



PATRICIA S. PLOEHN, LCSW
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

December 21, 2007

Dear FFA and/or GH Service Providers and Prospective Contractors:

Board of Supervisors
GLORIA MOLINA
First District
YVONNE B. BURKE
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

**ADDENDUM NUMBER THREE TO REQUEST FOR STATEMENT OF QUALIFICATIONS
(RFSQ) #CMS 07-021/023 FOR FOSTER FAMILY AGENCY/GROUP HOME FOSTER CARE
SERVICES**

Addendum Number Three is issued by the County of Los Angeles Department of Children and Family Services (DCFS) to all holders of the Foster Family Agency/Group Home Foster Care Services RFSQ #CMS 07-021/023 released on August 31, 2007. Addendum Number Three amends sections of the RFSQ as provided below.

A prospective contractor's failure to incorporate the requirements of this Addendum Number Three may result in the statement of qualifications not being considered, as determined at the sole discretion of the County.

The following changes/additions are being made to the RFSQ:

- I. RFSQ, Section 2.0 General Information, Sub-section 2.4 – Prospective Contractor's Minimum Qualifications, Sub-paragraph 2.4.2.2 is amended to read as follows:

2.4.2.2 Be dually licensed for foster family agency and adoption services within eleven (11) months from contract execution, or if CONTRACTOR determines not to or is unable to obtain an Adoption License within eleven (11) months from the execution of this Contract, CONTRACTOR shall have entered into a sub-contract, signed by authorized parties, with a licensed agency to provide adoption services including adoption home studies for their certified foster homes.

- II. RFSQ, Section 3.0 Instructions to Prospective Contractors, Sub-section 3.5 Contractors' Questions (Optional) is amended to read as follows:

3.5 Contractors' Questions (optional)

Prospective Contractors may submit written questions regarding this RFSQ by mail, fax or e-mail to the Contracts Analyst identified below. Questions regarding GHs must be received by **5:00 PM, November 20, 2007**, and questions regarding FFAs must be received by **5:00 PM, January 2, 2008**. All questions, without identifying the submitting

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firm, will be compiled with the appropriate answers and issued as an addendum to the RFSQ. The addendum will be posted on DCFS' Website at www.lacdcfs.org/contracts/index.html, and the County's Website at <http://camisvr.co.la.ca.us/lacobids/>

When submitting questions please specify the RFSQ section number, paragraph number, and page number, and quote the passage that prompted the question. This will ensure that the question can be quickly found in the RFSQ. County reserves the right to group similar questions when providing answers.

Questions may address concerns that the application of minimum requirements, evaluation criteria and/or business requirements would unfairly disadvantage prospective Contractors or, due to unclear instructions, may result in the County not receiving the best possible responses from prospective Contractor. **Please note that questions received after the FFA Prospective Contractors' Conference on January 9, 2008, will not be answered or included in the Question and Answer Compilation posted on the websites.**

Questions should be addressed to:

Name: Felicia Carreker
Address: Department of Children and Family Services
Contracts Administration
425 Shatto Place, Room 400
Los Angeles, California 90020

Fax #: (213) 380-4623
e-mail address: ffagh@dcfs.lacounty.gov

- III. RFSQ, Section 3.0 Instructions to Prospective Contractors, Sub-section 3.7 Preparation and Format of the SOQ, Sub-paragraph 3.7.4 Required Forms is amended to read as follows:

3.7.1 Required Forms (Section B)

3.7.1.1 Include the following forms as provided in Appendix A – Required Forms. Complete, sign and date all forms.

<i>Form 2</i>	<i>Certification of No Conflict of Interest</i>
<i>Form 3</i>	<i>Contractor's Equal Employment Opportunity (EEO) Certification</i>
<i>Form 4</i>	<i>County's Administration</i>
<i>Form 5</i>	<i>Familiarity with the County Lobbyist ordinance Certification</i>
<i>Form 6</i>	<i>Prospective Contractor's List of Contracts</i>
<i>Form 7</i>	<i>Prospective Contractor's List of Terminated Contracts</i>

<i>Form 8</i>	<i>Attestation of Willingness to Consider GAIN/GROW Participants</i>
<i>Form 9</i>	<i>County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception</i>
<i>Form 10</i>	<i>Charitable Contributions Certification</i>
<i>Form 11</i>	<i>Offer to Perform and Acceptance of terms and Conditions</i>
<i>Form 12</i>	<i>Contractor's Involvement in Litigation and/or Contract Compliance Difficulties</i>
<i>Form 13</i>	<i>Certification of Fiscal Compliance</i>
<i>Form 14</i>	<i>Certification of Ownership and Financial Interest</i>
<i>Form 15</i>	<i>List of Commitments</i>
<i>Form 16</i>	<i>Contractor's Certification of Compliance with Child, Spousal, and Family Support Orders</i>
<i>Form 17</i>	<i>Contractor's Certification of Compliance with all Federal and State Employment Reporting Requirements</i>
<i>Form 18</i>	<i>Certified Foster Parent Acknowledgment and Confidentiality Agreement (if applicable)</i>
<i>Form 19</i>	<i>Contractor's Employee Acknowledgement and Confidentiality Agreement Form</i>
<i>Form 20</i>	<i>List of Current Members of Board of Directors/Other Agencies</i>
<i>Form 21</i>	<i>Service Delivery Sites</i>
<i>Form 22</i>	<i>Contractor's Administration</i>

IV. RFSQ, Section 3.0 Instructions to Prospective Contractors, Sub-section 3.8 SOQ and Program Statement Submission, Sub-paragraphs 3.8.1 and 3.8.1.2, are amended to read as follows:

3.8 SOQ and Program Statement Submission

3.8.1 The complete original SOQ and two (2) copies labeled as Copy #1 and Copy #2, of the complete SOQ shall be submitted. The original SOQ shall be typewritten or word-processed with a one (1) inch margin on all sides on 8 1/2" x 11" white bond paper. Each SOQ (including copies) shall be placed in separate three-ring binders for a total of three, three-ring binders. Each binder shall have tabs for each section letter of the SOQ. SOQs and all documents submitted in connection with this RFSQ shall be securely bound in a three-ring binder which can be easily opened and closed, for the removal of material by COUNTY, identified by prospective Contractor as "Trade Secrets", "Confidential", or "Proprietary". No paper clipped, stapled, or rubber banded documents shall be accepted. All SOQ pages shall be clearly and consecutively numbered.

Two complete copies of the **CCLD approved** Program Statement for each FFA program and three complete copies of the **CCLD approved** Program Statement for each GH program ~~as described in Appendix G, Exhibits (FFA) Exhibit A-II - Foster Family Agency (FFA) Program~~

~~Statement Instructions and Exhibit I, Exhibits (GH), Exhibit A-III—Group Home Program Statement Instructions,~~ shall also be submitted. Each Program Statement shall be in separate three-ring binders for a total of two, three-ring Program Statement binders for each FFA program, and a total of three three-ring binders for each GH program. Each binder shall be clearly labeled with the name and address of the prospective Contractor, and entitled “Program Statement”.

3.8.1.2 All three (3) SOQs with the ORIGINAL SOQ readily accessible, AND two (2) Program Statements for each FFA program and/or three (3) Program Statements for each GH program if submitting for more than one program, shall be placed in a plain sturdy cardboard boxes, which are sealed and can be easily stacked, handled and lifted. The boxes shall be clearly labeled with the name and address of the prospective Contractor and entitled “**Foster Family Agency/Group Home” Foster Care Services RFSQ # CMS-07-021/023.**

The SOQ and any related information shall be delivered or mailed to:

County of Los Angeles
Department of Children and Family Services
Contracts Administration
425 Shatto Place, Room 400
Los Angeles, California 90020

- V. RFSQ, Appendix A, Required Forms, Form 1 – Contractor’s Organization Questionnaire/Affidavit is amended, and attached as Attachment I.
- VI. RFSQ, Appendix A, Required Forms, Form 21 – Service Delivery Sites is amended, and attached as Attachment II.
- VII. RFSQ, Appendix F, Sample FFA Master Contract, Part I - Unique Terms and Conditions, Section 13.0 State License, Sub-section 13.2 has been amended is added to read as follows:

13.2 ~~The CONTRACTOR shall provide Services pursuant to the approved Program Statement. If planning to add additional offices during the term of the Contract, the CONTRACTOR shall notify the COUNTY Program Manager prior to the placement of and/or serving Placed Children from the additional office(s). Contractor’s decision to pursue licensing of additional offices from CGLD does not ensure placements from the County. obtain an Adoption License issued by the California Department of Social Services, CCL Division within eleven (11) months from the execution of this Contract, or if CONTRACTOR determines not to or is unable to obtain an Adoption License within eleven (11) months from the execution of this Contract, CONTRACTOR shall have entered into a sub-contract, signed by authorized parties, with a licensed adoption agency to~~

provide adoption services including adoption home studies (when initially certified) for their certified foster homes.

A copy of the Adoption License shall be forwarded to the following:

County of Los Angeles
Department of Children and Family Services Contracts Administration
Attention: Contract Administrator
425 Shatto Place, Room 400
Los Angeles, California 90020

A copy of the sub-contract shall be submitted for Director's or her designee's approval to the following:

County of Los Angeles
Department of Children and Family Services
Attention: FFA Program Manager
9320 Telstar Ave., Ste. 216
El Monte, CA 91731

- VIII. RFSQ, Appendix G, Exhibits (FFA), Exhibit A – Statement of Work, Section 2.0 – Permanency, Sub-section 2.3 – Adoption has been amended to read as follows:

2.3 Adoption

The following adoption requirements also become effective eleven (11) months from execution of this Contract:

- IX. RFSQ, Appendix G, Exhibits (FFA), Exhibit C-I, Auditor-Controller Foster Family Agency Contract Accounting and Administration Handbook is amended, and attached as Attachment III.
- X. RFSQ, Appendix G Exhibits (FFA), Exhibit C-II – Auditor-Controller/Department of Children and Family Services/Probation Department Fiscal Audit Phases, Fiscal Audits of Foster Family Agency Foster Care Services Contractors, Section II – Purpose of Fiscal Audit Review, Section III – Applicable Regulations, Section V Entrance Conference, Section VI - Preliminary, and Section XII – CONTRACTOR Response to Final Report are amended to read as follows:

II. Purpose of Fiscal Audit Review

The purpose of the fiscal audit review will be to determine whether, pursuant to the Agreement Contract, Foster Family Agency foster care services monies are appropriately accounted for and Expended on reasonable and allowable Expenditures in providing the necessary care and services for children placed by COUNTY and served by CONTRACTOR. A-C staff also evaluates the adequacy of CONTRACTOR's accounting records, internal controls, and compliance with the Agreement Contract and

applicable federal and State regulations governing the disbursement of foster care funds.

III. Applicable Regulations

We refer to the following guidelines and regulations in conducting our fiscal audits:

- County Foster Family Agency Foster Care Services Master ~~Agreement~~ Contract, including Exhibit C-21, Auditor-Controller Foster Family Agency Contract Accounting and Administration Handbook
- Federal Office of Management and Budget Circular A-122, Cost Principles for Non-Profit Organizations
- California Department of Social Services Manual of Policies and Procedures
- California Code of Regulations, Title 22

V. Entrance Conference

Prior to the entrance conference, A-C staff will have reviewed the CONTRACTOR's Program Statement and ~~Agreement~~ Contract to become familiar with the program and to identify questions or issues to be addressed or clarified during the entrance conference.

The entrance conference permits the CONTRACTOR and the A-C staff to discuss the scope of the review. A-C staff will introduce themselves, give a brief summary of the review objectives, discuss CONTRACTOR operating hours, work space, and CONTRACTOR's fiscal audit contact person, and perform an inventory of the CONTRACTOR's records requested in the confirmation letter. CONTRACTOR should ensure appropriate fiscal personnel are in attendance to answer any questions and discuss any concerns and problems encountered with CONTRACTOR records.

VI. Preliminary

The preliminary work will start after the entrance conference. This phase is an educational process for A-C staff. All requested documentation must be made available to the A-C Staff, including but not limited to, employee records, children's case files containing clothing and food receipts, and those records identified in Section 148.0, Records and Investigations, of the Agreement Contract.

Preliminary work will consist of becoming familiar with CONTRACTOR's accounting system and financial and accounting records, and evaluating its system of internal controls. From this work, A-C staff will determine how the records will be tested and the extent of detailed testwork that will be performed in each area (i.e., billings, salaries, non-personnel expenditures, etc.).

It is important for CONTRACTOR to have its financial and accounting records available or prepare final schedules detailing all financial activities of CONTRACTOR for the fiscal audit review period. This will expedite the review and provide A-C staff with the population of transactions subject to review.

XII. CONTRACTOR Response to Final Report

Within thirty (30) calendar days of the date the final draft fiscal audit report is received by CONTRACTOR, CONTRACTOR shall submit a response to the findings and recommendations, via first-class mail, to the DCFS Fiscal Monitoring Section (~~see Amendment Number One, subsection 9.6 Foster Family Agency Master Contract for Foster Care, Part I: Unique Terms and Conditions, Section 17.0 Financial Reporting, Sub-section 17.6~~). The response should address each of the findings affecting CONTRACTOR's operations, including but not limited to compliance/internal control issues and identified questioned Expenditures, and indicate corrective actions planned or already taken. As to corrective actions planned, CONTRACTOR shall identify the dates that corrective action will be implemented and completed.

XI. RFSQ, Appendix G, Exhibits (FFA), Exhibit D-I Certified Foster Parent Acknowledgment and Confidentiality Agreement is amended and attached as Attachment IV.

XII. RFSQ, Appendix G, Exhibits (FFA), Exhibit E – Semi-Annual Expenditure Report, Section B. Allowable Contract Expenditures, Section C. Total Un-Expended AFDC-FC Funds from Current Agreement, and Section E. Total Accumulated Un-Expended AFDC-FC Funds are amended to read as follows:

B. Allowable Contract Expenditures (Allowable Expenditures for the care and services of placed Los Angeles County children allocated in accordance with requirements contained in Section ~~8-24.2~~ and ~~824.3~~ of the ~~Agreement Contract~~. Expenditures should be reported within the 34 cost categories listed below. Except for the requirements of allocation of costs which is described in Section ~~824.2~~ and ~~824.3~~, Contractor shall use the Instructions in Exhibit E to complete this report.)

