

## First 5 Kings County Children & Families Commission

# Grants & Contracts Administration Policy Version 1.6

### I. Background

The First 5 Kings County Children & Families Commission (Commission) was formed as a result of Proposition 10, a voter initiative passed in 1998. Funding is derived from a tax on tobacco products. The First 5 California Commission, also created by Prop 10, receives the funds and distributes 80% to all of the counties. The portion each county receives is based upon the number of births. It keeps 20% of the money to fund its own operation to administer the statewide program, oversee the local Commissions, and to pay for statewide initiatives.

In December 1998, Kings County approved an ordinance establishing the local Commission that oversees the distribution of funds to local health, child development, and human service programs for children ages 0 to 5 and their families. The Commission is the decision-maker with respect to distribution and use of the funds locally. In February 2000, it adopted a Strategic Plan to guide its decisions with respect to allocation of funds. The Strategic Plan is updated annually – the most recent update occurred in April 2008, outlining the Commission’s priorities for FY 2007-2010.

Kings County has hired an Executive Director to oversee the administration of the program and allocation of funds in keeping with Prop 10 and the Commission’s Strategic Plan. The Executive Director has hired staff to assist in carrying out the work of the Commission.

### II. Purpose and Applicability

This document sets forth Commission policies regarding the administration of grants and contracts and establishes procedures and levels of authority for administering contracts executed as a result of grant awards to local Grantees by the Commission.

This Policy is applicable to Commission grants and contracts.

### III. Definitions

- a. Authorized Organization Representative – An Authorized Organization Representative is the administrative official who on behalf of the proposing organization is empowered to make certifications and assurances and can commit the organization to the conduct of a project that the Commission is being asked to support as well as adhere to various Commission policies and grant requirements.
- b. Fixed Assets – Fixed assets are tangible assets of significant value, having a utility extending beyond the current year, that are broadly classified as land, buildings and improvements, and equipment costing greater than \$500.

- c. Grant – A grant is a type of assistance award which permits Commission Staff to transfer money, property, services or other things of value to a Grantee. Grants are the primary mechanism of Commission support. Except under special circumstances, Commission grants are normally cost reimbursement grants under which the Commission agrees to reimburse the Grantee for work performed and/or costs incurred by the Grantee up to the total amount specified in the grant award. Accountability is based primarily on technical progress, financial accounting and fiscal reporting.
- d. Continuation Grant – A continuation grant is a type of grant under which the Commission agrees to provide a specific level of support for an initial specified period, normally a year, with the intent to provide additional support of the project for additional periods, provided funds are available and the results achieved warrant further support. Normally, the Commission will reauthorize funding for these grants on an annual basis.
- e. Grantee – A Grantee is the organization or other entity that receives a grant and assumes legal and financial responsibility and accountability both for the awarded funds and for the performance of the grant-supported activity.
- f. Grant Period – The grant period is the period of time between the effective date and the expiration date of a Commission contract shown as the contract term. With the exception of continuation grants, the grant period is normally for one fiscal year.
- g. Contract - The contract is the grant instrument including any special conditions applicable to the award that become conditions of the grant; and Exhibits that contain a statement of work, project description, scope of work template, evaluation plan, payment arrangements, standard indemnification and insurance provisions, and the budget, which indicates the amounts, by line item, on which the Commission has based its support.
- h. Effective Date – The effective date is the beginning date of the contract term specified in the contract, and is the date on or after which expenditures may be charged to the grant.
- i. Expiration Date – The expiration date is the ending date of the contract term specified in the contract, and the date after which expenditures may not be charged against the grant except to satisfy obligations to pay allowable project costs committed on or before that date.
- j. Supplantation - *Supplant* shall be given its ordinary meaning, that is, “to take the place of.” Health and Safety Code section 30131.4 provides, in part, that Proposition 10 funds shall be used only to supplement existing levels of service and not to fund existing levels of service. It further provides that no money in the Commission’s trust fund shall be used to supplant state or local general fund money for any purpose. However, supplantation does not include federal funds.

