the award or subawards under the award.

   ii. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity—

   i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
   
   ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

   A. Associated with performance under this award; or
§ 175.20  Referral.

An agency official should inform the agency’s suspending or debarring official if he or she terminates an award based on a violation of a prohibition contained in the award term under §175.15.

§ 175.25  Definitions.

Terms used in this part are defined as follows:

(a) Foreign public entity means:

1. A foreign government or foreign governmental entity;

2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjecting to involuntary servitude, peonage, debt bondage, or slavery.

3. “Private entity”: 

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.20;

ii. Includes: 

A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b);

B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

(c) An agency may use different letters and numbers to designate the paragraphs of the award term in paragraph (b) of this section, if necessary, to conform the system of paragraph designations with the one used in other terms and conditions in the agency’s awards.