C. Total Un-Expended AFDC-FC Funds from Current Agreement Contract (Total AFDC-FC Revenues received from COUNTY (Section A) less Total Allowable Contract Expenditures (Section B, Line 35)) [See ~~Agreement Contract~~, Section ~~8 24.6~~]

E. Total Accumulated Un-Expended AFDC-FC Funds (Add Un-Expended funds from current ~~Agreement Contract~~ and Un-Expended funds from previous COUNTY FFA contracts)

XIII. RFSQ, Appendix G, Exhibits (FFA), Exhibit E – Semi-Annual Expenditure Report, Instructions for Completing Semi-Annual Expenditure Report, Section A. Expenditures and Section B. Total Un-Expended AFDC-FC Funds from Current Agreement are amended to read as follows:

A. Expenditures

For each line item cost, enter total program expenditures that were incurred during the reporting 6-month period and cumulative year-to-date related to the care and services of placed Los Angeles County children, allocated in accordance with requirements contained in Sections § 24.2 and § 24.3 of the Agreement Contract. If a cost item is shared among two or more programs, enter only the amount charged to the Los Angeles County FFA program.

B. Total Un-Expended AFDC-FC Funds from Current Agreement Contract:

The difference between Total Los Angeles County AFDC-FC Revenues (Section A) and Total Allowable Contract Expenditures (Section B, Line 35)

XIV. RFSQ, Appendix H, Sample GH Contract, Table of Contents, List of Exhibits is amended to read as follows:

LIST OF EXHIBITS:

Exhibit A	Statement of Work
Exhibit A-I	Foster Youth Bill of Rights
Exhibit A-II	Legal Rights of Teens in Out-of-Home Care
Exhibit A-III	Intentionally Left Blank
Exhibit A-IV	Personal Rights – Children’s Residential Facilities
Exhibit A-V	Probation Case Plan Form (PROB 1385) and Foster Child's Needs and Case Plan Summary (DCFS 709)
Exhibit A-Va	Needs and Services Plan/Quarterly Report Template
Exhibit A-VI	Clothing Standard
Exhibit A-VII	Agency Placement Agreement
Exhibit A-VIII	Special Incident Reporting Guide for Group Homes
Exhibit A-IX	Requirements for Medical/Dental Exams for Placed Children
Exhibit A-X	Administration of Psychotropic Medicines to DCFS Supervised Children
Exhibit A-XI	Emancipation Preparation Goal Contract
Exhibit A-XII	Format for Brief Program Description
Exhibit A-XIIIa	Medical Examination Form DCFS 561(a)
Exhibit A-XIIIb	Dental Examination Form DCFS 561(b)
Exhibit A-XIIIc	Psychological/Other Examination Form DCFS 561(c)
Exhibit B	Group Home Foster Care Program Statement as approved by the California Department of Social Services
Exhibit C	Office of Management and Budget (OMB) Circular No. A-122
Exhibit C-I	Auditor-Controller Group Home Contract Accounting and Administration Handbook
Exhibit C-II	Auditor-Controller/Department of Children and Family Services/Probation Department Fiscal Audit Phases, Fiscal Audits of Group Home Foster Care Services Contractors
Exhibit C-III	Line Item Budget

Exhibit D	Contractor Employee Acknowledgment and Confidentiality Agreement
Exhibit E	Semi-Annual Expenditure Report
Exhibit F	Health and Safety Code Section 1522
Exhibit G	DCFS 4389 (4/94) Declaration in Support of Access to Juvenile Record (WIC 827) Including Additional Confidentiality Issues and CWS Handbook Procedural Guide 0500-501.20
Exhibit H	Welfare and Institutions Code Section 16001.9 and Health and Safety Code, Section 1522.41(a-c)
Exhibit I	Welfare and Institutions Code Section 16010 and CWS Handbook Procedural Guide 0080-505.20
Exhibit J	Statement of Dangerous Behaviors
Exhibit K	Intentionally Left Blank
Exhibit L	Notice to Employees Regarding Federal Earned Income Credit (FEIC)
Exhibit M	Payment Resolution Notification
Exhibit N	Group Home Contract Investigation/Monitoring/Audit Remedies and Procedures
Exhibit O	Los Angeles County Code 2.203 (Jury Service Program Certification)
Exhibit P	Contractor's Certification of Compliance with Child, Spousal and Family Support Orders
Exhibit P-I	Contractor's Certification of Compliance with all Federal and State Employment Reporting Requirements
Exhibit Q	Contractor's Equal Employment Opportunity (EEO) Certification
Exhibit R	FYI 02-08 Quality of Life
Exhibit S	Safely Surrendered Baby Law Fact Sheet
Exhibit T	Overpayments
Exhibit U	Group Home Program Cost Report, SR 3
Exhibit V	Health and Safety Code, Sections 1180-1180.6
Exhibit W	Probation Quarterly Report Format
Exhibit X	Discharge Outcome and Placement Stability Report
Exhibit Y	Target Populations with Corresponding Rate Classification Levels
Exhibit Z	Charitable Contributions Certification
Exhibit AA	County's Administration
Exhibit BB	Service Delivery Sites
Exhibit CC	Family Visitation Plan Guidelines
Exhibit DD	Reporting Runaways: A Guide for Caregivers <u>Intentionally Left Blank</u>
Exhibit EE	CONTRACTOR's Obligations Under Health Insurance Portability & Accountability Act (HIPAA)
Exhibit FF	Discharge Summary: Group Home
Exhibit GG	Contractor's Administration

XV. RFSQ, Appendix H, Sample GH Contract, Part I; Unique Terms and Conditions, Section 1.0 – Applicable Documents, Sub-section 1.4 is amended to read as follows:

1.4 In the event of any conflict in the definition or interpretation of any word, responsibility, Service, schedule, or contents of a deliverable product between this Contract and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving precedence first to this Contract, and then to the Exhibits according to the following priority:

Exhibit A	Statement of Work
Exhibit A-I	Foster Youth Bill of Rights
Exhibit A-II	Legal Rights of Teens in Out-of-Home Care
Exhibit A-III	Intentionally Left Blank
Exhibit A-IV	Personal Rights – Children’s Residential Facilities
Exhibit A-V	Probation Case Plan Form (PROB 1385) and Foster Child's Needs and Case Plan Summary (DCFS 709)
Exhibit A-Va	Needs and Services Plan/Quarterly Report Template
Exhibit A-VI	Clothing Standard
Exhibit A-VII	Agency Placement Agreement
Exhibit A-VIII	Special Incident Reporting Guide for Group Homes
Exhibit A-IX	Requirements for Medical/Dental Exams for Placed Children
Exhibit A-X	Administration of Psychotropic Medicines to DCFS Supervised Children
Exhibit A-XI	Emancipation Preparation Goal Contract
Exhibit A-XII	Format for Brief Program Description
Exhibit A-XIIIa	Medical Examination Form DCFS 561(a)
Exhibit A-XIIIb	Dental Examination Form DCFS 561(b)
Exhibit A-XIIIc	Psychological/Other Examination Form DCFS 561(c)
Exhibit B	Group Home Foster Care Program Statement as approved by the California Department of Social Services
Exhibit C	Office of Management and Budget (OMB) Circular No. A-122
Exhibit C-I	Auditor-Controller Group Home Contract Accounting and Administration Handbook
Exhibit C-II	Auditor-Controller/Department of Children and Family Services/Probation Department Fiscal Audit Phases, Fiscal Audits of Group Home Foster Care Services Contractors
Exhibit C-III	Line Item Budget
Exhibit D	Contractor Employee Acknowledgment and Confidentiality Agreement
Exhibit E	Semi-Annual Expenditure Report
Exhibit F	Health and Safety Code Section 1522
Exhibit G	DCFS 4389 (4/94) Declaration in Support of Access to Juvenile Record (WIC 827) Including Additional Confidentiality Issues and CWS Handbook Procedural Guide 0500-501.20
Exhibit H	Welfare and Institutions Code Section 16001.9 and Health and Safety Code, Section 1522.41(a-c)

Exhibit I	Welfare and Institutions Code Section 16010 and CWS Handbook Procedural Guide 0080-505.20
Exhibit J	Statement of Dangerous Behaviors
Exhibit K	Intentionally Left Blank
Exhibit L	Notice to Employees Regarding Federal Earned Income Credit (FEIC)
Exhibit M	Payment Resolution Notification
Exhibit N	Group Home Contract Investigation/Monitoring/Audit Remedies and Procedures
Exhibit O	Los Angeles County Code 2.203 (Jury Service Program Certification)
Exhibit P	Contractor's Certification of Compliance with Child, Spousal and Family Support Orders
Exhibit P-I	Contractor's Certification of Compliance with all Federal and State Employment Reporting Requirements
Exhibit Q	Contractor's Equal Employment Opportunity (EEO) Certification
Exhibit R	FYI 02-08 Quality of Life
Exhibit S	Safely Surrendered Baby Law Fact Sheet
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Exhibit U	Group Home Program Cost Report, SR 3
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Exhibit Y	Target Populations with Corresponding Rate Classification Levels
Exhibit Z	Charitable Contributions Certification
Exhibit AA	County's Administration
Exhibit BB	Service Delivery Sites
Exhibit CC	Family Visitation Plan Guidelines
Exhibit DD	Reporting Runaways: A Guide for Caregivers <u>Intentionally Left Blank</u>
Exhibit EE	CONTRACTOR's Obligations Under Health Insurance Portability & Accountability Act (HIPAA)
Exhibit FF	Discharge Summary: Group Home
Exhibit GG	Contractor's Administration

XVI. RFSQ, Appendix H, Sample GH Contract, Part I; Unique Terms and Conditions, Section 2.0 Definitions, Sub-sections 2.10 through 2.57 are amended to read as follows:

2.10 "Court Appointed Special Advocate" or "CASA" – means a court appointed person who advocates for the Placed Child's needs and best interests and provides the court with written recommendations.

~~2.10~~ 2.11 "Corrective Action Plan" or "CAP" – means a document that serves as CONTRACTOR's commitment to remedy deficiencies in response to findings uncovered in investigations, as further described in Part I, Section 15.0 Hold

Status, Do Not Refer Status, Do Not Use Status, Corrective Action Plan, Sub-section 15.1 and Exhibit N, DCFS/Probation Group Home Foster Care Agreement Contract Investigation/Monitoring/Audit Remedies and Procedures.

- ~~2.11~~ 2.12 “COUNTY Worker” – means for a DCFS-Placed Child, COUNTY Worker is a Children's Social Worker (CSW). For a Probation-Placed Child, COUNTY Worker is a Deputy Probation Officer (DPO).
- ~~2.12~~ 2.13 “Day” or “Days” – means whether singular or plural, whether with initial letter capitalized or not, shall mean calendar days, and not business or workday, unless otherwise specifically stated.
- 2.14 “Day Rehabilitation Program” - Programs funded by the Department of Mental Health (DMH) that operate in some Rate Classification Levels (RCL) 12 and 14 group homes (GHs). These programs provide an organized and structured mental health treatment program to assist a distinct group of children/adolescents with serious emotional disturbance. The programs focus on addressing delayed personal growth and development. Services are intended to maintain individuals in their settings, consistent with their requirements for learning, development and enhanced self-sufficiency.
- 2.15 “Day Treatment Intensive Program” - Programs funded by the Department of Mental Health (DMH) that operate in some GHs with high RCLs. These programs provide an organized and structured multi-disciplinary mental health treatment program to assist a distinct group of children/adolescents with serious emotional disturbance. The programs focus on assisting individuals to gain the social and functional skills necessary for appropriate development and social integration. Services are intended to prevent hospitalization or placement in a more restrictive facility.
- ~~2.13~~ 2.16 “DCFS” - means COUNTY’s Department of Children and Family Services
- 2.17 “Delinquent Children” – A child who is a ward of the Juvenile Court under Welfare and Institutions Code, Section 601(a) or (b) or Section 602(a) or (b). Probation supervises Delinquent Children.
- 2.18 “Department of Mental Health” or “DMH” - The Los Angeles County Department of Mental Health that, through its Children’s System of Care, provides services for emotionally disturbed children including those in GHs. These services include:
- 2.18.1 Certification of the mental health services component for any proposed Rate Classification Level (RCL) 13 or 14 GH program prior to the Foster Care Funding and Rates Bureau establishing these rate levels;

2.18.2 Support for the development of Day Rehabilitation Programs in GHs;

2.18.3 Support for the development of Day Treatment Programs in GHs; and

2.18.4 Providing Therapeutic Behavioral Services in GHs.

- 2.19 “Dependent Children” - A child who is within the jurisdiction of the Juvenile Court under Welfare and Institutions Code, Sections 300(a), (b), (c), (d), (e), (f), (g), (h), (i), and (j). DCFS supervises Dependent Children.
- ~~2.14~~ 2.20 “Deputy Probation Officer” or “DPO” - An employee of the Probation Department who provides direct supervision of youth on formal probation.
- 2.21 “Developmental Disability” – A disability which originates before an individual attains age 18, continues, or can be expected to continue, indefinitely and constitutes a substantial disability for that individual. This term shall include mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature (Welfare and Institutions Code, Section 4512(a)).
- ~~2.15~~ 2.22 “Director” - means COUNTY’s Director of Children and Family Services or his or her authorized designee.
- ~~2.16~~ 2.23 “Do Not Refer Status” or “DNR Status” –means all new referrals to CONTRACTOR are suspended, as further discussed in Part I, Section 15.0 Hold Status, Do Not Refer Status, Do Not Use Status, Corrective Action Plan, Sub-section 15.3, Do Not Refer Status and Exhibit N, DCFS/Probation Group Home Foster Care Agreement Contract Investigation/Monitoring/Audit Remedies and Procedures.
- ~~2.17~~ 2.24 “Do Not Use Status” or “DNU Status” – means all new referrals to CONTRACTOR are suspended, and all Placed Children are removed from CONTRACTOR’s facility(ies), as further discussed in Part I, Section 15.0 Hold Status, Do Not Refer Status, Do Not Use Status, Corrective Action Plan, Sub-section 15.4, Do Not Use Status and Exhibit N, DCFS/Probation Group Home Foster Care Agreement Contract Investigation/Monitoring/Audit Remedies and Procedures.
- ~~2.18~~ 2.25 “Emancipation” – means successful passage of foster youth to adulthood, including becoming a responsible and contributing member of the Community.