#### **IV. Financial Requirements and Payments**

The acceptance of a grant from the Commission creates a legal duty on the part of the Grantee organization to use the funds or property made available in accordance with the conditions of the grant. The Grantee is required to adhere to Generally Accepted Accounting Principles (GAAP). Upon award of the grant, the Grantee must work with Commission Staff on development and execution of a contract in conformance with this Policy.

- a. Allowability of costs – Expenditures under Commission grants must conform to Commission policies, any special provisions of the grant, and Grantee internal policies. Grantees must ensure that costs claimed under Commission grants are allowable and reasonable. In the event a Grantee anticipates charging an item that might subsequently be disputed, an authorized official of the grantee organization should discuss the matter with Commission Staff and document the conditions or factors surrounding the item in order to avoid possible subsequent disallowance. The maximum obligation of the Commission for support of the project will not exceed the amount specified in the contract, as amended.
- i. Salaries, wages, and fringe benefits – All salary and wages paid currently or accrued by the organization for employees working on the Commission supported project during the grant period is allowable to the extent that total compensation to individual employees is reasonable for the work performed and conforms to the established policy of the organization. Fringe benefits are allowable as a direct cost in proportion to the salary charged to the grant.
  - ii. Materials and Supplies – Materials and supplies are defined as tangible personal property other than equipment, costing less than \$500. Materials and supplies that are necessary to carry out the project are allowable.
  - iii. Fixed Assets purchases – Expenditures for fixed assets are allowable. The Commission requires all fixed assets costing greater than \$500 to be listed in the contract budget under category, *Capital Expenditures*. The Grantee will assure that each purchase of a fixed asset is necessary for the activity supported by the grant, not otherwise reasonably available and accessible, acquired in accordance with organizational practice, and can be shown to further a direct and substantial public purpose.
    - Title to Equipment – Unless otherwise specified in the contract, title to equipment purchased or fabricated with Commission funds will vest in the Commission upon acquisition by the Grantee for the term of the contract.
    - Title to Real Property – When the Commission funds a grantee for the purchase and/or renovation of real property owned by the Grantee, the Grantee will execute a Deed of Trust granting and conveying to the Commission as Trustee, in trust, with power of sale, the property being purchased and/or renovated. The Grantee agrees to name the First 5 Kings County Children & Families Commission as the beneficiary of the Deed of trust.
  - iv. Travel Costs – Expenses for transportation, lodging, subsistence and related items incurred by project personnel and by outside consultants employed on the project who are on travel status on business related to a Commission supported project are allowable.

- v. Consultant Services – Grantees are normally expected to utilize the services of their own employees to the maximum extent in managing and performing the activities supported by Commission grants. If the need for consultant services is anticipated, the proposal narrative should provide appropriate rationale, and the budget should estimate the amount of funds that may be required for this purpose. Costs of professional and consultant services are allowable when reasonable in relation to the services rendered.
- vi. Rental Costs – If it is necessary to use facilities not under the control of the Grantee, rental of space is allowable. Rental of special purpose equipment is also allowable.
- vii. Indirect Costs – Indirect costs are generally allowable costs. In preparing the budget for the project, the Grantee should include an amount for indirect costs if the organization incurs such costs. The Commission has limited indirect costs to a rate of less than or equal to ten percent (10 %) of project expenditures.

b. Policy on release of funds to Grantee

- i. Request for advance – Normally, the Commission advances twenty five percent (25%) of the annual grant award upon execution of the contract. In special circumstances such as capital projects or one-time projects, the Commission can advance an amount necessary for the purchase withholding ten percent (10%) until the project is complete and the final expenditure report is received. If the grant award is \$5,000 or less, the first funding release will be 90% of the award, withholding ten percent (10%) until the project is complete and the final expenditure report is received.
- ii. Timing of payments – Payments will be made to Grantees on a quarterly reimbursement basis, with the exception of the initial advance. The first payment of twenty five percent (25%) will be made upon execution of the contract and in advance of program expenditures. The second payment will be made within 30 days after the Grantee submits the first quarter's expenditure reports, and will be equal to the amount expended in the first quarter of grant activities. The third payment will be made within 30 days after the Grantee submits the second quarter expenditure report, and will be equal to the amount expended in the second quarter of grant activities. The fourth payment will be made within 30 days after the Grantee submits the third quarter expenditure report, and will be equal to the amount expended in the third quarter of grant activities. The final quarter expenditures should balance against the initial contract advance, with reconciliation of project funding to occur within the submission of the final progress report. It is expected that if the project owes the Commission any funds remaining unspent, that a full refund of said monies will be returned to the Commission no later than 45 days after end of the contract term.

