

CUYAHOGA COUNTY BOARD OF HEALTH

Grants Administration Manual

CUYAHOGA COUNTY
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B O A R D O F H E A L T H

YOUR TRUSTED SOURCE FOR PUBLIC HEALTH INFORMATION

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Section 1. Fiscal Information

Grants Administration Manual

Cuyahoga County Board of Health (CCBH) establishes standards for the management of program objectives and funding for recipient of Cuyahoga County Board of Health (CCBH) grants. This manual provides guidance for agencies through the entire grant cycle – from contemplating an application, through the award of grant funds, the performance and finally the close out of the grant. In addition to providing a tool for grantees, other objectives for issuing this manual are:

1. To ensure that a uniform and consistent process is maintained for CCBH grants being administered at federal, state and local levels;
2. To ensure that the CCBH's public health mission is accomplished and needed services are provided by funds available through CCBH; and,
3. To ensure that procedures applied are consistent with those required by federal, state and local rules and regulations.

The policies and procedures of this manual are binding upon all grantees in their administration and financial management of all CCBH federal, state, and local funded grants. In the absence of specific guidance from this manual Grantee's should refer to (Exhibit F)

In the event of any conflict between the policies set forth in this manual and any applicable laws, the law will prevail.

1.1 Payments to Grantees

Grant funds will normally be distributed to the grant recipient on a quarterly basis. Quarterly payments may be delayed if:

- Required expense or program reports have not been submitted by due date and approved by CCBH;
- A required budget application or budget revision request, if applicable, has not been submitted to and approved by CCBH; or
- Specified special conditions have not been met by the Grantee.
- At the discretion of CCBH, the results of a program audit or program monitoring warrant the delay.

1.2. Budget Revisions

A budget revision request must be submitted by the Grantee to document changes in purpose, staff, funding from other sources, cost between categories, adding/deleting categories, relationships with other agencies, etc.

A Budget Revision Request form must be completed for every revision to the approved budget amount for the Salaries and Wages budget category. For all other budget categories, a request must be submitted whenever a change or cumulative change in the budgeted amount exceeds 10% of the approved budgeted amount. For a change or cumulative change of 10% or less, a budget revision request form is not required; however, Grantees should still communicate such changes to their assigned Program Project Manager at CCBH. Budget revision requests must comply with the following requirements:

- 1.2.1. The revised grant total budget will remain the same as the original budget.
- 1.2.2. Grantees must use the Budget Revision Request Form supplied by CCBH to request a revision to their approved budget.
- 1.2.3. All Budget Revision Requests must be accompanied by a Budget Revision Narrative describing the reason for the request for changes.
- 1.2.4. The Grantee shall not expend funds under the proposed budget revision until the receipt of written notification of approval from CCBH. If approved by CCBH, the revision supersedes the existing approved budget and/or programs.
- 1.2.5. A maximum of three (3) budget revisions will be accepted during each program Budget period, with no more than one per quarter. The final budget revision must be submitted within 60 days prior to the end of the budget year. CCBH reserves the right to verify all information submitted in the budget revision.

1.3. Financial Reports

Grantees must submit the following financial reports using the report forms supplied by CCBH.

- 1.3.1 Quarterly Expense Reports **must be** submitted within 15 calendar days following the end of each of the first four quarters (3 months) of the budget period. The budget period for each grant is defined in the Notice of Award.

- 1.3.2. An Annual Reconciliation Expense Report **must be** submitted within 30 calendar days following the end of the annual budget period. The budget period for each grant is defined in the Notice of Award.
- 1.3.3. Failure to submit expense reports on time will result in grant payments being delayed. Repeated non-compliance with timely expense reporting may result in the suspension or termination of a grant in accordance with Section 3.1 of this manual.

1.4. Accounting

Grantee accounting records must be maintained in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The primary objectives in agency accounting for grant activities are to:

- 1.4.1. Ensure that the record keeping system identifies separately the receipts, disbursements, assets, liabilities and fund balance for the grant project;
- 1.4.2. Provide the agency with financial information that will enable the preparation of periodic reports required by CCBH.
- 1.4.3. Maintain separate general ledger accounts for projects that receive funding from CCBH. Project accounts must adequately identify the source and application of project funds. Project funds consist of grant funds, program income, and applicant funds used to match the grant. Grantee must have adequate control to assure that project funds are used only for the budgeted line items that have been approved by CCBH and are allowable costs as defined in the RFP and this manual. The separate accounting of project funds received and expended will facilitate a project audit and serve as an agency management tool.

1.5. Internal Control

The grantee must maintain effective internal control and accountability for all project funds, equipment, and other assets. Internal control activities are policies and procedures that help ensure that necessary actions are taken to address risks and achieve the entity's objectives. Some common examples of internal controls that should be in place in the Grantee's organization may include, but are not limited to:

- 1.5.1. Payroll and Personnel:
 - Formal timekeeping records that document allocation of time to grant programs are utilized and maintained.
 - Personnel files are maintained that contain information on employment application and new employee investigation, date employed, pay rates,

changes in pay rates and position, authorization for payroll deductions, earnings records, W-4 form, INS form I-9, and termination data.