- ~~2.19~~ 2.26 "Emancipation Planning" – means services designed to enable Placed Children age 14 years or older to successfully develop competencies in areas that will enhance their passage to adulthood once jurisdiction of case status has terminated.
- ~~2.20~~ 2.27 "Expended Funds" or "Expended" or "Expenditures" – means AFDC-FC funds, received through this Contract that are subsequently spent by CONTRACTOR for the care and Services of Placed Children. Expended funds must be reasonable and allowable in accordance with Part I, Section 24.0 Use of Funds, Sub-section 24.3 of this Contract.
- ~~2.24~~ 2.28 "Family Group Decision Making" or "FGDM" – means a thoroughly studied, innovative social work tool that enables families, assisted by social workers, relatives and community members, to effectively plan and monitor the safety, protection and care of their children.
- ~~2.22~~ 2.29 "Federal Tax Exempt Status" – means the status of organization or agency that is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.
- ~~2.23~~ 2.30 "Fiscal Year(s)" - means the twelve (12) month period beginning July 1st and ending the following June 30th.
- ~~2.24~~ 2.31 "Foster Care Funding and Rates Bureau" – means the Division of the California Department of Social Services that establishes Aid to Families with Dependent Children-Foster Care (AFDC-FC) rates for group homes.
- ~~2.25~~ 2.32 "Foster Care Payment Hotline" – means a telephone number that CONTRACTOR may call under circumstances described in this Contract (i.e., within 24 hours of child leaving the group home) or may call to request payment or Medi-Cal information. The Foster Care Payment Hotline Number is (800) 697-4444.
- 2.33 "Group Home" or "GH" - A community care facility that provides 24-hour care and supervision to children, provides Services to a specific client group, and maintains a structured environment.
- ~~2.26~~ 2.34 "Hold Status" – means a temporary suspension of referrals of children to CONTRACTOR by placing CONTRACTOR on Hold Status for up to a 45-Day period at any time during investigations, as further defined in Part I, Section 15.0 Hold Status, Do Not Refer Status, Do Not Use Status, Corrective Action Plan, Sub-section 15.2 of this Contract and Exhibit N, DCFS/Probation Group Home Foster Care Agreement Contract Investigation/Monitoring/Audit Remedies and Procedures.
- ~~2.27~~ 2.35 "Independent Living Program" or "ILP" – means the program authorized under 42 U.S.C. 677 of the Social Security Act for services and activities

to assist/prepare Placed Children age 14 or older to make the transition from out-of-home care to independent living. Youths receiving family reunification and permanent placement services, and those in out-of-home care are eligible. Youths receiving emergency response and family maintenance services and those in psychiatric hospitals are not eligible for the program. DCFS and Probation may also provide ILP services to former foster youths up to age 21. ILP is a major component of Emancipation Planning.

- ~~2.28~~ 2.36 "Interagency Placement Committee" - A committee which determines whether an AFDC-FC child is Seriously Emotionally Disturbed and in need of RCL 14 mental health services. It also re-evaluates each child at least every six months to determine whether or not RCL 14 services are still needed. The committee is made up of representatives from DCFS, Mental Health, Probation, the GH provider community, and Metropolitan State Hospital.
- ~~2.28~~ 2.37 "Multi-disciplinary Assessment Team or MAT" – means a group of health care providers and other professionals, including physicians, pediatricians, psychologists, clinical social worker, licensed vocational nurses, pediatric nurse practitioner, occupational therapist, and home visitor housed at the entry point to the Protective Services Child Health (PSCH) system who will jointly assess and develop a child health plan for each referred child (in conjunction with the CSW, a PHN, and, as appropriate, the child's primary caregivers) means a program that provides a comprehensive assessment of children entering foster care.
- ~~2.29~~ 2.38 "Needs and Services Plan" – means a comprehensive, individualized, time-limited, goal oriented plan, developed by CONTRACTOR identifying the specific needs of an individual Placed Child, including, but not limited to, those items specified in Title 22, Division 6, Chapter 5, Section 84068.2, that delineates those Services necessary in order to meet the Placed Child's identified needs.
- ~~2.30~~ 2.39 "Placed Child" or "Placed Children" – means any child or children placed by COUNTY receiving Services from CONTRACTOR pursuant to this Contract.
- ~~2.34~~ 2.40 "Point of Engagement" or "POE" – is a collaborative public and private initiative that provides a community safety net for DCFS children and families. POE utilizes a multi-disciplinary approach that includes the family in the process of selecting and planning for the delivery of needed services.
- ~~2.32~~ 2.41 "Pool Rate" – means the rate of interest to be charged as determined by COUNTY's Auditor-Controller.

- ~~2.33~~ 2.42 "Probation" – means the COUNTY's Probation Department
- ~~2.34~~ 2.43 "Program" - means the work to be performed by CONTRACTOR as defined in Exhibit A, Statement of Work.
- ~~2.35~~ 2.44 "Program Directors" – means the Director of the Department of Children and Family Services (DCFS) and the Chief Probation Officer of the Probation Department.
- ~~2.36~~ 2.45 "Program Manager" – means the COUNTY representative responsible for administering this Contract, consulting on policy, providing technical assistance and overall coordination and implementation of this Contract between the CONTRACTOR and COUNTY. (See Exhibit AA, County's Administration)
- ~~2.37~~ 2.46 "Program Statement" – means a comprehensive description of the group home's program in effect during the term of this Contract; ~~written in accordance with the CCLD Group Home Program Statement Instructions (Exhibit A-III).~~
- ~~2.38~~ 2.47 "Rate Classification Level" or "RCL" – means the basis for monthly payment to CONTRACTOR, established by the State of California. The RCL is calculated on the basis of the number of staff hours and the educational level of staff employed who have direct contact with children.
- ~~2.39~~ 2.48 "Real property" – means land and anything growing on, attached to, or erected on it.
- 2.49 "Seriously Emotionally Disturbed" – Defined by Welfare and Institutions Code, Section 5600.3(a)(2) as child who has a mental disorder as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, which results in behavior inappropriate to the child's age according to expected developmental norms. Members of this target population shall meet one or more of the following criteria:
- 2.49.1 As a result of the mental disorder the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the Community, and either of the following occur:
- 2.49.1.1 The child is at risk of removal from home or has already been removed from the home; or
- 2.49.1.2 The mental disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment;

2.49.2 The child displays one of the following: psychotic features, risk of suicide or risk of violence due to a mental disorder; and

2.49.3 The child meets special education eligibility requirements under Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code.

2.50 “Severely Emotionally Disturbed/Severe Emotional Disorder” – Refers to a complex of emotional and behavioral problems that are slightly less profound in either degree or extent than the, “Seriously Emotionally Disturbed.”

2-40 2.51 “Service(s)”- means CONTRACTOR’s obligations under the Contract, including but not limited to the basic needs CONTRACTOR agrees to meet for each Placed Child as outlined in this Contract, the Statement of Work, the California Department of Social Services Regulations, and CONTRACTOR's Program Statement.

2-44 2.52 “Subcontract” – means a contract by which a third party agrees to provide services or materials necessary to fulfill an original contract.

2-42 2.53 “Subcontractor” – means an organization or individual that enters into an Contract with CONTRACTOR to provide specific program Services. Such individuals are not considered employees of CONTRACTOR or COUNTY. In foster care, a Subcontractor usually provides hourly or fixed fee Services based on the number of Placed Children in the program.

2-43 2.54 “Team Decision Making or TDM” – is a process utilizing a multi-disciplinary assessment and team approach in working with children and their families.

2.55 “Therapeutic Behavioral Services” or “TBS” - Services provided in some GHs through the DMH to provide temporary support for an individual child who may be experiencing a life crisis, when a life crisis is imminent, or who requires additional support to transition from a higher to lower level of care or to prevent movement to a higher level of care. TBS services are funded by Medi-Cal under the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program.

2-44 2.56 “Title 22” – means the California Code of Regulations for community care facilities including group homes.

2-45 2.57 “Un-Expended Funds” or “un-Expended” – Means AFDC-FC funds, received through this Contract, which are retained and not spent by CONTRACTOR. (See Part I, Section 25.0, Real Property, Equipment, Fixed Assets, Sub-section 25.6 of this Contract.)

PERFORMANCE OUTCOME SUMMARY 1.0 SAFETY		
PROGRAM: GROUP HOME FOSTER CARE SERVICES		
PROGRAM TARGET GROUP: Placed Children in Group Home Care		
PROGRAM GOAL AND OUTCOME: Safety – Children shall be free of abuse and neglect as specified in California Health and Safety Code Section 1522(b), other children and family members.		
OUTCOME INDICATORS	PERFORMANCE TARGETS	METHOD OF DATA COLLECTION
Abuse & neglect referrals and their disposition.	99.67% of children are free from a report of substantiated maltreatment as specified in California Health and Safety Code Section 1522(b). ¹	CWS/CMS Child's Case File Quarterly Reports
CCLD citations, Out of Home Care Management Division, and Auditor Controller reports on safety and physical plant deficiencies.	100% of Corrective Action Plans (CAPs) submitted on time ² and successfully implemented, including physical plant and safety deficiencies.	Facility review reports CAPs Auditor Controller Reports
Child-to-child injuries resulting from lack of supervision that necessitate the submission of a SIR and require treatment by a health professional.	Child-to-child injuries while under the supervision of group home not exceed 20 <u>.02</u> %.	CCLD Citations Special Incident Reports I-Track web-based system.

XVII. RFSQ, Appendix H, Sample GH Contract, Part I; Unique Terms and Conditions, Section 3.0 Term, Sub-section 3.2 is amended to read as follows:

The COUNTY shall have the sole option to extend the Contract term for up to four (4) additional one-year periods and for a maximum total Contract term of five (5) years. Each such option and extension shall be exercised at the sole discretion of the Director and the Chief Probation Officer, by written notice to the CONTRACTOR sixty (60) days prior to the expiration of the Contract term provided that approval of County's Chief Executive Officer (CEO) is obtained prior to any such extension.

XVIII. RFSQ, Appendix I, Exhibits (GH), Exhibit A, Statement of Work, Part C – Service Tasks to Achieve Performance Outcome Goals, Performance Outcome Summary – 1.0 Safety is amended to read as follows:

XIX. RFSQ, Appendix I, Exhibits (GH), Exhibit A, Statement of Work, Part C – Service Tasks to Achieve Performance Outcome Goals, Section 1.0 – Safety, Sub-section 1.1 Movement of Placed Children, Sub-paragraph 1.1.2b is amended to read as follows:

(b) For Probation, in the event of an emergency, the CONTRACTOR shall contact the DPO of record during normal working hours, the ~~Central Placement's OHC Unit~~ Placement Administrative Services Officer of the Day, and the ~~Central Placement Resource Control Supervisor~~ GH Monitoring Supervisor at (323) 226-8600 during normal working hours or (323) 226-8506 after working hours. Notification shall be made as soon as possible but no later than 24 hours after the Placed Child is moved.

XX. RFSQ, Appendix I, Exhibits (GH), Exhibit A, Statement of Work, Part C – Service Tasks to Achieve Performance Outcome Goals, Section 1.0 – Safety, Sub-section 1.4 - CONTRACTOR'S Responsibilities for Placed Children Off Grounds, Sub-paragraph 1.4.2 – Maintenance of a Sign-in/Sign-out Log is amended to read as follows:

1.4.2 Maintenance of a Sign-in/Sign-out Log:

The CONTRACTOR shall maintain a detailed sign-in/sign-out log for Placed Children who leave the facility for any reason other than regularly scheduled work, school, or group activities of the CONTRACTOR. This log shall include the name of the child, his/her destination, the time he/she left the facility, the anticipated time of return, and the name and telephone number of the person who is responsible to supervise the resident while he/she is away from the facility.

The CONTRACTOR shall maintain a daily log of all visitors that includes the following information: (1) the County Worker; (2) the person they are visiting; and (3) the arrival and departure times. For Probation, the CONTRACTOR shall ensure that all DPOs (except On-Site DPOs) and ~~Regional~~ Residential Based Services DPOs that supervise youth at more than one site sign the entry log prior to his/her visitation.

XXI. RFSQ, Appendix I, Exhibits (GH), Exhibit A, Statement of Work, Part C – Service Tasks to Achieve Performance Outcome Goals, Section 1.0 – Safety, Sub-section 1.7 – Runaway Procedures is deleted in its entirety and replaced to read as follows:

~~1.7 The CONTRACTOR shall try to locate a runaway child by: (1) notifying the County Worker; (2) contacting the child's family, friends, school officials, and neighbors; (3) notifying law enforcement immediately; (4) documenting the information; and (5) reporting all relevant information to the County Worker immediately per Exhibit DD, Reporting Runaways: A Guide for Caregivers.~~

The CONTRACTOR shall try to locate a runaway child by:

1.7.1 Immediately calling DCFS.

As soon as you have discovered that a child has run away, please call the CSW or their supervisor. If it is after hours or on the weekend, or, you are

unable to reach the CSW or their supervisor, call the **DCFS Child Protection Hotline at 1-800-540-4000**. Any assistance you can provide to the case-carrying social worker about neighbors, friends of the child, school officials and family members would be helpful in gathering more information.

DCFS staff or the Hotline will need as much detailed information as you can give them. For instance: Who did the child leave the home with? Did someone pick up the child or did they leave on foot? Which direction did the child go in? Was there a parent or relative involved? What was the child's state of mind – angry, depressed?

1.7.2 Immediately call law enforcement and file a Missing Persons' Report. Have the phone number of your nearest law enforcement agency on hand. Law enforcement will need a physical description of the minor and any distinguishing physical characteristics. Be sure to get a report number and the name of the person taking the report and follow up by getting a report in writing. Document all of your efforts.

1.7.3 Within 72 hours, send the Missing Person's Report and reporting number to the CSW. If you are reporting a runaway, fill out an iTrack Special Incident Report. Forward the report to Community Care Licensing, the DCFS Out-of-Home Care Management Division and to the CSW. Be sure to include the time and date the child was last seen and any significant details leading up to the incident.