- If, between payments, the Grantee lacks sufficient funds to pay for the operational costs of the program, the Grantee may submit a request for funding to pay the estimated operational costs of the program until the next scheduled release of payment. Commission staff will consider Grantee compliance with contract and program requirements in making a decision to change the contract payment schedule.
- iii. Withholding payments – Commission Staff are authorized to withhold payments as specified below.
  - No reimbursement shall be made for any expense that is determined by the Commission Staff to be supplanting state or local General Funds, or funds available to the Grantee from another public source.
  - All program or project costs shall be supported through appropriate documentation. Program or project costs not supported will not be paid.
  - Payments can be withheld by the Commission Staff for lack of compliance with the terms of the contract.

Return of unspent funds – The Grantee shall reimburse the Commission all funds that remain unexpended at the termination of the contract, and any funds that are determined by the Commission to have been expended on items not reimbursable under the contract.

## **V. Changes to Contract Terms**

- a. Expiration date – The expiration date of a contract may be changed as a result of approval of a request for continued support of a continuing grant, or for a no-cost extension.
  - i. Requests for continuation of funds for support of a continuing grant will be submitted to the Commission for approval.
  - ii. Requests for supplemental funds for an existing grant will be submitted to the Commission for approval when the amount of supplemental funds requested exceeds ten percent (10 %) of the original amount of the grant award. If the amount of supplemental funds requested is less than 10 % of the original amount of the grant award and less than \$15,000, Commission Staff is authorized to approve the request. If approved, Commission Staff will amend the contract to provide additional funding for the current support period. An amendment letter will specify both the amount of supplemental funding and the cumulative amount awarded through the expiration date, which normally will remain unchanged. All requests must be accompanied by a summary of the proposed work; a justification of the need for the supplemental funds; and a budget, highlighting the use by budget category of the additional funding as distinguished from the original funding.
  - iii. Commission Staff is authorized to approve a request for a no-cost extension, unless the requested extension is greater than one year beyond the original expiration date of the contract in which case the request must be submitted to the Commission for approval. If approved, Commission Staff will amend the

contract to indicate the change in expiration date. An amendment letter will specify the new contract term and expiration date. All requests for no-cost extensions must be accompanied by a summary of the reasons the additional time is necessary to complete the project. All requests must be submitted at least 30 days prior to the expiration date of the contract.

- iv. If, during the term of the contract, the Grantee obtains funding or other income from a source other than the Commission in excess of that shown as part of the Program Budget, and the funding or other income relates directly to the program or activity funded, the Grantee shall notify the Commission in writing with the next quarterly expenditure report. Commission Staff may reduce the amount of funding by the amount of unanticipated revenue received by the Grantee; or upon written request and justification by the Grantee allow the funds to be retained by the Grantee for uses consistent with Proposition 10 requirements, and amend the contract to reflect the change.
- v. The Grantee is authorized to transfer funds between budget categories for allowable expenditures except that they must obtain approval from Commission Staff to transfer funds greater than ten percent (10%) of the original grant award between budget categories. A revised budget must be submitted to Commission Staff within 30 days of making a change. Prior approval from Commission Staff is also required for purchase of equipment costing more than \$500 that was not listed in the approved contract budget. Funding may not be diverted to budget category, Indirect Costs or Administrative Overhead, such that the category is greater than 10 % of project expenditures. Commission Staff will amend the contract to indicate the change in the budget, and an amendment letter will be sent to the Grantee including the approved revised contract budget.