- Payroll performs the following functions in preparing the payroll:
 - Check time card/attendance records for proper computations of hours
 - Review time card records for proper approvals of time recorded as well as overtime.
 - Check overtime hours, rates, and computations.
 - Verify pay rates.
- Monthly, quarterly, or annually, there is a reconciliation of gross and net amounts as shown on tax returns and W-2's to total payroll register and general ledger.
- Payroll is subject to final approval before payment by someone independent of payroll preparation and timekeeping.
- Unclaimed paychecks are returned to someone who is not associated with the payroll function.
- Access to either manual or computerized payroll records is limited to those with a logical need for such access.

1.5.2. Purchasing and Payables:

- In processing disbursements, all invoices are verified against approved copies of the purchase order, contract, and receiving report. Invoices are then documented with the approval of an appropriate level of authority.
- Properly approved, prenumbered purchase orders are checked and appropriate action taken on those beyond the usual processing time by an employee independent of the purchasing and receiving functions.
- The numerical sequence of purchase orders is checked and appropriate action taken on those beyond the usual processing time by an employee independent of the purchasing and receiving functions.
- Competitive bid procedures are used under predetermined circumstances (See Section 1.12)
- A purchasing policy is in place.
- The purchasing function is performed by personnel who are independent of purchasing, receiving, inventory, and general ledger functions.

- The payables function is performed by personnel who are independent of 1) the receiving and shipping functions, 2) the payables and disbursing functions, and 3) the cash receipts function.

1.5.3. Miscellaneous Controls

- A responsible member of management monitors activities to ensure that the proper matching contributions are met.
- Reconciliations of grant financial report with supporting records are prepared, reviewed, and approved by a responsible official before filing.
- Accounting procedures provide for identifying receipts and expenditures of program funds separately for each grant.
- Expenditures are monitored by a responsible official for compliance with allowable costs and approved budget requirements.
- There is a documented time schedule for filing financial and program reports with grantors.
- If the Grantee charges indirect costs to the grant, the Grantee has a formal, written cost allocation plan in place.
- The work of employees is subdivided so that no single employee performs a complete cycle of operations. For example, an employee handling cash would not post accounts receivable records.

1.6. Subgrants

1.6.1. Grantees shall apply the provisions of this manual, the Notice of Award, the RFP, and the grant application to grantees performing substantive work under subgrants that are passed through or awarded by the primary recipient (i.e., Grantee).

1.6.2. For the purposes of this manual, the following definitions apply:

1.6.2.1. a **subgrant** is an award of financial assistance made under an award by a Grantee to an eligible grantee or by a grantee to lower tier grantee. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract.

1.6.2.2. A **grantee** is an entity that expends CCBH awards received from a pass-through entity (i.e., CCBH Grantee) to carry out a CCBH program.

1.6.3 A Grantee shall identify the CCBH awards (e.g., name of program and grant

number) provided to grantees and advise the grantees of the requirements of the grant agreement and this manual.

1.6.3.1 Monitoring activities normally occur throughout the year and may take various forms, such as:

- Reporting – Reviewing financial and performance reports submitted by the grantee.
- Contact – Regular contacts with grantees and appropriate inquiries concerning both financial and program activities.
- Audits – Review of results of independent audits performed of the grantee agency.

1.6.3.2. Grantees must also evaluate the impact of grantee activities on the Grantee’s ability to comply with applicable CCBH award guidelines.

1.7. Independent Audits

1.7.1. Grantees which expend federal funds in an annual aggregate total of \$300,000 or more require:

- a. An audit in accordance with the Single Audit Act by an independent auditor. Reference OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, issued June 30, 1997.
- b. Audit must be completed no later than 9 months after the end of the grantee’s fiscal year.

1.7.2. Grantees which expend federal funds in an annual aggregate total of less than \$300,000 require:

- a. A financial audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS),
- b. Audit must be completed no later than 9 months after the end of the grantee’s fiscal year.

1.7.3. Grantees must submit a single audit report in accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, issued June 30, 1997, the report must include:

- a. The financial statements (grantee’s responsibility to provide),

- b. A schedule of expenditures of Federal awards (grantee's responsibility to provide),
- c. Auditor's opinions on the fair presentation of financial statements and schedule of expenditures of Federal awards,
- d. Auditor's report on internal control and compliance pertaining to financial reporting,
- e. Auditor's report on internal control and opinion on compliance pertaining to major programs,
- f. Auditor's schedule of findings and questioned costs,
- g. Grantee's corrective action plans, and
- h. A summary schedule of prior audit findings which include planned and completed corrective actions (grantee's responsibility to provide).