1.7.4 Keep all of your copies of reports and documentation for at least 6 months.

Important numbers to have on hand:

CSW

CSWs' supervisor

Child Protection Hotline: 1-800-540-4000

Closest law enforcement agency

XXII. RFSQ, Appendix I, Exhibits (GH), Exhibit A, Statement of Work, Part C – Service Tasks to Achieve Performance Outcome Goals, Section 2.0 - Reunification/Permanency, Sub-section 2.2 – Visitation Plan, Family Visitation Guidelines, Sub-paragraphs 2.2.1a, 2.2.1c and 2.2.1d are amended to read as follows:

2.2 Visitation Plan:

2.2.1 Family Visitation Guidelines:

The Juvenile Court Visitation Committee of the Los Angeles County Superior Court has issued new guidelines for DCFS in a document called *Family Visitation Guidelines*, which is attached as Exhibit CC. Key requirements include:

- (a) Family Visitation Plans (FVPs) shall be developed by a TEAM consistent with the dependency and criminal court orders [See Section ~~2.3.2~~ 2.2.2 below];
- (c) Caregivers, including GH staff, are required to perform specified tasks [See Section ~~2.3.3~~ 2.2.3 below];
- (d) Frequency and length of visitation should correspond to the child's age and developmental stage and be consistent with the family's permanency goal [See Section ~~2.3.4~~ 2.2.4 below]; and

- XXIII. RFSQ, Appendix I, Exhibits (GH), Exhibit A-XII, Format for Brief Program Description is amended and attached as Attachment V.
- XXIV. RFSQ, Appendix I, Exhibits (GH), Exhibit C-I, Auditor-Controller Group Home Contract Accounting and Administration Handbook is amended, and attached as Attachment VI.
- XXV. RFSQ, Appendix I, Exhibits (GH), Exhibit C-II – Auditor-Controller/Department of Children and Family Services/Probation Department Fiscal Audit Phases, Fiscal Audits of Group Home Foster Care Services Contractors, Section II – Purpose of Fiscal Audit Review, Section III – Applicable Regulations, Section V Entrance Conference, Section VI - Preliminary, and Section XII – CONTRACTOR Response to Final Report are amended to read as follows:

II. Purpose of Fiscal Audit Review

The purpose of the fiscal audit review will be to determine whether, pursuant to the Agreement Contract, Group Home foster care services monies are appropriately accounted for and Expended on reasonable and allowable Expenditures in providing the necessary care and services for children placed by COUNTY and served by CONTRACTOR. A-C staff also evaluates the adequacy of CONTRACTOR's accounting records, internal controls, and compliance with the Agreement Contract and applicable federal and State regulations governing the disbursement of foster care funds.

III. Applicable Regulations

We refer to the following guidelines and regulations in conducting our fiscal audits:

- County Group Home Foster Care Services Master Agreement Contract, including Exhibit C-2 I, Auditor-Controller Group Home Contract Accounting and Administration Handbook
- Federal Office of Management and Budget Circular A-122, Cost Principles for Non-Profit Organizations
- California Department of Social Services Manual of Policies and Procedures
- California Code of Regulations, Title 22

V. Entrance Conference

Prior to the entrance conference, A-C staff will have reviewed the CONTRACTOR's Program Statement and ~~Agreement~~ Contract to become familiar with the program and to identify questions or issues to be addressed or clarified during the entrance conference.

The entrance conference permits the CONTRACTOR and the A-C staff to discuss the scope of the review. A-C staff will introduce themselves, give a brief summary of the review objectives, discuss CONTRACTOR operating hours, work space, and CONTRACTOR's fiscal audit contact person, and perform an inventory of the CONTRACTOR's records requested in the confirmation letter. CONTRACTOR should ensure appropriate fiscal personnel are in attendance to answer any questions and discuss any concerns and problems encountered with CONTRACTOR records.

VI. Preliminary

The preliminary work will start after the entrance conference. This phase is an educational process for A-C staff. All requested documentation must be made available to the A-C Staff, including but not limited to, employee records, children's case files containing clothing and food receipts, and those records identified in Section 14 §.0, Records and Investigations, of the ~~Agreement~~ Contract.

XII. CONTRACTOR Response to Final Report

Within thirty (30) calendar days of the date the final draft fiscal audit report is received by CONTRACTOR, CONTRACTOR shall submit a response to the findings and recommendations, via first-class mail, to the DCFS/Probation Fiscal Monitoring Section (see ~~Amendment Number One, subsection 9.5~~ Master Contract for Group Home Foster Care Services, Part I: Unique Terms and Conditions, Section 16.0 Financial Reporting, Sub-section 16.5). The response should address each of the findings affecting CONTRACTOR's operations, including but not limited to compliance/internal control issues and identified questioned Expenditures, and indicate corrective actions planned or already taken. As to corrective actions planned, CONTRACTOR shall identify the dates that corrective action will be implemented and completed.

XXVI. RFSQ, Appendix I, Exhibits (GH), Exhibit E – Semi-Annual Expenditure Report, Section B. Allowable Contract Expenditures, Section C. Total un-Expended AFDC-FC Funds from Current Agreement, and Section E. Total Accumulated Unexpended AFDC-FC Funds are amended to read as follows:

B. Allowable Contract Expenditures (Allowable Expenditures for the care and services of placed Los Angeles County children allocated in accordance with requirements contained in Sections § 24.2 and § 24.3 of the Agreement. Expenditures should be reported within the 15 cost categories listed below. Except for the requirements of allocation of costs which is described in Sections

§ 24.2 and § 24.3 Contractor shall use the SR 3 Instructions in Exhibit U to complete this report.)

- C. **Total un-Expended AFDC-FC Funds from Current Agreement Contract** (Total AFDC-FC Revenues received from COUNTY less Total Allowable Contract Expenditures) [See Agreement Contract, Section § 24.6]

- E. **Total Accumulated Unexpended AFDC-FC Funds** (Add un-Expended funds from current Agreement Contract and unexpended funds from previous COUNTY GH contracts)

Except as provided by addendum, all other terms and conditions of the RFSQ remain unchanged.

Sincerely,



WALTER CHAN, Manager
Contracts Administration

Attachment (6)

WC:RML:fc

CONTRACTOR'S ORGANIZATION QUESTIONNAIRE/AFFIDAVIT

Please complete, date and sign this form and include it in Section A of the SOQ. The person signing the form must be authorized to sign on behalf of the Contractor and to bind the applicant in a Master Contract.

Organization Name: _____
Address: _____

Organization Telephone: _____
Facsimile: _____
E-Mail Address of Organization Contact Person: _____

THIS STATEMENT OF QUALIFICATIONS IS BEING SUBMITTED FOR THE FOLLOWING PROGRAMS:

- Foster Family Agency Master Contract for Foster Care (DCFS)**
- Master Contract for Group Home Foster Care Services (DCFS)**
- Master Contract for Group Home Foster Care Services (PROB)**

1. If your organization is a corporation, state its legal name (as found in your Articles of Incorporation) and State of incorporation:

_____	_____	_____
Name	State	Year Inc.

2. If your organization is a partnership or a sole proprietorship, state the name of the proprietor or managing partner:

3. If your organization is doing business under one or more DBA's, please list all DBA's and the County(s) of registration:

Name	County of Registration	Year became DBA
_____	_____	_____
_____	_____	_____

4. Is your organization wholly or majority owned by, or a subsidiary of, another agency? _____

If yes, Name of parent organization: _____

State of incorporation or registration of parent organization: _____

5. Please list any other names your organization has done business as within the last five (5) years.

Name	Year of Name Change
_____	_____
_____	_____

6. Indicate if your organization is involved in any pending acquisition/merger, including the associated company name. If not applicable, so indicate below.

Prospective Contractor acknowledges and certifies that it meets and will comply with all of the Minimum Qualifications listed in Section 2.0 General Information, Sub-section 2.4 – Prospective Contractor’s Minimum Qualifications, of this Request for Statement of Qualifications (RFSQ), as listed below.

Check the appropriate boxes:

- Yes** **No** **Sub-paragraph 2.4.1.1** Prospective Contractor shall have been in good standing for the prior twelve months with the DCFS FFA and GH Performance Management Section, Probation Central Placement, and/or California Department of Social Services (CDSS) Community Care Licensing Division (CCLD).

- Yes** **No** **Sub-paragraph 2.4.1.2** Prospective Contractor must indicate which programs he/she is attempting to qualify.

- Yes** **No** **Sub-paragraph 2.4.1.3** Prospective Contractor must have licensure through the State of California Department of Social Services (CDSS) for each program he/she is attempting to qualify, and must provide a copy for each program and each site.

- Yes** **No** **Sub-paragraph 2.4.1.4** Prospective Contractor must provide a copy of their organization’s 501(c)(3) Non-Profit Corporation Status letter from the Internal Revenue Service.

- Yes** **No** **Sub-paragraph 2.4.1.5** Prospective Contractor must provide a copy of their organization’s Non-Profit Determination letter from the State of California Franchise Tax Board.

- Yes** **No** **Sub-paragraph 2.4.1.6** Prospective Contractor must provide a **certified** copy of their organization’s Statement of Information by Domestic Non-Profit from the California Secretary of State.

- Yes No **Sub-paragraph 2.4.1.7** Prospective Contractor must certify adherence to the requirements of the GH Master Contract for Foster Care Services and/or the Foster Family Agency Master Contract for Foster Care.

- Yes No **Sub-paragraph 2.4.1.8** Prospective Contractor must not have current and/or prior “Do Not Use” status.

- Yes No **Sub-paragraph 2.4.1.9** Prospective Contractor must prove fiscal viability as evidenced through a review and evaluation of financial documents.

- Yes No **Sub-paragraph 2.4.1.10** Prospective Contractor must meet insurance requirements for the programs he/she is attempting to qualify as specified in Appendix F, Sample FFA Master Contract, and/or Appendix H, Sample GH Master Contract, Part I, Section 5.0, General Insurance Requirements.

- Yes No **Sub-paragraph 2.4.1.11** Prospective Contractor must respond positively to a willingness to consider hiring GAIN/GROW participants. (Reference Sub-section 2.26 in this Section)

- Yes No **Sub-paragraph 2.4.1.12** Prospective Contractor must comply with the County’s Child Support Compliance Program. (Reference Sub-section 2.22 in this Section)

- Yes No **Sub-paragraph 2.4.1.13** Prospective Contractor must certify intent to comply with the County’s Jury Service Program. (Reference Sub-section 2.31 in this Section)

Prospective Contractors attempting to qualify a **FFA program** must meet these additional requirements:

- Yes No **Sub-paragraph 2.4.2.1** Provide a copy of their organization’s Foster Family Agency Treatment Notification letter from CDSS Foster Care Funding and Rates Bureau.

- Yes No **Sub-paragraph 2.4.2.2** Be dually licensed for foster family agency and adoption services.

OR

- Yes No **Sub-paragraph 2.4.2.2** Be dually licensed for foster family agency and adoption services within eleven (11) months from the execution of the Contract.

OR

Yes No **Sub-paragraph 2.4.2.2** Complete a sub-contract with a licensed agency to provide adoption services within eleven (11) months from the execution of the Contract.

Yes No **Sub-paragraph 2.4.2.3** Prospective Contractor of an FFA program must certify adherence to requirements as specified in Appendix G, FFA Exhibits, Exhibit A, Statement of Work - Part C Service Tasks to Achieve Performance Outcome Goals, Section 1.0 Safety, Sub-section 1.1, Staff Qualifications, Requirements and Duties.

Yes No **Sub-paragraph 2.4.2.4** Serve exclusively DCFS or Probation children at a service delivery site.

Prospective Contractors attempting to qualify a GH program must meet these additional requirements:

Yes No **Sub-paragraph 2.4.3.1** Provide a current AFDC-FC rate letter from CDSS Foster Care Funding and Rates Bureau for each GH service delivery site to be covered under this Contract.

Yes No **Sub-paragraph 2.4.3.2** Provide a copy of the certification letter issued by the Department of Mental Health, 550 S. Vermont Avenue, Los Angeles, California 90020, (213-738-2906), for the mental health treatment component of RCL 14 programs.

Yes No **Sub-paragraph 2.4.3.3** Meet the following additional requirements if the GH program is for emergency care: (1) have a rate of RCL 11 or above; (2) provide emergency care for Placed Children 12-17 years old for 30 days or less; (3) provide intake services 24 hours per day, seven days per week; (4) provide a diagnostic assessment that includes specific recommendations for the long-term or permanent placement; and (5) serve exclusively DCFS or Probation children at an individual emergency care site.

Yes No **Sub-paragraph 2.4.3.4** Prospective Contractor of a GH program must certify adherence to the staffing requirements as specified in Appendix I, GH Exhibits, Exhibit A, Statement of Work, Part A, Section 5.0, Staff Qualifications, Requirements, and Duties.

List any employees on your payroll or Board who are County of Los Angeles employees:

<u>Name (first and last)</u>	<u>County Department</u>	<u>Work Phone No.</u>
_____	_____	_____

**ATTACHMENT I
REQUIRED FORMS - FORM 1**

Applicant further acknowledges that if any false, misleading, incomplete, or deceptively unresponsive statements in connection with this SOQ are made, the SOQ may be rejected. The evaluation and determination in this area shall be at the Director's sole judgment and his/her judgment shall be final.

On behalf of _____ (Contractor's name), I _____
(Name of Contractor's authorized representative), certify that the information contained in this Contractor's Organization Questionnaire/Affidavit is true and correct to the best of my information and belief.

Signature

Internal Revenue Service
Employer Identification Number

Title

California Business License Number

Date

County WebVen Number

SERVICE DELIVERY SITES

Type of program: Foster Family Agency

(Check one) Group Home

Administrative Office/Headquarters

AGENCY NAME	AGENCY ADDRESS	AGENCY CONTACT PERSON	TELEPHONE AND FAX NUMBERS

Licensed Facilities Included in this Contract

FACILITY NAME	YOUTH SERVED-DCFS OR PROB	FACILITY ADDRESS	FACILITY CONTACT PERSON	TELEPHONE AND FAX NUMBERS

(Submit a separate Form 21 for each type of program, eg FFA or GH)

Use additional sheets if necessary.

SERVICE DELIVERY SITES

Yes No

Are any of the facilities listed above on County owned or County Leased property? If yes, please provide an explanation:

Yes No

Do any of your agency's Board members or employees, or members of their immediate families own any property leased or rented by your agency? If yes, please provide an explanation.

On behalf of _____ (Contractor's name), I _____
(Name of Contractor's authorized representative), certify that the information contained in this Service Delivery Sites – Form #23 1
is true and correct to the best of my information and belief.