The Commission will be informed of the decisions of Commission Staff regarding requests for supplemental support, no-cost extensions and other changes to contract terms at the regular monthly meeting.

## **VI. Monitoring Project Performance**

### **a. Grantee Responsibilities**

A Grantee has full responsibility for the conduct of the project or activity supported under a Commission grant and for the results achieved. The Grantee must monitor the performance of the project to assure adherence to the performance goals (Scope of work), time schedules, data collection, reporting or other requirements as appropriate to the project or the terms of the grant. In order to carry out these responsibilities, each Grantee organization shall agree to comply with the applicable requirements for grants and to the prudent management of all expenditures and actions affecting the grant. Documentation for each expenditure or action affecting the grant shall reflect appropriate organizational reviews or approvals, which should be made in advance of the action. Organizational reviews are intended to help assure that expenditures are allowable, necessary and reasonable for the conduct of the project; and that the proposed action is consistent with

contract terms and conditions and Commission policies; represents effective utilization of resources; and does not constitute a change in objective or scope.

The Grantee must participate in the Commission's evaluation and outcome tracking process including, with the assistance of Commission Staff and evaluation partners, the development of an evaluation plan that aligns with the Commission's Strategic Plan.

The Grantee may be a covered entity or business associate subject to the Standards of Privacy of Individually Identifiable Health Information set forth in 45 Code of Federal Regulations Part 160 and Part 164 (HIPAA). If the Grantee is a covered entity or business associate, the Grantee shall comply with the provisions of the Commission's adopted Confidentiality Protocol, Policy, and Practices, and the provisions of HIPAA for the protection of Protected Health Information in the performance of duties under the scope of the contract in connection with the evaluation and outcome tracking process.

The Grantee must also comply with any and all federal and state laws, rules and regulations governing confidential health care information of individual clients or patients in the event that the Grantee has access to such confidential information.

## **VII. Contract Compliance**

The goal of First 5 Kings County is to assist Grantees and Strategic Partners in successfully achieving and sustaining identified outcomes for children, families, and communities in Kings County. As the steward for public funds, First 5 Kings County is also responsible for ensuring that Grantees and Strategic Partners are in compliance with applicable regulations, policies, and contractual requirements. Compliance is defined as the ability of a Grantee or Strategic Partner to operate a program/project in accordance with all provisions outlined in the Request for Application and the Grant Agreement/Contract including the submission of all exhibits (e.g., Scope of Work, budget and required documents).

The purpose of the compliance guidelines is to assist First 5 Kings County in proactively identifying issues that may impede or delay the progress of a program, project, or other deliverable. Additionally, it should serve to communicate clearly to grantees and strategic partners how contract compliance is viewed and enforced by the Commission. These guidelines outline policies and procedures to be used to identify and address compliance issues and do not imply any administrative remedies other than those discussed in this policy or outlined in the Grantees contract with First 5 Kings County. In addition, these compliance guidelines do not affect any contractual remedies of First 5 Kings County or the contractor.

- a. Methods Used to Assess Grantees/Strategic Partners Performance -  
First 5 Kings County staff may use any of the following methods discussed below to monitor a Grantee's/Strategic Partner's performance.
  - i. Progress Reports: Grantees/Strategic Partners are required to submit progress reports on a regular basis. This may be monthly, quarterly or on a semi-annual basis, as directed by First 5 Kings County. Progress reports summarize the progress of

program or project implementation and other deliverables in addition to describing how measurable goals and objectives have been accomplished during the program/project year in accordance with the Grant Agreement/Contract