1.7.4. Grantee is responsible for submitting a report that meets OMB A-133 requirements and a copy of the auditor's management letter within 30 days of receipt of the auditor's report, but no later than 9 months after the end of the grantee's fiscal year. Additionally, if the report contains no findings, CCBH requires grantee's to still submit a complete copy for review. The audit report, management letter and other applicable information should be mailed to:

Cuyahoga County Board of Health
 Grants Administration
 5550 Venture Drive
 Parma, Ohio 44130

1.8. Program Audits

During the grant period and for three years after, on reasonable notice and during customary business hours, CCBH may audit the Grantee's records, system of internal controls over grant funds, and other program compliance. This audit will also apply to CCBH's duly authorized representatives and any person or organization providing financial support for the project.

1.8.1. Corrective Action Plans –

At the conclusion of an audit which results in findings, CCBH will meet with representatives of the Grantee to discuss the findings. Within fifteen (15) business days after such meeting, the Grantee will provide CCBH with a corrective action plan that addresses the audit findings. The corrective action plan will be on the

form prescribed by CCBH. Corrective action means action taken by the Grantee that:

- (a) Corrects identified deficiencies;
- (b) Produces recommended improvements; or
- (c) Demonstrates that audit findings are either invalid or do not warrant Grantee action

The corrective action plan shall provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the Grantee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan shall include an explanation of specific reasons, as well as any necessary supporting documentation.

1.8.2. CCBH Management Decisions on Audit Findings –

Within fifteen (15) days of receiving the Grantee's corrective action plan, CCBH will issue a management decision on the corrective action plan. The management decision will clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected Grantee action to reply to disallowed costs, make financial adjustments, or take other action. For disallowed costs, CCBH has the option to either (1) require Grantees to repay the disallowed costs, or (2) deduct the disallowed cost amount from future payments to the Grantee.

Prior to issuing the management decision, CCBH may request additional information or documentation from the Grantee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs. The management decision will describe any further appeal process available to the Grantee.

If applicable, as part of the management decision, CCBH may choose to notify the Grantee of its intent to suspend or terminate a grant (in accordance with Section 3.1 of this manual) should specified conditions not be met by the Grantee.

- 1.8.3. If an audit reveals that the Grantee materially failed to comply with the terms of the grant, CCBH has the right to suspend or terminate the grant in accordance with Section 3.1 of this manual. In addition, if an audit reveals any material deviation from the project's specifications, any misrepresentation, or any overcharge to CCBH, CCBH will be entitled to recover damages, as well as the cost of the audit.

1.9 Matching Funds

- 1.9.1. Contributions, including cash and third party in-kind, shall be accepted as part of the Grantee's matching requirement when such contributions meet all of the following criteria.
- Are verifiable from the Grantee's records.
 - Are not included as contributions for any other CCBH grant.
 - Are necessary and reasonable for proper and efficient accomplishment of the CCBH project or program objectives.
 - Are allowable under the provisions of this manual.
 - Are provided for in the approval budget, as required by CCBH.
- 1.9.2. The value placed on in-kind contributions for matching purposes must be fair and reasonable. The following guidance is provided for determining fair market value:
- 1.9.2.1. Valuation of Employees of Other Organizations: When an employer other than the Grantee furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs.
- 1.9.2.2. Donated Supplies and Loaned Equipment or Space: Donated supplies will be valued at the market value of the item at the time of the donation. When a third party donates the use of equipment or space, but retains title, the contribution will be valued at the fair rental rate of the space or equipment.
- 1.9.2.3. Valuation of Donated Equipment, Buildings, and Land: If prior approval is obtained from CCBH the market value at the time of the donation of the donated equipment or buildings and fair rental rate of the donated land may be counted as an in-kind contribution. The approval may be given only if the purchase of the equipment or rental of the land would be approved as an allowable direct cost.
- 1.9.3. Salaries and wages of employees used in meeting matching requirements for CCBH grant awards must be supported in the same manner as those claimed as allowable costs under the CCBH grant.
- 1.9.4. CCBH Grant funds may not be used as matching funds for other CCBH grant programs.

1.10 Allowable Costs

General Criteria – “Allowable costs” are the expenses for budgeted line items that have been approved by CCBH. Funds received may be spent as necessary to carry out the purposes and activities for the approved program only. The Grantee organization is responsible for the expenditure of funds and for maintaining adequate supporting records consistent with generally accepted accounting practices. CCBH staff, or its subcontractor, may examine a Grantee’s financial record keeping and accounting procedures at any time.

1.10.1. Allowable project costs must:

- Be necessary and reasonable for proper and efficient administration of project, be allocable, and except as specifically provided, not be a general expense required to carry out the overall activities of the Grantee;
- Be authorized, allocable, and not prohibited under any federal, state or local regulations;
- Be consistent with other policies, regulations, and procedures that apply to other activities of the Grantee agency;
- Not be allocable to or included as a cost of any other state or federally financed program in the current period;
- Be the net of all applicable credits; and,
- Be adequately documented.