Print Name and Title of Principal Owner, an Officer, or Manager responsible for submission of the SOQ to the County.

Signature of Principal Owner, an Officer, or Manager responsible for submission of the SOQ to the County.

Date

**AUDITOR-CONTROLLER
FOSTER FAMILY AGENCY CONTRACT ACCOUNTING AND ADMINISTRATION
HANDBOOK**

The following handbook is designed for inclusion in Department of Children and Family Services Foster Family Agency contracts. The purpose of the handbook is to establish accounting, internal control, financial reporting, and contract administration standards for Foster Family Agencies who contract with the COUNTY.

Revised :3/8/07

**AUDITOR-CONTROLLER
FOSTER FAMILY AGENCY CONTRACT ACCOUNTING AND ADMINISTRATION
HANDBOOK**

The purpose of this Handbook is to establish required accounting, financial reporting, and internal control standards for entities (CONTRACTOR) which contract with the Los Angeles County (COUNTY).

The accounting, financial reporting and internal control standards described in this Handbook are fundamental. These standards are not intended to be all-inclusive or replace acceptable existing procedures or preclude the use of more sophisticated methods. Instead, this Handbook represents the minimum required procedures and controls that must be incorporated into a CONTRACTOR'S accounting and financial reporting systems. The internal control standards described are those that apply to organizations with adequate staffing. Organizations with a smaller staff must attempt to comply with the intent of the standards and implement internal control systems appropriate to the size of their staff/organization. The CONTRACTOR'S subcontractors must also follow these standards unless otherwise stated in the Agreement-Contract.

A. ACCOUNTING AND FINANCIAL REPORTING

1.0 Basis of Accounting

CONTRACTORS may elect to use either the cash basis or accrual basis method of accounting for recording financial transactions. Monthly invoices must be prepared on the same basis that is used for recording financial transactions.

1.1 The COUNTY recommends the use of the accrual basis for recording financial transactions.

Accrual Basis

Under the accrual basis, revenues are recorded in the accounting period in which they are earned (rather than when cash is received). Expenditures are recorded in the accounting period in which they are incurred (rather than when cash is disbursed).

Accruals

Accruals shall be recorded observing the following:

- ◆ Only accruals where cash will be disbursed within six months of the accrual date should be recorded.

- ◆ Recorded accruals must be reversed in the subsequent accounting period.
- 1.2 If an agent elects to use the cash basis for recording financial transaction during the year:
- ◆ Necessary adjustments must be made to record the accruals at the beginning and the end of the contract.
 - ◆ All computations, supporting records, and explanatory notes used in converting from cash basis to the accrual basis must be retained.

1.3 Prepaid Expenses

Prepaid expenses (e.g., insurance, service agreements, lease agreements, etc.) should only be expensed during a given Agreement Contract year to the extent goods and services are received during that Agreement Contract year.

ACCOUNTING SYSTEM

2.0 Each agent shall maintain a double entry accounting system (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The COUNTY recommends that a Payroll Register also be maintained. Postings to the General Ledger and Journals should be made on a monthly basis. The CONTRACTOR shall maintain a separate Cost Center(s), which clearly identifies AFDC-FC funds, received and expended for the care and services of placed children under this Agreement Contract.

2.1 General Journal

A General Journal shall be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example:	DR	CR
Rent Expense	100	
Rent Payable		100

To record accrued rent to March 31, 20XX

2.2 Cash Receipts Journal

A Cash Receipts Journal shall be maintained for recording all cash receipts (e.g., COUNTY warrants, contributions, interest income, etc.). The Cash Receipts Journal shall contain (minimum requirements) the following column headings:

- date
- receipt number
- cash debit columns
- income credit columns for the following accounts:
 - COUNTY payments (one per funding source)
 - Contributions
 - Other Income (Grants, sales of supplies/services, rental income, miscellaneous revenue, fees, etc.)
- Description (Entries in the description column must specify the source of cash receipts.)

2.3 Cash Disbursements Journal

A Cash Disbursements Journal shall be maintained for recording all cash disbursements (e.g., rent, utilities, maintenance, etc.)

The Cash Disbursements Journal shall contain (minimum requirements) the following column headings:

- date
- check number
- cash (credit) column
- expense account name
- description

Note (1) Separate expense columns are recommended for salary expense and other recurring expense classifications for each program.

Note (2) Entries in the description column must specify the nature of the expense and the corresponding expense classification if not included in the column heading.

Note (3) Checks should not be written to employees (other than payroll, mileage, travel, and petty cash custodian checks.)

A Check Register may be substituted for the Cash Disbursements Journal, but this is not recommended. If used, the Check Register must

contain the same expense classifications and description information required when a Cash Disbursements Journal is used.

Disbursements without supporting documentation will be disallowed on audit. Cancelled checks and credit card statements (VISA, AMEX, department store, etc.) will not constitute acceptable support. (See Section A.3.2 and B.2.4) for additional guidance.

2.4 General Ledger

A General Ledger shall be maintained with accounts for all assets, liabilities, fund balances, Expenditures, and revenues. Separate accounts must be maintained for each COUNTY program's expenses and revenues.

2.5 Chart of Accounts

A Chart of Accounts shall be maintained:

- The COUNTY recommends that agents use the expense account titles on the monthly invoice submitted to the COUNTY.
- If the CONTRACTOR uses account titles, which differ from the account titles on the monthly invoice, each account title must clearly identify the nature of the transaction(s) posted to the account.
- CONTRACTOR must consistently post transactions that are of a similar nature to the same account. For example, all expenses for travel shall be posted to the account titled "travel" or "travel expense" and not intermixed with other expense accounts.

2.6 Payroll Register

The COUNTY recommends that a Payroll Register be maintained for recording all payroll transactions. The Register should contain the following:

- Name
- Position
- Social Security Number
- Salary (hourly wage)
- Payment Record including:
 - accrual period
 - gross pay
 - itemized payroll deductions
 - net pay amount
 - check number

If a Payroll Register is not used, the information in (2.6) must be recorded in the cash disbursements journal.

CONTRACTOR will ensure compliance with all applicable federal and State requirements for withholding payroll taxes (FIT, FICA, FUTA, SIT, SIU, etc.), reporting, filing (941, DE-7, W-2, W-4 and 1099s), and all applicable tax deposits.

CONTRACTOR will ensure compliance with Internal Revenue Service guidelines (IRS Publication 15A) in properly classifying employees and independent contractors.

2.7 CONTRACTOR Invoices

Each agent shall present an invoice to the COUNTY each calendar month to report the financial activity of the month. In addition, if advanced funding is involved, an invoice shall be presented at the beginning of the contract period. Invoices shall be prepared in the manner prescribed by the COUNTY'S contracting department.

3.0 Records

Adequate care shall be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR'S accounting records or supporting documentation shall be immediately reported to the COUNTY.

3.1 Retention

All accounting records (e.g., journals, ledgers, etc.), financial records and supporting documentation (e.g., invoices, receipts, checks, etc.) must be retained for a minimum of five years after the termination of the CONTRACTOR'S Agreement-Contract.

3.2 Supporting Documentation

All revenues and Expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts, canceled checks and other documentation clearly establishing the nature of the Expenditure and its relevance to the COUNTY program being contracted for will be required to support an outlay of funds. (See Agreement Contract, Section §24.3). Unsupported disbursements will be disallowed on audit. CONTRACTOR will be required to repay COUNTY for all disallowed costs. **Photocopied** invoices or receipts, any internally generated documents (i.e.,

vouchers, request for check forms, requisitions, canceled checks, etc.), and account statements do not constitute supporting documentation for purchases.

Supporting documentation is required for various types of Expenditures. Documentation related to some of the most frequently encountered transactions consists of, but is not limited to the following:

Payroll – time and attendance records signed by the employee and approved in writing by the supervisor, time distribution records by program accounting for total work time on a daily basis for all employees, records showing actual Expenditures for Social Security and unemployment insurance, State and federal quarterly tax returns, federal W-2 forms, and federal W-4 forms. Personnel records shall also be maintained documenting employee pay rates. Furthermore, personnel records shall contain documentation confirming that educational and practical experience requirements of an employee's position have been met. Where licensure is a requirement of an employee's position, CONTRACTOR's personnel file shall contain documentation confirming the validity of the employee's license.

Consultant Services – contracts, time and attendance records, billing rates, travel vouchers detailing purpose, time and location of travel, purchase orders and invoices for supplies and invoices or other supporting documentation detailing the nature of services provided.

Travel – travel policies of the CONTRACTOR (written); travel expense vouchers showing location, date and time of travel, purpose of trip, and rates claimed; vehicle mileage logs showing dates, destination and headquarters, purpose of trip, and beginning and ending odometer readings and the resulting mileage. Vehicle mileage logs must clearly identify business versus non-business, or personal travel. Travel related to conferences should include conference literature such as agendas and handouts detailing purpose of the conference. Reimbursement rates for mileage shall not exceed applicable federal guidelines.

Reimbursement for actual receipts or per diem rates for meal expenses shall not exceed the maximum COUNTY'S reimbursement rate for employees.

Receipts shall be required for lodging for approved out-of-town travel dates. Maximum reimbursable lodging amount is the maximum COUNTY'S reimbursement rate for employees for a single occupancy hotel accommodation.

Operating Expenses (e.g., utilities, office supplies, equipment rentals, etc.) – bona fide contracts or lease agreements, if any, and invoices and receipts detailing the cost and items purchased will constitute the primary supporting documentation. For internal control purposes, the CONTRACTOR may maintain vouchers, purchase orders, requisitions, stock received reports, bills of lading, etc.

Outside Meals - receipts and/or invoices for all meals, a record of the nature and purpose of each meal, and identification of the participants.

Loans from Employees - Loans to the CONTRACTOR by employees shall be supported by a written loan agreement and records documenting that the lent funds were deposited into a CONTRACTOR bank account. To the extent that the loan agreement provides for the payment of interest, the interest will not be an allowable expense under the Agreement-Contract.

3.3 Payments to Affiliated Organizations or Persons

CONTRACTOR shall not make payments to affiliated organizations or persons (i.e., related party transactions) for program expenses (e.g., salaries, services, rent, etc.) that exceed the lesser of actual cost or the reasonable cost for such expenses. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Organizations or persons (related parties) related to the CONTRACTOR or its members by blood, marriage, or through legal organization (corporation, partnership, association, etc.) will be considered affiliated for purposes of this Agreement-Contract. COUNTY shall be solely responsible for the determination of affiliation unless otherwise allowed and approved by the State or federal agencies.

Payments to affiliated organizations or persons will be disallowed on audit to the extent the payments exceed the lower of actual costs or the reasonable costs for such items.

3.4 Filing

All relevant supporting documentation for reported program Expenditures and revenues shall be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- checks – numerically
- invoices – vendor name and date
- vouchers – numerically
- receipts – chronologically
- timecards – pay period and alphabetically

3.5 Referencing

Accounting transactions posted to the CONTRACTOR'S books shall be appropriately cross-referenced to supporting documentation. It is recommended

that Expenditure transactions on the CONTRACTOR'S books be cross-referenced to the supporting documentation as follows:

- invoices – vender name and date
- checks – number
- vouchers –number
- revenue – receipt number

Supporting documentation for non-payroll Expenditures (i.e., operating Expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one check, all related invoices should be bound together and cross-referenced to the check issued for payment.

4.0 Donations and Other Sources of Revenue

Restricted donations and other sources of revenue earmarked specifically for the Contract must be utilized on allowable contract Expenditures. Likewise, income from investments, where the source of the amount invested is COUNTY program funds, shall be deemed restricted revenue that must be utilized on allowable Expenditures under the attached Agreement-Contract.

5.0 Audits

The agent will make available for inspection and audit to COUNTY representatives, upon request, during working hours, during the duration of the contract and for a period of five years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or part with governmental monies, whether or not such monies are received through the COUNTY. All such books and records shall be maintained at a location within Los Angeles County.

6.0 Single Audit Requirements

OMB Circular 133, "Audits of State, Local Governments and Non Profit Organizations" requires that certain organizations receiving federal awards, including pass-through awards, have annual audits. Details are contained in the respective Circular.

A copy of any Single Audit reports must be filed with the COUNTY within the timeframes prescribed by the applicable Circular.

7.0 Subcontracts

No CONTRACTOR shall subcontract services without the prior written consent of the COUNTY.

CONTRACTOR shall provide COUNTY with copies of all executed subcontracts and shall be responsible for the performance of their subcontractors.

B. INTERNAL CONTROLS

Internal controls safeguard the CONTRACTOR'S assets from misappropriations, misstatements or misuse. Each CONTRACTOR shall prepare necessary written procedures establishing internal controls for its personnel. The CONTRACTOR shall instruct all of its personnel in these procedures and continuously monitor operations to ensure compliance with them.

1.0 Cash Receipts

1.1 Separate Fund or Cost Center

All contract revenues shall be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable on the accounting records through the use of cost centers or separate accounts.

1.2 Deposits

All checks shall be restrictively endorsed upon receipt.

Cash received shall be recorded on pre-numbered receipts. Checks shall be recorded on a check remittance log at the time of receipt.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one day of receipt. Collections of less than \$500 may be held and secured and deposited weekly or when the total reaches \$500, whichever occurs first.

Duplicate deposit slips shall be retained and filed chronologically, and shall contain sufficient reference information for comparison to the Cash Receipts Journal (and individual receipts, if applicable). A recommended practice would be to retain photocopies of the COUNTY warrants reflected on each deposit slip, or record the individual warrant numbers onto the deposit slip.

1.3 Separation of Duties

An employee who does not handle cash shall record all cash receipts.

1.4 Bank Reconciliations

Bank statements should be received and reconciled by someone with no cash handling, check writing, or bookkeeping functions.

Monthly bank reconciliations should be prepared within 30 days of the bank statement date and reviewed by management for appropriateness and accuracy. The bank reconciliations should be signed and dated by both the preparer and the reviewer. Reconciling items should be resolved timely.

2.0 Disbursements

2.1 General

All disbursements for Expenditures, other than petty cash, shall be made by check.

Blank check stock shall be secured and accounted for to preclude unauthorized use.

Checks shall not be payable to "cash" or signed in advance. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

A second signature shall be required on all checks, unless otherwise specified in contract.