- ii. In-Person Meetings, Conference Calls and Email: In-person meetings, conference calls, and email are often utilized to update First 5 Kings County staff on a Grantee or Strategic Partner's progress or to discuss a particular issue, product or evaluation results.
  - iii. Receipt and Review of Deliverables: Scopes of Work for Grantees and Strategic Partners often list the submittal of products or the provision of services within a specific timeframe. The review of products or documentation of services rendered allows staff to determine the degree to which a Grantee or Strategic Partner has achieved the goals and objectives detailed in their Scope of Work, and is an opportune way to determine if the quality or quantity of work products or services were provided in the proposed manner.
  - iv. On-site Visits: Site visits are most often used with Grantees, although they can also be utilized as a monitoring tool with Strategic Partners. Site visits can be helpful in assessing if the project or program has been implemented in accordance with the Grant Agreement/Contract and its incorporated exhibits (e.g., Statement of Work and Scope of Work). During the site visits, staff may: 1) review and discuss implementation of program/project activities; 2) interview program/staff and participants; and 3) review supporting documentation regarding program/project functions (e.g., participant data and documentation of program activities); and 4) review applicable supporting documents to ensure compliance with local state and federal laws pertinent to the program/project (e.g. childcare license, criminal clearance, HIPPA compliance, etc.).
  - v. Document Review: Document reviews are also used by staff to analyze a Grantee's/Strategic Partner's performance and compliance with First 5 Kings County requirements. Documents that may be reviewed include the following:
    1. progress reports
    2. invoices
    3. evaluation reports
    4. sustainability plans
    5. additional required documents
- b. Levels of Non-Compliance  
Non-compliance is defined as: 1) failure of a Grantee/Strategic Partner to comply with the terms of their Grant Agreement/Contract; 2) failure to effectively implement and manage the First 5 Kings County-funded program/project or failure to submit a deliverable as described in the scope of work; and/or 3) failure to comply with First 5 Kings County policies and procedures.



The following two-level criteria has been developed to provide a uniform approach to monitoring Grantees/Strategic Partners for regulatory compliance and tracking deliverables and program/project performance. These criteria are not intended to be an all-inclusive guide. First 5 Kings County staff has the responsibility for placement and removal of Grantees/Strategic Partners within Level 1: Concerned Status or Level 2: Performance Improvement Status.

First 5 Kings County has identified the situations noted in *Level 1: Concerned Status* and *Level 2: Performance Improvement Status* as conditions that may warrant First 5 Kings County to impose sanctions if a Grantee/Strategic Partner fails to follow corrective actions within a specified timeline.

- i. Level 1: Concerned Status: The conditions listed below are early warnings that help First 5 Kings County staff to identify potential issues which may affect the Grantee's/Strategic Partner's ability to render effective services or meet requirements for deliverables. These conditions may indicate the need for technical assistance or may warrant the development of a Corrective Action Plan. Grantees/Strategic Partners may be placed on a *Level 1: Concerned Status* as a result of, but not limited to, any of the following conditions:
  - Making programmatic, deliverable, or fiscal modifications to the approved budget and/or Scope of Work (e.g., eliminating significant components of the funded program/project/deliverable, adding or eliminating key staff positions that are critical to the program/project) without submitting proper documentation and without prior written approval from First 5 Kings County staff.
  - Failure to comply with First 5 Kings County's fiscal requirements as stated in the Grant Agreement/Contract (e.g., substandard/inadequate accounting procedures).
  - Failure to submit required documents (e.g., reports, invoices, insurance certificates, etc.) in a timely manner.
  - Expenditure of First 5 Kings County funds to supplant funds from other sources.
  - Failure to demonstrate progress toward program/project objectives or deliverables without justification (e.g., not meeting deadlines or not serving the projected number of clients)
  - Failure to comply with service standards (if applicable).
  - Delay in implementing the funded program/project or submitting a deliverable beyond 30 days.

- Delay in initiation/completion of renovation and/or capital improvement resulting in a postponement in implementing program services.
- Delay in the implementation of key evaluation activities/components (e.g., collection and submission of participant and outcome data, etc.)
- Non-disclosure of information and/or situations (e.g., structural, financial, etc.) which may impact the program/project/deliverable.
- Evidence of conflict of interest which may jeopardize the implementation and/or the funding of the program/project/deliverable.