1.10.2. For CCBH purposes, allowable costs should meet the general criteria described above, and should qualify as allowable under one of the following seven categories:

1.10.3. **Salaries and Wages** – Project funds may be used to compensate employee for the time devoted specifically to the execution of the grant program.

1.10.3.1. “Employees” constitute those individuals who are entered into the agency employment system, are receiving fringe benefits provided to the Grantee agency employees, are eligible to participate in the agency retirement program and are subject to Grantee agency employment rules and policies.

1.10.3.2. Grantee shall be solely responsible for reporting, withholding, and paying all employment related taxes, payments, and withholdings for its personnel, including, but not limited to federal, state, and local

income taxes, social security, unemployment or disability deductions, withholdings, and payments.

- 1.10.3.3. Compensation for project employees shall include all remuneration paid currently or accrued for services rendered during the period of performance under the grant agreement including wages, salaries, supplementary compensation, and benefits. Compensation for project employees shall be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the Grantee agency.
- 1.10.3.4. In accordance with the following guidelines, Grantees will create and maintain adequate supporting documentation of salaries and wages charged to CCBH grants:
 - a. Charges to CCBH awards for salaries and wages will be based on payrolls documented in accordance with the generally accepted practices of the Grantee and approved by a responsible official(s) of the Grantee.
 - b. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. Such documentary support will be required where employees work on:
 - More than one CCBH award,
 - A CCBH award and a non-CCBH award,
 - An indirect cost activity and a direct cost activity,
 - Two or more indirect activities which are allocated using different allocation bases, or
 - An unallowable activity and a direct or indirect cost activity.
 - c. Personnel activity reports or equivalent documentation must meet the following standards:
 - They must reflect an after-the-fact distribution of the actual activity of each employee,
 - They must account for the total activity for which each employee is compensated,

- They must be prepared to coincide with each pay period, and
- They must be signed by the employee.

1.10.4. **Fringe Benefits** – Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages.

1.10.4.1. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. The costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, Grantee-employee agreement, or an established policy of the Grantee.

1.10.4.2. The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; and (b) the costs are equitably allocated to all related activities, including CCBH awards.

1.10.4.3. The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker’s compensation insurance; pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits shall be allocated to CCBH awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such CCBH awards and other activities.

1.10.4.4. CCBH reserves the right to disapprove the use of grant funds for any employee benefit included in the budget request if, in CCBH’s sole opinion, the benefit is inconsistent with allowable cost requirements.

1.10.5. **Contracted Services** – Individuals providing services as consultants or under contracts that do not meet the definition of an employee (see Section 1.10.3.), or the definition of a grantee (see Section 1.6), are considered contracted services.

1.10.5.1. For each contract the Grantee must obtain CCBH prior approval for the expenditure.

- 1.10.5.2. All contracts and subcontracts entered into by the Grantee agency with grant funds shall contain all of the following:
- a. Clear and unambiguous provisions sufficient to define a sound and complete agreement;
 - b. Provisions or conditions for administrative, contractual, or legal remedies if the contractor violates or breaches terms of the contract;
 - c. Suitable provisions for termination of the contract by the Grantee agency, including, but not limited to the manner of termination and the basis for settlement; and
 - d. A description of conditions for termination for default and circumstances beyond the control of the contractor.
- 1.10.6. **Staff Travel** – Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees traveling on official business.
- 1.10.6.1. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip.
- 1.10.6.2. Grantee shall be reimbursed for travel expenses associated with the Grant Program Project in accordance with CCBH guidelines.
- 1.10.6.3. All out-of-state travel must be pre-approved by CCBH. For approval, Grantees must use the Out-of-State Travel Form supplied by CCBH (Exhibit E).
- 1.10.7. **Equipment & Other Capital Assets** – Expenditures for equipment, including replacement equipment, other capital assets, and improvements which materially increase the value or useful life of equipment or other capital assets are allowable as a direct cost to CCBH grants.
- 1.10.7.1. Equipment is defined as any item of tangible property having a useful life of one year or more, costing \$300 or more, and which is purchased in whole or in part with program funds. Real property, such as land, buildings or improvements other than buildings, is not classified as

equipment. Equipment includes, but is not limited to machinery, tools, motor vehicles, furniture and furnishings. Items that meet the definition of equipment for which early obsolescence is expected, such as films, tapes, videos, books, etc., are not classified as equipment and should be budgeted and reported as supplies under the Other Direct Cost Category.