If the bookkeeper signs checks, a second signature shall be required on the checks, regardless of limits specified in contract.

Voided checks shall be marked void with the signature block cut out. The voided checks must be filed with the cancelled checks.

Unclaimed or undelivered checks shall be cancelled periodically.

All supporting documentation shall be referenced to check numbers and marked "paid" or otherwise canceled to prevent reuse or duplicate payments.

Disbursements without adequate supporting documentation will be disallowed on audit.

2.2. Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing of checks shall examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

2.3 Petty Cash

A petty cash fund up to \$500 may be maintained for payment of small incidental expenses incurred by the CONTRACTOR (e.g., postage due, small purchases of office supply items, etc.). The CONTRACTOR must obtain written approval from the COUNTY to establish a petty cash fund greater than \$500.

Petty cash disbursements must be supported by invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. In the event that outside (external) supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, etc., then documentation shall be considered as proper supporting documentation on a basis of reasonableness. Petty cash disbursements should not be used as a substitute for normal purchasing and disbursement practices i.e., payment by check).

The petty cash fund shall be maintained on an imprest basis. A check should be drawn to set up the fund and to make periodic reimbursements. Receipts, vouchers, etc., supporting each fund replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

2.4 Credit Cards

The use of credit cards, both CONTRACTOR issued credit cards and an employee's personal credit cards used on behalf of the CONTRACTOR, should be limited to purchases where normal purchasing and disbursement practices are not suitable.

Credit cards issued in the CONTRACTOR'S name must be adequately protected and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

All credit card disbursements must be supported by original invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. Credit card statements are not sufficient support for credit card purchases.

3.0 Timekeeping

3.1 Timecards

Timecards or time reports must be prepared for each pay period. Timecards or time reports must indicate total hours worked each day by program and total

hours charged to each of the CONTRACTOR'S programs. Time estimates do not qualify as support for payroll Expenditures and will be disallowed on audit.

All timecards and time reports must be signed in ink by the employee and the employee's supervisor to certify the accuracy of the reported time.

3.2 Personnel and Payroll Records

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals.

Personnel and payroll records should include (but not be limited to) the following:

- Employee's authorized salary rate
- Employee information sheet
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license, etc.)
- Performance evaluations
- Criminal record clearance
- Citizenship Status
- Benefit balances (e.g., sick time, vacation, etc.)

3.3 Benefit Balances

Employee benefit balances (e.g., sick time, vacation, personal time, etc.) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

3.4 Limitations on Positions and Salaries

The CONTRACTOR shall pay no salaries higher than those authorized in the contract, or the attachments thereto, including this Auditor-Controller Foster Family Agency Contract Accounting and Administration Handbook (Exhibit C-II), except as proscribed by state or federal law.

For purposes of establishing a reasonable level of compensation for CONTRACTORS personnel, COUNTY may refer to the Child Welfare League of America (CWLA) Salary Study, or other regionally recognized salary studies for non-profit social service agencies. Salary studies which are both regionally and nationally recognized are preferred.

If an employee serves in the same or dual capacities under more than one ~~Agreement~~ Contract or program, the employee may not charge more than 100% of their time to the contracts or programs taken as a whole.

Salaried employees who work less than full-time (i.e., 40 hours per week) shall be paid a salary that corresponds with the employee's work schedule.

The salary expense of salaried employees working on more than one Agreement Contract or program shall be allocated to each program based on the ratio of the number of hours worked on each program during the pay period to the total number hours worked during the pay period.

The CONTRACTOR will make no retroactive salary adjustment for any employee without written approval from the COUNTY.

3.5 Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll, or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, shall be approved by authorized persons independent of payroll functions.

All employee hires and terminations, or pay rate changes shall be approved in writing by authorized persons independent of payroll functions.

4.0 Fixed Assets

A fixed asset is defined as an article of nonexpendable tangible personal property having a useful life of more than two years. The COUNTY recommends all fixed assets with an acquisition cost of \$5,000 or more per unit be capitalized.

Acquisition cost means the net invoice unit price of an item, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired.

4.1 Acquisition

Fixed asset purchases shall be approved by the Agency's Board of Directors or their authorized representative.

4.2 Identification and Inventory

All fixed assets purchased with Contract funds are to be used solely for the benefit of the Contract and should be appropriately tagged.

Each CONTRACTOR shall maintain a current listing of fixed assets, including the item description, serial number, date of purchase, acquisition cost and sources of funding.

An inventory of all fixed assets should be conducted at least once each year to ensure that all fixed assets are accounted for and maintained in proper working order.

4.3 Security

Physical security should be adequately maintained over fixed assets to prevent misuse and theft of COUNTY property.

4.4 Property Management

The CONTRACTOR shall assume responsibility and accountability for the maintenance of all non-expandable property purchased, leased, or rented with Contract funds.

The CONTRACTOR shall report promptly, in writing, to the COUNTY all cases of theft, loss, damage, or destruction of fixed assets purchased with COUNTY funds. The report shall contain at a minimum, item identification, recorded value, facts relating to loss, and, where appropriate, a copy of the law enforcement report.

CONTRACTOR shall dispose of or return to the COUNTY all fixed assets, in accordance with their Contract.

5.0 Bonding – All officers, employees, and agents who handle cash or have access to the agent's funds shall be bonded.

6.0 Investments – COUNTY program funds may not be utilized on investments where there is a risk of loss.

C. COST PRINCIPLES

1.0 Policy

It is the intent of the COUNTY to provide funds for the purpose of CONTRACTOR providing services required by the ~~Agreement~~ Contract. CONTRACTOR shall use these funds on actual expenses in an economical and efficient manner and ensure they are reasonable, proper and necessary costs of providing services and are allowable in accordance with the applicable OMB Circular.

1.1. Limitations on Expenditures of Program Funds

CONTRACTOR shall comply with the Agreement and OMB Circular A-122 "Cost Principles for Non-Profit Organizations". The Circular defines direct and indirect costs, discusses allowable cost allocation procedures and the development of

Indirect Cost Rates, and specifically addresses the allowability of a variety of different costs.

If a CONTRACTOR is unsure of the allowability of any particular type of cost or individual cost, the CONTRACTOR should request advance written approval from the COUNTY prior to incurring the cost.

1.2 Expenses Incurred Outside the Agreement Period

Expenses charged against program funds may not be incurred prior to the effective date of the ~~Agreement~~Contract or subsequent to the ~~Agreement~~Contract termination date. Similarly, current period expenses related to events or activities that occurred prior to the effective date of the ~~Agreement~~Contract may not be allowable. For example, any legal costs incurred prosecuting or defending a lawsuit stemming from events which occurred during a period not covered by a valid Foster Family Agency ~~Agreement~~Contract between CONTRACTOR and COUNTY would not be allowable. Legal costs discussed in this paragraph shall not include those covered under OMB Circular A-122, Exhibit C.

1.3 Budget Limitation

Total agency contract expenses may not exceed the maximum contract budget.

1.4 This Section Intentionally Left Blank

1.5 Necessary, Proper and Reasonable

Only those Expenditures that are necessary, proper and reasonable to carry out the purposes and activities of the Program are allowable.

2.0 Allocation of Cost Pools

For CONTRACTORS that provide services in addition to the services required under contract, the CONTRACTOR shall allocate Expenditures that benefit programs or funding sources on an equitable basis.

In accordance with the applicable OMB Circular, agencies shall define their allocable costs as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible.

The CONTRACTOR shall maintain documentation related to the allocation of expenses (e.g., timecards, time summaries, square footage measurements, number of employees, etc.).

Under no circumstances shall allocated costs be charged to an extent greater than 100% of actual costs or the same cost be charged both directly and indirectly.

2.1 Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective (i.e., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program, etc.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on employees' timecards and the payroll expense should be treated as direct charges and distributed on the basis of recorded hours spent on each program.

Joint costs (i.e., costs that benefit more than one program or activity), which can be distributed in reasonable proportion to the benefits received, may also be direct costs.

Examples of bases for allocating joint costs as direct costs:

- Number of direct hours spent on each program
- Number of employees in each program
- Square footage occupied by each program
- Other equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Examples of indirect costs include salaries, employee benefits, supplies, and other costs related to general administration of the organization, depreciation and use allowances, and the salaries and expenses of executive officers, personnel administration, and accounting.

Examples of bases for allocating indirect costs:

- Total direct salaries and wages
- Total direct costs (excluding capital Expenditures and other distorting items such as subcontractor payments)

2.3 Acceptable Indirect Cost Allocation Methods

OMB Circulars describe the following allowable methods for allocating indirect costs:

- Simplified allocation method
- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate

2.4 Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

Example

Agency-wide indirect costs	\$250,000	
Less: Capital Expenditures	<u>10,000</u>	
Allocable indirect costs	240,000	
Total agency-wide indirect salaries		\$1,000,000
Indirect cost rate ($\$240,000/\$1,000,000$)	24%	
Program direct salaries	\$100,000	
Program indirect costs ($24\% \times \$100,000$)		<u>\$24,000</u>

2.5 Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenses are treated as direct costs. Joint costs for depreciation, rental, facilities maintenance, telephone, and other similar expenses are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenses are then allocated using the simplified allocation method previously discussed.

2.6 Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

2.7 Cost Allocation Plan

If the CONTRACTOR has a negotiated indirect cost rate approved by a federal agency, it shall submit a copy of the approval letter when requested by COUNTY.

If the CONTRACTOR does not have a negotiated indirect cost rate, CONTRACTOR shall submit an annual Agency-wide Cost Allocation Plan when requested by COUNTY. The Cost Allocation Plan shall be prepared in accordance with COUNTY instructions and the applicable OMB Circular and include the following information:

1. CONTRACTOR general accounting policies:
 - Basis of accounting (cash or accrual)
 - Fiscal year
 - Method for allocating indirect costs (simplified, direct, multiple, negotiated rate)
 - indirect cost rate allocation base
2. Identify the CONTRACTOR'S direct and indirect costs (by category) and describe the cost allocation methodology for each category.
3. Signature of CONTRACTOR management certifying the accuracy of the plan.

2.8 Negotiated Indirect Cost Rates

Agencies have the option of negotiating an indirect cost rate or rates for use on all their Federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency providing the most funds to the organization. The approved indirect cost rate is then applied to the total approved direct cost base.

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR shall submit a copy of the approval letter to COUNTY upon request.

D. UNALLOWABLE COSTS

OMB Circulars address the allowability of a variety of different costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Any Expenditures, or un-Expended funds, found to be unallowable by any federal or state agency authorized to review the Expenditures or un-Expended funds. To the extent that any federal or state agency seeks collection of unallowable Expenditures or un-Expended funds, COUNTY will not review and/or seek collection of those Expenditures or un-Expended funds.
 - Bad debts
 - Contingency provisions
 - Contributions and donations
 - Fines and penalties (e.g., NSF Check Fees, Traffic Citation Fees)
 - Fundraising activities
 - Interest expense (unless expressly allowed by Federal guidelines)
 - Losses on other awards
- Legal and professional expenses, which are incurred defending against COUNTY claims for repayment of questioned costs identified in Fiscal Audits, are allowable only as permitted by OMB Circular A-122.

E. OVERPAYMENTS

If upon audit, or at any time during the ~~Agreement~~-Contract year, it is determined that invoices submitted to the COUNTY and used as a basis for payments to the CONTRACTOR were inaccurate, COUNTY shall determine the total overpayment and require the CONTRACTOR to repay COUNTY. The COUNTY may withhold payments from CONTRACTOR'S future payments for any amounts not returned to the COUNTY or credited to the Contract unless otherwise prohibited by State or federal regulations.

F. MISCELLANEOUS REQUIREMENTS

1.0 Insurance

CONTRACTOR is responsible for securing and maintaining insurance coverage as required by the ~~Agreement~~-Contract. CONTRACTOR must notify COUNTY when insurance is revoked, reduced to a level or coverage less than required, or otherwise made ineffective.

Insurance shall include an endorsement naming the COUNTY as an additional insured.

2.0 Activity

No funds, materials, property, or services contributed to the COUNTY or the CONTRACTOR under this ~~Agreement~~ Contract shall be used in the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.

CERTIFIED FOSTER PARENT ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT FORM

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document. kept on file and available for review with Contractor's records)

Foster Family Agency Name _____

Certified Foster Parent Name _____

GENERAL INFORMATION:

The foster family agency referenced above certifies your home, and has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Certified Foster Parent Acknowledgement and Confidentiality Agreement as a condition of your certification.

CERTIFIED FOSTER PARENT ACKNOWLEDGEMENT:

I understand and agree that the foster family agency referenced above is my certifying foster family agency. I rely exclusively upon the foster family agency certifying my home for reimbursement of expenses for basic services I provide for children placed in my home and any and all other benefits I receive on my behalf during the period of this relationship.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

As a certified foster parent, I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data, information, and records pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles.

The County has a legal obligation to protect all data, information, and records made confidential by any federal, state and/or local laws or regulations (hereinafter referred to collectively as "CONFIDENTIAL DATA, INFORMATION, AND RECORDS") in its possession, especially juvenile, health, mental health, education, criminal, and welfare recipient records. (See e.g. 42 USC 5106a; 42 USC 290dd-2; 42 CFR 2.1 et seq.; Welfare & Institutions Code sections 827, 4514, 5238, and 10850; Penal Code sections 1203.05 and 11167 et seq.; Health & Safety Code sections 120975, 123110 et seq. and 123125; Civil Code section 56 et seq.; Education Code sections 49062 and 49073 et seq.; California Rules of Court, rule 1423; and California Department of Social Services Manual of Policies and Procedures, Division 19)

I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such CONFIDENTIAL DATA, INFORMATION, AND RECORDS. Consequently, I understand that I must sign this agreement as a condition of my work with the foster family agency certifying my home. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree to protect all CONFIDENTIAL DATA, INFORMATION, AND RECORDS learned or obtained by me, in any manner or form, while performing work pursuant to the above-referenced contract between the foster family agency certifying my home and the County of Los Angeles. Further, I hereby agree that I will not discuss, disclose, or disseminate, in any manner or form, such CONFIDENTIAL DATA, INFORMATION, AND RECORDS which I learned or obtained while performing work pursuant to the above-referenced contract between the foster family agency certifying my home and the County of Los Angeles to any person not specifically authorized by law or by order of the appropriate court. I agree to forward all requests for the release of any CONFIDENTIAL DATA, INFORMATION, AND RECORDS received by me to the foster family agency certifying my home.