A Grantee's/Strategic Partner's refusal to comply with *Level 1: Concerned Status* corrective action(s) may lead to placement on *Level 2: Performance Improvement Status* and subsequently impact current and future funding considerations with First 5 Kings County.

ii. Level 2: Performance Improvement Status: A Grantee/Strategic Partner may be placed on *Level 2: Performance Improvement Status* if First 5 Kings County determines that the Grantee/Strategic Partner has failed to correct unresolved issues from *Level 1: Concerned Status* within a reasonable and/or pre-established timeline. It is important to note that some situations may warrant a Grantee/Strategic Partner being placed on *Level 2: Performance Improvement Status* without first being placed on *Level 1: Concerned Status*. Conditions that may result in placement of a Grantee/Strategic Partner on *Performance Improvement Status* include, but are not limited to, the following:

- Failure to comply with Corrective Actions Plan from *Level 1: Concerned Status*.
- Placement on *Level 1: Concerned Status* more than twice within the year.
- Continued failure to submit required documents (e.g., progress reports, invoices, etc.) in a timely manner.
- Making changes to the approved Scope of Work or budget (e.g., eliminating critical components of the funded program/project/deliverable) without justification and written approval from First 5 Kings County.
- Non-compliance with First 5 Kings County's accounting practices and standards.
- Continued delay in implementing the First 5 Kings County-funded program/project or submitting a deliverable (beyond 60 days).

- Continued failure to demonstrate progress toward program/project objectives or deliverables (e.g., not meeting deadlines or not serving the projected number of clients).
- Continued failure to comply with service standards (if applicable).
- Personnel issues, including delay in hiring staff, hiring under-qualified staff, staff turnover and/or vacancies that affect program/project implementation.
- Delay in renovation and/or capital improvement resulting in a postponement in implementing the funded program/project.
- Delay in implementing critical evaluation activities (e.g., collection and submission of participant and outcome data, etc.).
- Non-disclosure of situations (structural or otherwise) which may impact the program/project/deliverable.
- Non-compliance with applicable local, state, and federal laws and regulations.
- The integrity, reliability and credibility of the Grantee's/Strategic Partner's representations, materials, or deliverables developed with First 5 Kings County funds is called into question.
- Fabrication and/or falsification of documents.
- Fraud, misuse and/or mismanagement of funds, including supplanting.

c. Corrective Action Plan Process

First 5 Kings County staff may require the preparation of a Corrective Action Plan that addresses issues that do not comply with the provisions of First 5 Kings County's Grant Agreement/Contract and program/project/deliverable requirements

- i. Procedures: During the operation of the program/project, an issue may arise that requires further action. Depending on the severity of the issue, First 5 Kings County staff will provide the Grantee/Strategic Partner with an informal notice or formal written report regarding the identified issue(s). The Grantee/Strategic Partner may simply address the issue(s) identified or may be required to develop a formal Corrective Action Plan in partnership with Commission staff. First 5 Kings County staff and the Grantee/Strategic Partner will discuss the specific issues and possible corrective measures. First 5 Kings County staff may track progress using a variety of methods, including reports, meetings, or site visits as needed.

Technical assistance can be provided when appropriate, but a written "Corrective Action Plan" will be required when the deficiency/issue reaches a level of non-

compliance. The following circumstances are considered non-compliance and require commission staff to take action:

- Failure to demonstrate progress toward program/project objectives or deliverables without justification (e.g., not meeting deadlines or not serving the projected number of clients). If a grantee has not met at minimum threshold of 75% of project report period deliverables, a corrective action plan will be established.
- If a grantee audit/site review results in negative findings, a corrective action plan will be established.
- If the grantee is found to have significant defect in the manner in which they collect data and/or resists cooperating with the First 5 evaluation activities, a corrective action plan will be established.
- Fraud, misuse and/or mismanagement of funds, including supplanting will require a corrective action plan be established.
- Failure to comply with First 5 Kings County policies and/or service standards (if applicable).