- 1.10.7.2. “Acquisition cost” includes the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation may be included in, or excluded from, equipment expenditure cost in accordance with the Grantees’ regular accounting practices.
- 1.10.7.3. “Other capital assets” mean buildings, land, and improvements to buildings or land that materially increase their value or useful life.
- 1.10.7.4. Capital expenditures which are not charged directly to a CCBH award may be recovered through use allowances or depreciation on buildings, capital improvements, and equipment.
- 1.10.7.5. When replacing equipment purchased in whole or in part with CCBH funds, the Grantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.
- 1.10.7.6. Unless otherwise pre-approved by CCBH, no more than 3% of a Grantee’s CCBH grant award may be spent for equipment or other capital assets.
- 1.10.7.7. A completed Inventory Report of Equipment Purchased with Grant Funds (Exhibit D) must be submitted to CCBH as approved equipment is purchased.

1.10.8. **Supplies** – The cost of supplies and materials acquired, consumed, or expended specifically for the purpose of CCBH grant awards is allowable.

- 1.10.8.1. Purchases should be charged at their prices after deducting all cash discounts, trade discounts, rebates, and allowances received. Withdrawals from general stores or stockrooms

should be charged at cost under any recognized method of pricing, consistently applied.

1.10.8.2. Items of equipment with an acquisition cost of less than \$300 are considered to be supplies and are allowable as direct costs of CCBH Grant awards without specific CCBH approval.

1.10.9. **Other Costs** – Other allowable costs incurred for the purpose of providing goods and services necessary to support the CCBH project may include, but are not limited to, the following:

- Education and promotional materials
- Media and marketing costs (Refer to 2.5.)
- Data acquisition expenses (e.g., database purchase, survey costs)
- Printing
- Incentive items
- Office expenses (e.g., phone, rent, utilities, copying, etc.)
- Audit, accounting, and legal fees
- Administrative expenses

1.11 Unallowable Costs

Expenses not meeting the criteria described in Section 1.10, above, are prohibited costs for the purposes of the CCBH grant award. Use of grant funds for prohibited purposes may result in the loss or recovery of grant funds. Some specific examples of prohibited uses of grant funds include, but are not limited to, the following:

1.11.1. Expenses incurred prior to the date on which the grant period begins or subsequent to its termination date.

1.11.2. Costs to hire or pay an executive agency lobbyist as defined by Ohio Revised Code §121.60, or to hire or pay a legislative agent as defined by Ohio Revised Code §101.70.

1.11.3. Costs to support or oppose candidates, ballot questions, referendums, or ballot initiatives.

1.11.4. Alcoholic beverages

- 1.11.5. Auto purchase
- 1.11.6. Awards, bonuses, commissions
- 1.11.7. Debts
- 1.11.8. Construction costs
- 1.11.9. Contingency provision funds
- 1.11.10. Contributions and donations (given by the Grantee or implementing agency)
- 1.11.11. Corporate formation costs
- 1.11.12. Defense and prosecution of criminal and civil proceedings and claims
- 1.11.13. Depreciation and use allowances on publicly owned buildings
- 1.11.14. Dual compensation
- 1.11.15. Entertainment
- 1.11.16. Federal employee's compensation, consulting fees, or other remuneration
- 1.11.17. Fines, penalties, and interest or other financial payments
- 1.11.18. Foreign travel (all travel outside the United States, its territories, and Canada)
- 1.11.19. Fund raising
- 1.11.20. Idle facilities
- 1.11.21. Inmate wages
- 1.11.22. Land acquisition
- 1.11.23. Lessons (music, craft, sports, etc., except for programmatic purposes)
- 1.11.24. Losses on other awards
- 1.11.25. Rental charges for Grantee owned space and equipment
- 1.11.26. Restitution payments

- 1.11.27. lump sum indirect or administrative costs
- 1.11.28. Tips, bar expenses, or laundry costs incurred at conferences
- 1.11.29. Toys, games, etc. (except for programmatic uses)
- 1.11.30. Weapons
- 1.11.31. Replacement of operational funds

1.12 Competitive Bidding

A Grantee wanting to purchase services that cost more than fifty thousand dollars (\$50,000) or supplies that cost more than twenty-five thousand dollars (\$25,000) shall make the purchase by competitive selection.

The Grantee will have formal policies and procedures in place for the competitive selection process. CCBH, in its discretion, may prescribe such conditions under which competitive sealed bids will be received and terms of the proposed purchase as it considers necessary; provided, that all such conditions and terms shall be reasonable and shall not unreasonably restrict competition.

1.13. Administrative Costs

No more than 20% of a CCBH grant project's budget may be spent on administrative costs. Grantees should identify administrative costs on their budget application form.