ATTACHMENT IV

EXHIBIT D-I

Cont.

I understand that I may not discuss, disclose, or disseminate anything to anyone not specifically authorized by law or by order of the appropriate court, which could potentially identify an individual who is the subject of or referenced to in any way in any CONFIDENTIAL DATA, INFORMATION, AND RECORDS.

I further agree to keep confidential all CONFIDENTIAL DATA, INFORMATION, AND RECORDS pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I further agree to report to the foster family agency certifying my home any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all CONFIDENTIAL DATA, INFORMATION, AND RECORDS to the foster family agency certifying my home upon completion of this contract or termination of my relationship with the foster family agency certifying my home, whichever occurs first.

I understand and acknowledge that the unauthorized discussion, disclosure, or dissemination, in any manner or form, of CONFIDENTIAL DATA, INFORMATION, AND RECORDS may subject me to civil and/or criminal penalties.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

**EXHIBIT B A-XII: FORMAT FOR BRIEF PROGRAM DESCRIPTION
PER THE AGREEMENT, SECTION 6 11.4**

Group Home Organization:

_____		_____
Name		Office Address
_____	_____	_____
Telephone Number	Fax Number	E-Mail Address
_____	_____	_____
RCL Level and Rate	OR Regional Cntr Service Level & Rate	L A County Vendor Number

Site Information (each site):

_____	_____	_____
City & Zip Code (no street address)	License Number	Lic. Capacity, Sex, Age Range
_____	_____	_____
City & Zip Code (no street address)	License Number	Lic. Capacity, Sex, Age Range
_____	_____	_____
City & Zip Code (no street address)	License Number	Lic. Capacity, Sex, Age Range

Target Population(s): [Include languages served, type(s) of children served (Severely or Seriously Emotionally Disturbed, severe behavioral problems, and/or Developmentally Disabled), and any special target populations as specified in the Agreement, Section 6 11.4.1(3).]

Accept Children Receiving Psychotropic Medications: Yes No

Emergency Care (as described in the SOW, Part B C, Section 4.0 3.5): Yes
 No

On-Grounds School Available: Yes No

Off-Grounds Non-Public School(s) Available: Yes No

Ratio of Awake Supervision Staff to Placed Children for Each Shift: (Include all three shifts including weekdays and weekends.)

Weekday A.M. Shift	Weekday P.M. Shift	Weekday Graveyard Shift
Weekend A.M. Shift	Weekend P.M. Shift	Weekend Graveyard Shift

Number of Therapy Sessions for Placed Children per Week:

Number of Individual Sessions per Week per Child	Number of Group Sessions per Week
--	-----------------------------------

Number of Therapy Sessions for Natural Parents per Month: _____

Community Resources Used: _____

Outstanding Program Feature(s):

**AUDITOR-CONTROLLER
GROUP HOME CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK**

The following handbook is designed for inclusion in Department of Children and Family Services Group Home contracts. The purpose of the handbook is to establish accounting, internal control, financial reporting, and contract administration standards for Group Homes who contract with the COUNTY.

Revised :3/8/07

**AUDITOR-CONTROLLER
GROUP HOME CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK**

The purpose of this Handbook is to establish required accounting, financial reporting, and internal control standards for entities (CONTRACTOR) which contract with the Los Angeles County (COUNTY).

The accounting, financial reporting and internal control standards described in this Handbook are fundamental. These standards are not intended to be all inclusive or replace acceptable existing procedures or preclude the use of more sophisticated methods. Instead, this Handbook represents the minimum required procedures and controls that must be incorporated into a CONTRACTOR'S accounting and financial reporting systems. The internal control standards described are those that apply to organizations with adequate staffing. Organizations with a smaller staff must attempt to comply with the intent of the standards and implement internal control systems appropriate to the size of their staff/organization. The CONTRACTOR'S subcontractors must also follow these standards unless otherwise stated in the Agreement-Contract.

A. ACCOUNTING AND FINANCIAL REPORTING

1.0 Basis of Accounting

CONTRACTORS may elect to use either the cash basis or accrual basis method of accounting for recording financial transactions. Monthly invoices must be prepared on the same basis that is used for recording financial transactions.

1.1 The COUNTY recommends the use of the accrual basis for recording financial transactions.

Accrual Basis

Under the accrual basis, revenues are recorded in the accounting period in which they are earned (rather than when cash is received). Expenditures are recorded in the accounting period in which they are incurred (rather than when cash is disbursed).

Accruals

Accruals shall be recorded observing the following:

- ◆ Only accruals where cash will be disbursed within six months of the accrual date should be recorded.

- ◆ Recorded accruals must be reversed in the subsequent accounting period.

1.2 If an agent elects to use the cash basis for recording financial transaction during the year:

- ◆ Necessary adjustments must be made to record the accruals at the beginning and the end of the contract.
- ◆ All computations, supporting records, and explanatory notes used in converting from cash basis to the accrual basis must be retained.

1.3 Prepaid Expenses

Prepaid expenses (e.g., insurance, service agreements, lease agreements, etc.) should only be expensed during a given Agreement Contract year to the extent goods and services are received during that Agreement Contract year.

ACCOUNTING SYSTEM

2.0 Each agent shall maintain a double entry accounting system (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The COUNTY recommends that a Payroll Register also be maintained. Postings to the General Ledger and Journals should be made on a monthly basis. The CONTRACTOR shall maintain a separate Cost Center(s), which clearly identifies AFDC-FC funds, received and expended for the care and services of placed children under this Agreement Contract.

2.1 General Journal

A General Journal shall be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example:	DR	CR
Rent Expense	100	
Rent Payable		100

To record accrued rent to March 31, 20XX

2.2 Cash Receipts Journal

A Cash Receipts Journal shall be maintained for recording all cash receipts (e.g., COUNTY warrants, contributions, interest income, etc.). The Cash Receipts Journal shall contain (minimum requirements) the following column headings:

- date
- receipt number
- cash debit columns
- income credit columns for the following accounts:
 - COUNTY payments (one per funding source)
 - Contributions
 - Other Income (Grants, sales of supplies/services, rental income, miscellaneous revenue, fees, etc.)
- Description (Entries in the description column must specify the source of cash receipts.)

2.3 Cash Disbursements Journal

A Cash Disbursements Journal shall be maintained for recording all cash disbursements (e.g., rent, utilities, maintenance, etc.)

The Cash Disbursements Journal shall contain (minimum requirements) the following column headings:

- date
- check number
- cash (credit) column
- expense account name
- description

Note (1) Separate expense columns are recommended for salary expense and other recurring expense classifications for each program.

Note (2) Entries in the description column must specify the nature of the expense and the corresponding expense classification if not included in the column heading.

Note (3) Checks should not be written to employees (other than payroll, mileage, travel, and petty cash custodian checks.)

A Check Register may be substituted for the Cash Disbursements Journal, but this is not recommended. If used, the Check Register must

contain the same expense classifications and description information required when a Cash Disbursements Journal is used.

Disbursements without supporting documentation will be disallowed on audit. Cancelled checks and credit card statements (VISA, AMEX, department store, etc.) will not constitute acceptable support. (See Section A.3.2 and B.2.4) for additional guidance.

2.4 General Ledger

A General Ledger shall be maintained with accounts for all assets, liabilities, fund balances, Expenditures, and revenues. Separate accounts must be maintained for each COUNTY program's expenses and revenues.

2.5 Chart of Accounts

A Chart of Accounts shall be maintained:

- The COUNTY recommends that agents use the expense account titles on the monthly invoice submitted to the COUNTY.
- If the CONTRACTOR uses account titles, which differ from the account titles on the monthly invoice, each account title must clearly identify the nature of the transaction(s) posted to the account.
- CONTRACTOR must consistently post transactions that are of a similar nature to the same account. For example, all expenses for travel shall be posted to the account titled "travel" or "travel expense" and not intermixed with other expense accounts.

2.6 Payroll Register

The COUNTY recommends that a Payroll Register be maintained for recording all payroll transactions. The Register should contain the following:

- Name
- Position
- Social Security Number
- Salary (hourly wage)
- Payment Record including:
 - accrual period
 - gross pay
 - itemized payroll deductions
 - net pay amount
 - check number

If a Payroll Register is not used, the information in (2.6) must be recorded in the cash disbursements journal.

CONTRACTOR will ensure compliance with all applicable federal and State requirements for withholding payroll taxes (FIT, FICA, FUTA, SIT, SIU, etc.), reporting, filing (941, DE-7, W-2, W-4 and 1099s), and all applicable tax deposits.

CONTRACTOR will ensure compliance with Internal Revenue Service guidelines (IRS Publication 15A) in properly classifying employees and independent contractors.

2.7 CONTRACTOR Invoices

Each agent shall present an invoice to the COUNTY each calendar month to report the financial activity of the month. In addition, if advanced funding is involved, an invoice shall be presented at the beginning of the contract period. Invoices shall be prepared in the manner prescribed by the COUNTY'S contracting department.

3.0 Records

Adequate care shall be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR'S accounting records or supporting documentation shall be immediately reported to the COUNTY.

3.1 Retention

All accounting records (e.g., journals, ledgers, etc.), financial records and supporting documentation (e.g., invoices, receipts, checks, etc.) must be retained for a minimum of five years after the termination of the CONTRACTOR'S Agreement Contract.

3.2 Supporting Documentation

All revenues and Expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts, canceled checks and other documentation clearly establishing the nature of the Expenditure and its relevance to the COUNTY program being contracted for will be required to support an outlay of funds. (See Agreement Contract, Section §24.3). Unsupported disbursements will be disallowed on audit. CONTRACTOR will be required to repay COUNTY for all disallowed costs. **Photocopied** invoices or receipts, any internally generated documents (i.e.,

vouchers, request for check forms, requisitions, canceled checks, etc.), and account statements do not constitute supporting documentation for purchases.

Supporting documentation is required for various types of Expenditures. Documentation related to some of the most frequently encountered transactions consists of, but is not limited to the following:

Payroll – time and attendance records signed by the employee and approved in writing by the supervisor, time distribution records by program accounting for total work time on a daily basis for all employees, records showing actual Expenditures for Social Security and unemployment insurance, State and federal quarterly tax returns, federal W-2 forms, and federal W-4 forms. Personnel records shall also be maintained documenting employee pay rates. Furthermore, personnel records shall contain documentation confirming that educational and practical experience requirements of an employee's position have been met. Where licensure is a requirement of an employee's position, CONTRACTOR's personnel file shall contain documentation confirming the validity of the employee's license.

Consultant Services – contracts, time and attendance records, billing rates, travel vouchers detailing purpose, time and location of travel, purchase orders and invoices for supplies and invoices or other supporting documentation detailing the nature of services provided.

Travel – travel policies of the CONTRACTOR (written); travel expense vouchers showing location, date and time of travel, purpose of trip, and rates claimed; vehicle mileage logs showing dates, destination and headquarters, purpose of trip, and beginning and ending odometer readings and the resulting mileage. Vehicle mileage logs must clearly identify business versus non-business, or personal travel. Travel related to conferences should include conference literature such as agendas and handouts detailing purpose of the conference. Reimbursement rates for mileage shall not exceed applicable federal guidelines.

Reimbursement for actual receipts or per diem rates for meal expenses shall not exceed the maximum COUNTY'S reimbursement rate for employees.

Receipts shall be required for lodging for approved out-of-town travel dates. Maximum reimbursable lodging amount is the maximum COUNTY'S reimbursement rate for employees for a single occupancy hotel accommodation.

Operating Expenses (e.g., utilities, office supplies, equipment rentals, etc.) – bona fide contracts or lease agreements, if any, and invoices and receipts detailing the cost and items purchased will constitute the primary supporting documentation. For internal control purposes, the CONTRACTOR may maintain vouchers, purchase orders, requisitions, stock received reports, bills of lading, etc.

Outside Meals - receipts and/or invoices for all meals, a record of the nature and purpose of each meal, and identification of the participants.

Loans from Employees - Loans to the CONTRACTOR by employees shall be supported by a written loan agreement and records documenting that the lent funds were deposited into a CONTRACTOR bank account. To the extent that the loan agreement provides for the payment of interest, the interest will not be an allowable expense under the Agreement Contract.

3.3 Payments to Affiliated Organizations or Persons

CONTRACTOR shall not make payments to affiliated organizations or persons (i.e., related party transactions) for program expenses (e.g., salaries, services, rent, etc.) that exceed the lesser of actual cost or the reasonable cost for such expenses. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Organizations or persons (related parties) related to the CONTRACTOR or its members by blood, marriage, or through legal organization (corporation, partnership, association, etc.) will be considered affiliated for purposes of this Agreement Contract. COUNTY shall be solely responsible for the determination of affiliation unless otherwise allowed and approved by the State or federal agencies.

Payments to affiliated organizations or persons will be disallowed on audit to the extent the payments exceed the lower of actual costs or the reasonable costs for such items.

3.4 Filing

All relevant supporting documentation for reported program Expenditures and revenues shall be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- checks – numerically
- invoices – vendor name and date
- vouchers – numerically
- receipts – chronologically
- timecards – pay period and alphabetically

3.5 Referencing

Accounting transactions posted to the CONTRACTOR'S books shall be appropriately cross-referenced to supporting documentation. It is recommended

that Expenditure transactions on the CONTRACTOR'S books be cross-referenced to the supporting documentation as follows:

- invoices – vender name and date
- checks – number
- vouchers –number
- revenue – receipt number

Supporting documentation for non-payroll Expenditures (i.e., operating Expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one check, all related invoices should be bound together and cross-referenced to the check issued for payment.

4.0 Donations and Other Sources of Revenue

Restricted donations and other sources of revenue earmarked specifically for the Contract must be utilized on allowable contract Expenditures. Likewise, income from investments, where the source of the amount invested is COUNTY program funds, shall be deemed restricted revenue that must be utilized on allowable Expenditures under the attached Agreement Contract.

5.0 Audits

The agent will make available for inspection and audit to COUNTY representatives, upon request, during working hours, during the duration of the contract and for a period of five years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or part with governmental monies, whether or not such monies are received through the COUNTY. All such books and records shall be maintained at a location within Los Angeles County.