A Corrective Action Plan provides specific actions to be taken to correct the problem and includes a specific time frame for each corrective action. Sanctions may also be imposed if the Grantee/Strategic Partner continues to be out of compliance with their Grant Agreement/Contract.

ii. Sanctions: First 5 Kings County has the authority to impose sanctions for a Grantee's/Strategic Partner's failure to meet conditions specified in the Grant Agreement/Contract. Sanctions can include, but are not limited to, the following:

- Disallowing or reducing expenses for activities that are not in alignment with the Grant Agreement/Contract.
- Non-renewal of the Grant Agreement/Contract.
- Suspension or termination of Grant Agreement/Contract.

These sanctions may influence future funding consideration. First 5 Kings County has the authority to defund, refuse to re-fund a Grantee/Strategic Partner and/or decrease a grant/contract award for failure to perform or meet compliance requirements. First 5 Kings County also has the right to terminate or suspend a Grantee/Strategic Partner, *without an opportunity for corrective actions*, for actions and behavior by a Grantee's/Strategic Partner that put at risk the integrity of the program/project, including but not limited to client, child and staff endangerment,

inappropriate and reckless staff behavior, contract non-compliance and health code violations.

### **VIII. Changes in Project Direction or Management**

- a. Changes in Scope – Request for changes in the scope of a project must be submitted to the Commission for approval and include a summary of the proposed change; a justification of the need for the change; and a budget, highlighting by budget category any changes as distinguished from the original funding.
- b. Significant changes, delays or events of unusual interest – Significant changes, delays or events of unusual interest regarding the funded project must be reported to Commission Staff. Commission Staff will inform the Commission at the regular monthly meeting and request the Commission’s approval as necessary.
- c. Contracting or transferring the project effort (subcontracting) – The Grantee must submit a request that includes the reasons for the transfer; a clear description of the work to be performed; the basis for selection of the subcontractor; and a budget for each subcontractor to the Commission for approval prior to contracting or transferring the project effort to another organization.

### **VIII. Technical Reporting Requirements**

The services provided by the Grantee shall be evaluated by the Commission on a continuing basis. The evaluation will be based upon the Results Based Accountability framework described in the Commission’s Strategic Plan. The Grantee is required to capture data on indicators that are aligned to the Strategic Plan in accordance with an evaluation plan developed in partnership with the Commission.

- a. Quarterly reports – The Grantee is required to report on performance deliverables using the Grantee Progress Report developed by Commission Staff. Quarterly reports must be submitted electronically to the Commission on a prescribed schedule, in addition to a signed hard copy. In addition, Grantees providing direct services to children and families that will be collecting client-level data in accordance with the evaluation plan will use the software and other tools available to them or provided by the Commission to periodically transmit data to the evaluation team.
- b. Quarterly expenditure reports – The Grantee is also required to complete expenditure reports on a quarterly basis for submission to the Commission. The reports show cumulative expenditures (year-to-date) as compared to the approved contract budget, and will be submitted on the same schedule as the quarterly Grantee Progress report. A signed hard copy is required to be submitted.
- c. Final report – A final report is due to the Commission within 15 days of termination of the contract. The report will include Final Progress report and expenditure report for the full contract term.

## **IX. Records Retention and Audit**

- a. Financial records, supporting documents, statistical records, and project and client level data pertinent to the funded project must be retained by the Grantee for a period of four (4) years following the termination of the contract. The Grantee shall keep records that are sufficient to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully. Grantee's records shall describe and support the use of funds for the agreed upon program. All accounting records shall be kept in accordance with generally accepted accounting practices.
- b. The Commission and its authorized representatives shall have the right to audit and review all such documents and records at any time during Grantee's regular business hours or upon reasonable notice. Records related to audits, appeals, litigation or the settlement of claims arising out of the performance of the project will be retained for four years beyond the termination of the contract.
- c. Those Grantees receiving \$100,000 or more per fiscal year in funding from the Commission shall submit an annual, independently audited financial statement to the Commission within 120 days of the Grantee's fiscal year-end. Alternatively, the Commission may make arrangements for its own audit of the Grantee's funded project and financial records. All Grantees having an audit shall provide copies of the audit and accompanying management letter to the Commission within thirty days of receipt by the Grantee.