- 1.13.1. Administrative costs are costs that do not directly contribute to a grant program's objectives or services. Administrative costs include, but are not limited to, costs associated with overall or general management, clerical, accounting, and/or other support activities. Administrative costs may include salary and other personnel costs.
- 1.13.2. Administrative costs can be charged to a program either directly or indirectly:
 - 1.13.2.1. Direct costs are expenditures that can be identified specifically with a particular project or program cost objective. Examples are compensation of employees or contractors for time and effort devoted specifically to the execution of grants, program materials, and equipment.
 - 1.13.2.2. Indirect costs are expenditures incurred for a common or joint purpose benefiting more than one cost objective, and

not readily assignable to a specific grant program. Indirect costs should be supported by a documented indirect cost allocation plan. Examples are rent, utilities, and other overhead costs.

Section

2. Programmatic Information

2.1. Notice of Award

The funds granted as a result of this award are to be used for the purposes set forth in the Grantee's proposal and according to the approved budget and administered in compliance with the terms and conditions set forth in the Notice of Award, the RFP, and all applicable laws.

This award is made with the understanding that CCBH has no obligation to provide other or additional support for this program/project; nor does this award represent any commitment to, or expectation of, future support from CCBH for this or any other project of the Grantee.

2.2. Special Conditions

Special conditions include terms and conditions of the grant award. They may include fiscal and/or programmatic provisions. A response to a special condition must be submitted within 30 days after the receipt of the condition. Non-compliance with any or all special conditions may result in the holding of the next quarter allotment. If a condition cannot be met within a 30 day timeline, to avoid a hold in quarterly allotment, the Grantee must submit a detailed plan outlining when such condition can fully be met.

2.3. Program Reports

Grantees must submit the following program reports using the report forms supplied by CCBH.

- 2.3.1. Using the forms provided by CCBH as outlined by CCBH. The budget period for each grant is defined in the Notice of Award.
- 2.3.2. An Annual Evaluation Report must be submitted within 30 calendar days following the end of the annual budget period. The budget for each grant is defined in the Notice of Award.
- 2.3.3. Failure to submit program reports on time will result in grant payments being delayed. Repeated non-compliance with timely program reporting may result in the suspension or termination of a grant in accordance with Section 3.1. if this manual.

2.4. Evaluation

CCBH reserves the right to conduct an independent evaluation or request additional evaluation data or information of Grantee programs to help ensure that the program or research is likely to achieve the indicated or desired results.

2.5. Media and Publications

Any media or marketing component of Grantee's program/project must be approved in advance and in writing by the grant Program Project Manager to ensure that an integrated, uniform, and consistent theme and message is relayed to the public.

- 2.5.1. When possible, any public statements about CCBH or its grant-making should be approved in advance by the CCBH grant Program Project Manager.
- 2.5.2. Grantee agrees to credit CCBH in any press releases, presentations, media coverage, or announcements resulting from grant funds.
- 2.5.3. The Grantee also agrees to cooperate with CCBH's efforts to highlight the programs it funds in CCBH's own publications and publicity materials. This may include: setting up interviews or photo sessions with the Grantee organization's staff, board, or clients; providing CCBH with available photographs, slides, or graphics, with signed releases where required; or providing access to background material related to the funded project.

2.6. Ownership and Copyright

- 2.6.1. Reports, materials, books, and articles resulting from this grant may be copyrighted by the organization receiving the grant or by the author, in accordance with the policies of the Grantee organization, toward the goal of obtaining the widest dissemination of such reports, materials, books, and articles. Grantee shall grant or cause the author to grant CCBH a royalty-free license to use such publications.
- 2.6.2. Grant funds shall not be used for activities which may lead to the award of a patent unless Grantee has first entered into a written agreement with CCBH which specifies the name in which any patent awarded will be taken and avoids the possibility that grant funds will be used for private benefit. No application shall be filed for a patent arising out of grant funded activities without prior written consent of CCBH, which consent will be conditioned as necessary to avoid private benefit from the use of grant funds.
- 2.6.3. CCBH agrees to properly attribute authorship in the use, reproduction, or publication of any information developed under this award, and further agrees to include copyright notice, in any of its publications, or any copyrighted materials.
- 2.6.4. A completed Equipment Inventory Form (to be provided by CCBH) listing all equipment purchased from grant funds must be sent to CCBH with each quarterly

expense report. Equipment purchased with grant funds must be tagged as property of CCBH for inventory control. CCBH may require that such equipment be returned to CCBH at the end of the grant period.

- 2.6.5. CCBH is the sole owner of all data collection using CCBH grant funds. CCBH, in its discretion, may allow grantees and other interested parties to conduct independent analyses of CCBH-owned data and publish their findings. Requests for such use of CCBH-owned data must be submitted to CCBH in writing prior to publication. All publications of CCBH-owned data must acknowledge that the data was obtained with the financial support of CCBH.