6.0 Single Audit Requirements

OMB Circular 133, "Audits of State, Local Governments and Non Profit Organizations" requires that certain organizations receiving federal awards, including pass-through awards, have annual audits. Details are contained in the respective Circular.

A copy of any Single Audit reports must be filed with the COUNTY within the timeframes prescribed by the applicable Circular.

7.0 Subcontracts

No CONTRACTOR shall subcontract services without the prior written consent of the COUNTY.

CONTRACTOR shall provide COUNTY with copies of all executed subcontracts and shall be responsible for the performance of their subcontractors.

B. INTERNAL CONTROLS

Internal controls safeguard the CONTRACTOR'S assets from misappropriations, misstatements or misuse. Each CONTRACTOR shall prepare necessary written procedures establishing internal controls for its personnel. The CONTRACTOR shall instruct all of its personnel in these procedures and continuously monitor operations to ensure compliance with them.

1.0 Cash Receipts

1.1 Separate Fund or Cost Center

All contract revenues shall be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable on the accounting records through the use of cost centers or separate accounts.

1.2 Deposits

All checks shall be restrictively endorsed upon receipt.

Cash received shall be recorded on pre-numbered receipts. Checks shall be recorded on a check remittance log at the time of receipt.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one day of receipt. Collections of less than \$500 may be held and secured and deposited weekly or when the total reaches \$500, whichever occurs first.

Duplicate deposit slips shall be retained and filed chronologically, and shall contain sufficient reference information for comparison to the Cash Receipts Journal (and individual receipts, if applicable). A recommended practice would be to retain photocopies of the COUNTY warrants reflected on each deposit slip, or record the individual warrant numbers onto the deposit slip.

1.3 Separation of Duties

An employee who does not handle cash shall record all cash receipts.

1.4 Bank Reconciliations

Bank statements should be received and reconciled by someone with no cash handling, check writing, or bookkeeping functions.

Monthly bank reconciliations should be prepared within 30 days of the bank statement date and reviewed by management for appropriateness and accuracy. The bank reconciliations should be signed and dated by both the preparer and the reviewer. Reconciling items should be resolved timely.

2.0 Disbursements

2.1 General

All disbursements for Expenditures, other than petty cash, shall be made by check.

Blank check stock shall be secured and accounted for to preclude unauthorized use.

Checks shall not be payable to "cash" or signed in advance. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

A second signature shall be required on all checks, unless otherwise specified in contract.

If the bookkeeper signs checks, a second signature shall be required on the checks, regardless of limits specified in contract.

Voided checks shall be marked void with the signature block cut out. The voided checks must be filed with the cancelled checks.

Unclaimed or undelivered checks shall be cancelled periodically.

All supporting documentation shall be referenced to check numbers and marked "paid" or otherwise canceled to prevent reuse or duplicate payments.

Disbursements without adequate supporting documentation will be disallowed on audit.

2.2. Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing of checks shall examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

2.3 Petty Cash

A petty cash fund up to \$500 may be maintained for payment of small incidental expenses incurred by the CONTRACTOR (e.g., postage due, small purchases of office supply items, etc.). The CONTRACTOR must obtain written approval from the COUNTY to establish a petty cash fund greater than \$500.

Petty cash disbursements must be supported by invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. In the event that outside (external) supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, etc., then documentation shall be considered as proper supporting documentation on a basis of reasonableness. Petty cash disbursements should not be used as a substitute for normal purchasing and disbursement practices i.e., payment by check).

The petty cash fund shall be maintained on an imprest basis. A check should be drawn to set up the fund and to make periodic reimbursements. Receipts, vouchers, etc., supporting each fund replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

2.4 Credit Cards

The use of credit cards, both CONTRACTOR issued credit cards and an employee's personal credit cards used on behalf of the CONTRACTOR, should be limited to purchases where normal purchasing and disbursement practices are not suitable.

Credit cards issued in the CONTRACTOR'S name must be adequately protected and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

All credit card disbursements must be supported by original invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. Credit card statements are not sufficient support for credit card purchases.

3.0 Timekeeping

3.1 Timecards

Timecards or time reports must be prepared for each pay period. Timecards or time reports must indicate total hours worked each day by program and total

hours charged to each of the CONTRACTOR'S programs. Time estimates do not qualify as support for payroll Expenditures and will be disallowed on audit.

All timecards and time reports must be signed in ink by the employee and the employee's supervisor to certify the accuracy of the reported time.

3.2 Personnel and Payroll Records

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals.

Personnel and payroll records should include (but not be limited to) the following:

- Employee's authorized salary rate
- Employee information sheet
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license, etc.)
- Performance evaluations
- Criminal record clearance
- Citizenship Status
- Benefit balances (e.g., sick time, vacation, etc.)

3.3 Benefit Balances

Employee benefit balances (e.g., sick time, vacation, personal time, etc.) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

3.4 Limitations on Positions and Salaries

The CONTRACTOR shall pay no salaries higher than those authorized in the contract, or the attachments thereto, including this Auditor-Controller Group Home Accounting and Administration Handbook (Exhibit C-1), except as proscribed by state or federal law.

For purposes of establishing a reasonable level of compensation for CONTRACTORS personnel, COUNTY may refer to the Child Welfare League of America (CWLA) Salary Study, or other regionally recognized salary studies for non-profit social service agencies. Salary studies which are both regionally and nationally recognized are preferred.

If an employee serves in the same or dual capacities under more than one Agreement Contract or program, the employee may not charge more than 100% of their time to the contracts or programs taken as a whole.

Salaried employees who work less than full-time (i.e., 40 hours per week) shall be paid a salary that corresponds with the employee's work schedule.

The salary expense of salaried employees working on more than one Agreement Contract or program shall be allocated to each program based on the ratio of the number of hours worked on each program during the pay period to the total number hours worked during the pay period.

The CONTRACTOR will make no retroactive salary adjustment for any employee without written approval from the COUNTY.

3.5 Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll, or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, shall be approved by authorized persons independent of payroll functions.

All employee hires and terminations, or pay rate changes shall be approved in writing by authorized persons independent of payroll functions.

4.0 Fixed Assets

A fixed asset is defined as an article of nonexpendable tangible personal property having a useful life of more than two years. The COUNTY recommends all fixed assets with an acquisition cost of \$5,000 or more per unit be capitalized.

Acquisition cost means the net invoice unit price of an item, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired.

4.1 Acquisition

Fixed asset purchases shall be approved by the Agency's Board of Directors or their authorized representative.

4.2 Identification and Inventory

All fixed assets purchased with Contract funds are to be used solely for the benefit of the Contract and should be appropriately tagged.

Each CONTRACTOR shall maintain a current listing of fixed assets, including the item description, serial number, date of purchase, acquisition cost and sources of funding.

An inventory of all fixed assets should be conducted at least once each year to ensure that all fixed assets are accounted for and maintained in proper working order.

4.3 Security

Physical security should be adequately maintained over fixed assets to prevent misuse and theft of COUNTY property.

4.4 Property Management

The CONTRACTOR shall assume responsibility and accountability for the maintenance of all non-expandable property purchased, leased, or rented with Contract funds.

The CONTRACTOR shall report promptly, in writing, to the COUNTY all cases of theft, loss, damage, or destruction of fixed assets purchased with COUNTY funds. The report shall contain at a minimum, item identification, recorded value, facts relating to loss, and, where appropriate, a copy of the law enforcement report.

CONTRACTOR shall dispose of or return to the COUNTY all fixed assets, in accordance with their Contract.

5.0 Bonding – All officers, employees, and agents who handle cash or have access to the agent's funds shall be bonded.

6.0 Investments – COUNTY program funds may not be utilized on investments where there is a risk of loss.

C. COST PRINCIPLES

1.0 Policy

It is the intent of the COUNTY to provide funds for the purpose of CONTRACTOR providing services required by the Agreement Contract. CONTRACTOR shall use these funds on actual expenses in an economical and efficient manner and ensure they are reasonable, proper and necessary costs of providing services and are allowable in accordance with the applicable OMB Circular.

1.1. Limitations on Expenditures of Program Funds

CONTRACTOR shall comply with the Agreement Contract and OMB Circular A-122 "Cost Principles for Non-Profit Organizations". The Circular defines direct and indirect costs, discusses allowable cost allocation procedures and the

development of Indirect Cost Rates, and specifically addresses the allowability of a variety of different costs.

If a CONTRACTOR is unsure of the allowability of any particular type of cost or individual cost, the CONTRACTOR should request advance written approval from the COUNTY prior to incurring the cost.

1.2 Expenses Incurred Outside the Agreement-Contract Period

Expenses charged against program funds may not be incurred prior to the effective date of the Agreement Contract or subsequent to the Agreement Contract termination date. Similarly, current period expenses related to events or activities that occurred prior to the effective date of the Agreement Contract may not be allowable. For example, any legal costs incurred prosecuting or defending a lawsuit stemming from events which occurred during a period not covered by a valid ~~Foster Family Agency~~ Group Home Agreement Contract between CONTRACTOR and COUNTY would not be allowable. Legal costs discussed in this paragraph shall not include those covered under OMB Circular A-122, Exhibit C.

1.3 Budget Limitation

Total agency contract expenses may not exceed the maximum contract budget.

1.4 This Section Intentionally Left Blank

1.5 Necessary, Proper and Reasonable

Only those Expenditures that are necessary, proper and reasonable to carry out the purposes and activities of the Program are allowable.

2.0 Allocation of Cost Pools

For CONTRACTORS that provide services in addition to the services required under contract, the CONTRACTOR shall allocate Expenditures that benefit programs or funding sources on an equitable basis.

In accordance with the applicable OMB Circular, agencies shall define their allocable costs as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible.

The CONTRACTOR shall maintain documentation related to the allocation of expenses (e.g., timecards, time summaries, square footage measurements, number of employees, etc.).

Under no circumstances shall allocated costs be charged to an extent greater than 100% of actual costs or the same cost be charged both directly and indirectly.

2.1 Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective (i.e., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program, etc.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on employees' timecards and the payroll expense should be treated as direct charges and distributed on the basis of recorded hours spent on each program.

Joint costs (i.e., costs that benefit more than one program or activity), which can be distributed in reasonable proportion to the benefits received, may also be direct costs.

Examples of bases for allocating joint costs as direct costs:

- Number of direct hours spent on each program
- Number of employees in each program
- Square footage occupied by each program
- Other equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Examples of indirect costs include salaries, employee benefits, supplies, and other costs related to general administration of the organization, depreciation and use allowances, and the salaries and expenses of executive officers, personnel administration, and accounting.

Examples of bases for allocating indirect costs:

- Total direct salaries and wages
- Total direct costs (excluding capital Expenditures and other distorting items such as subcontractor payments)

2.3 Acceptable Indirect Cost Allocation Methods

OMB Circulars describe the following allowable methods for allocating indirect costs:

- Simplified allocation method
- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate

2.4 Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

Example

Agency-wide indirect costs	\$250,000	
Less: Capital Expenditures	<u>10,000</u>	
Allocable indirect costs	240,000	
Total agency-wide indirect salaries		\$1,000,000
Indirect cost rate ($\$240,000/\$1,000,000$)	24%	
Program direct salaries	\$100,000	
Program indirect costs ($24\% \times \$100,000$)		<u>\$24,000</u>

2.5 Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenses are treated as direct costs. Joint costs for depreciation, rental, facilities maintenance, telephone, and other similar expenses are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenses are then allocated using the simplified allocation method previously discussed.

2.6 Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

2.7 Cost Allocation Plan

If the CONTRACTOR has a negotiated indirect cost rate approved by a federal agency, it shall submit a copy of the approval letter when requested by COUNTY.

If the CONTRACTOR does not have a negotiated indirect cost rate, CONTRACTOR shall submit an annual Agency-wide Cost Allocation Plan when requested by COUNTY. The Cost Allocation Plan shall be prepared in accordance with COUNTY instructions and the applicable OMB Circular and include the following information:

1. CONTRACTOR general accounting policies:
 - Basis of accounting (cash or accrual)
 - Fiscal year
 - Method for allocating indirect costs (simplified, direct, multiple, negotiated rate)
 - indirect cost rate allocation base
2. Identify the CONTRACTOR'S direct and indirect costs (by category) and describe the cost allocation methodology for each category.
3. Signature of CONTRACTOR management certifying the accuracy of the plan.

2.8 Negotiated Indirect Cost Rates

Agencies have the option of negotiating an indirect cost rate or rates for use on all their Federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency providing the most funds to the organization. The approved indirect cost rate is then applied to the total approved direct cost base.

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR shall submit a copy of the approval letter to COUNTY upon request.

D. UNALLOWABLE COSTS

OMB Circulars address the allowability of a variety of different costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Any Expenditures, or un-Expended funds, found to be unallowable by any federal or state agency authorized to review the Expenditures or un-Expended funds. To the extent that any federal or state agency seeks collection of unallowable Expenditures or un-Expended funds, COUNTY will not review and/or seek collection of those Expenditures or un-Expended funds.
 - Bad debts
 - Contingency provisions
 - Contributions and donations
 - Fines and penalties (e.g., NSF Check Fees, Traffic Citation Fees)
 - Fundraising activities
 - Interest expense (unless expressly allowed by Federal guidelines)
 - Losses on other awards
- Legal and professional expenses, which are incurred defending against COUNTY claims for repayment of questioned costs identified in Fiscal Audits, are allowable only as permitted by OMB Circular A-122.

E. OVERPAYMENTS

If upon audit, or at any time during the ~~Agreement~~-Contract year, it is determined that invoices submitted to the COUNTY and used as a basis for payments to the CONTRACTOR were inaccurate, COUNTY shall determine the total overpayment and require the CONTRACTOR to repay COUNTY. The COUNTY may withhold payments from CONTRACTOR'S future payments for any amounts not returned to the COUNTY or credited to the Contract unless otherwise prohibited by State or federal regulations.

F. MISCELLANEOUS REQUIREMENTS

1.0 Insurance

CONTRACTOR is responsible for securing and maintaining insurance coverage as required by the ~~Agreement~~-Contract. CONTRACTOR must notify COUNTY when insurance is revoked, reduced to a level or coverage less than required, or otherwise made ineffective.

Insurance shall include an endorsement naming the COUNTY as an additional insured.

2.0 Activity

No funds, materials, property, or services contributed to the COUNTY or the CONTRACTOR under this Agreement Contract shall be used in the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.