2.7. Program Monitoring

- 2.7.1. When CCBH staff determine that a Grantee has failed to comply with any of the programmatic provisions of this manual or has materially failed to perform the scope of work as detailed in their proposal or approved Evaluation Plan, the following administrative actions will occur:

- CCBH staff will inform a Grantee in writing, concerning the particular non-compliance issue(s) and provide the Grantee with a Corrective Action Plan form.
- Within fifteen (15) business days after receipt of the Corrective Action plan form, Grantee will provide CCBH with a proposed corrective action plan to address the identified non-compliance issues. The corrective action plan will be on the form prescribed by CCBH. Corrective action means action taken by the Grantee that:
 - i. Corrects identified deficiencies;
 - ii. Produces recommended improvements; or
 - iii. Demonstrates that the identified non-compliance issue(s) are either invalid or do not warrant Grantee action.

- 2.7.2. CCBH Management Decisions on Corrective Action Plan –

Within fifteen (15) days of receiving the Grantee’s corrective action plan, CCBH will provide Grantee with a written management decision on the corrective action plan. The management decision will clearly state whether or not the non-compliance issue(s) is sustained, the reasons for the decision, the expected Grantee action(s) to remedy the situation, or other actions to be taken by CCBH. If applicable, as part of the management decision, CCBH may choose to notify the Grantee of its intent to suspend or terminate a grant (in accordance with Section 3.1 of this manual) should specified conditions not be met by the Grantee.

- 2.7.3. If a Grantee fails to take appropriate corrective actions within 30 days of the receipt of CCBH’s management decision letter, or otherwise materially fails to

comply with the programmatic terms of the grant, CCBH has the right to suspend or terminate the grant in accordance with Section 3.1 of this manual.

2.8. Communication with CCBH

To ensure proper monitoring and tracking of program activities, Grantees should copy their designated Program Project Manager on all communications to CCBH that are not of a confidential nature.

Section

3. General Information

3.1. Suspensions and Terminations

- 3.1.1. **Suspensions** – When a Grantee has materially failed to comply with the terms of the grant, CCBH may, upon reasonable notice to the Grantee, suspend the grant in whole or in part. Suspension of a grant means temporary withdrawal of the Grantee’s authority to obligate grant funds pending corrective action plan by the Grantee or a decision to terminate the grant.
- 3.1.1.1. The notice of suspension will state the reasons for the suspension, any corrective action required of the Grantee, and the effective date. The suspension may be effective at once if a delayed effective date would be unreasonable considering CCBH’s responsibility to protect the state’s interest. Suspensions shall remain in effect until the Grantee has taken corrective action satisfactory to CCBH, or given evidence satisfactory to CCBH that such corrective action will be taken, or until CCBH terminates the grant.
- 3.1.1.2. New obligations incurred by the Grantee during the suspension period will not be allowed unless CCBH expressly authorizes them in the notice of suspension or an amendment to it. Necessary and otherwise allowable costs which the Grantee could not reasonably avoid during the suspension period will be allowed if they result from obligations properly incurred by the Grantee before the effective date of suspension and not in anticipation or termination.
- 3.1.1.3. Appropriate adjustments to payments under the suspended grant will be made either by withholding subsequent payments or by not allowing the Grantee credit for disbursements made in payment of unauthorized obligations incurred during the suspended period.
- 3.1.2. **Termination** – CCBH may terminate any grant in whole, or in part, at any time before the date of expiration, whenever it determines that the Grantee has materially failed to comply with the terms of the grant. Termination of a grant means permanent withdrawal of the Grantee’s authority to obligate previously awarded grant funds before authority would otherwise expire. It also means the voluntary relinquishment of the authority by the Grantee. CCBH shall promptly notify the Grantee in writing of the determination and the reasons for termination, together with the effective date. Except as provided above, grants may be terminated in whole or in part as follows:

- 3.1.2.1. By CCBH with the consent of the Grantee, in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial terminations, the portions to be terminated.
- 3.1.2.2. By the Grantee, upon written notification to CCBH setting forth the reasons for such termination, the effective date and in the case of partial terminations, the portion to be terminated. However, if, in the case of partial termination, CCBH determines that the remaining portion of the grant will not accomplish the purposes for which the grant was made, CCBH may terminate the grant in its entirety.

3.2. Records Retention

All financial, program, and research records related to the grant shall be made available, upon request for review and audit by CCBH or its agents. Grantee shall maintain all financial, program, and research records related to the grant for a period of five years after the termination of the grant.

3.3. Equal Employment Opportunity Compliance

The Grantee agrees that, in the performance of this agreement, it will not unlawfully discriminate in its employment practices, volunteer opportunities, or the delivery of program services, on the basis of race, religion, gender, national origin, age, medical condition, handicap, veteran status, or sexual orientation.

3.4. Assurances

- 3.4.1. Grantee agrees to indemnify, defend and hold CCBH harmless from any and all liability, losses, claims, damages, or other expenses arising out of Grantees misconduct or negligence in the performance of its obligations set forth under this agreement.
- 3.4.2. All information submitted to CCBH shall be considered a public record subject to Ohio's public record laws.
- 3.4.3. Grantee must comply with reasonable requests and instructions of CCBH as may be given in connection with carrying out the grant program including, but not limited to, attendance at local, regional, or statewide meetings, participation in training and informational sessions, site visits, and utilization of recommended management and technical assistance.
- 3.4.4. If there are conflicting provisions between the documents that make up the contract, the order of precedence for the documents is as follows:
 - 3.4.4.1. The NOA

- 3.4.4.2. The Grants Administration Manual
- 3.4.4.3. The RFP
- 3.4.4.4. The Grantee Application
- 3.4.5. Grantee agrees to comply with all applicable federal, state, and local laws in administration of CCBH grant funds.
- 3.4.6. Grantee agrees to comply with all applicable state and federal laws regarding keeping a drug-free workplace. The Grantee will make a good faith effort to ensure that all personnel, while working on CCBH funded grant projects, will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in anyway.
- 3.4.7. The Grantee acknowledges that the grant award and all documents incorporated into the Notice of Award will be governed by the laws of Ohio.

3.5. Independent Contractor

Grantee shall perform its duties and obligations under this Agreement as an independent contractor and is not an agent, representative, or employee of the CCBH. It is understood and agreed that the CCBH will not be liable for any negligent or wrongful acts, either of commission or omission, chargeable to the Grantee or the Grantee's subcontractors. The Grantee is responsible for and must seek its own legal representation and bear its own cost, including, judgments, in any litigation or claim made that may arise from the performance of this Agreement.

3.6. Insurance

- 3.6.1. Grantee shall meet the following insurance requirements: 1. General liability coverage at a minimum of One Million Dollars (\$1,000,000.00), naming the CCBH as an additional insured and as a certificate holder. The Certificate of Insurance shall contain language stating that the CCBH will be given ten (10) days written notice prior to cancellation or reduction of the insurance afforded by the policy. The Certificate of Insurance shall be sent to the CCBH **prior to finalization** of any Agreement and prior to any activities commencing under the Grant. The Certificate of Insurance shall be attached to the Agreement.
- 3.6.2. Grantees operating under this Grant shall independently carry a policy with the same provisions as specified herein. The CCBH shall be named as an additional insured and as a certificate holder. The Certificate of Insurance shall contain language stating that the CCBH will be given ten (10) days written notice prior to cancellation or reduction of the insurance afforded by the policy. The Certificate of Insurance shall be sent to the CCBH within 30 days of the Certificate of Insurance shall be subsequently attached to this Agreement. The Grantee shall collect, and forward to the CCBH certificates of insurance for all subcontractors operating under this Grant.

3.7. State Industrial Compensation

3.7.1. The grantee shall be required at all times during the term of Agreement to subscribe to and comply with the Workers Compensation Laws of the State of Ohio and pay any premiums as may be required and to hold the CCBH harmless from any liability from or under those laws. It shall also furnish at such times as may be requested a copy of the official certificate or receipt showing the premium payments.

3.8. Social Security Act

The grantee shall be an independent contractor with respect to all services performed under the Agreement and agrees to accept full and exclusive liability for the payment of any contributions or taxes for social security, unemployment benefits, pensions and annuities now or later imposed under any state or federal laws that are measured by the wages, salaries, or other remuneration paid to persons employed by the grantee on work performed under the Agreement. The grantee further agrees to obey all lawful rules and regulations and to meet all lawful requirements that are or may be issued or promulgated under the respective laws. The Grantee also agrees to indemnify and hold harmless CCBH from any such contributions of taxes or liability for them.

3.9. Assignment Prohibited

The grantee may not assign, transfer, convey, sell or pledge its rights or interest in the grant or any part thereof, or any right or privilege created under the grant, and on any attempt by the grantee to do so, the grant shall immediately terminate.

3.10. Unresolved Findings for Recovery

Section 9.24 of the Ohio Revised Code prohibits a state agency or political subdivision from awarding contracts for goods, services or construction, which is paid in whole or in part by state funds to a person against whom a finding for recovery has been issued by the Auditor of State, if the finding for recovery is unresolved.

Therefore, before awarding a contract for goods, services, or construction, the grantee must review the State Auditor database at www.auditor.state.oh.us/ffr and certify there are no findings for recovery pending against the entity it does business with.

3.11. Debarred and Suspended

CCBH and Grantees will not grant or permit any grant at any level to any party which is debarred or suspended from participation in Federal assistance programs.

<http://epls.arnet.gov/>

3.12. Forms

- 3.12.1 Budget Application (Exhibit A)
- 3.12.2. Budget Revision Request (Exhibit B)
- 3.12.3. Quarterly/Annual Grant Expense Report (Exhibit C)
- 3.12.4. Equipment Inventory Form (Exhibit D)
- 3.12.5. Out-of-State Travel Request (Exhibit E)
- 3.12.6. Federal Circulars and Common Rules (Exhibit F)