

Contract #: _____

Grant Agreement Between
Michigan Office of Services to the Aging (OSA)
Hereinafter referred to as the "OSA"
and

(Address)

Federal I.D. #: DUNS #
Hereinafter referred to as the "Contractor"

for

Part I

1. **Period of Agreement:** This agreement shall commence on ____ and continue through _____. This agreement is in full force and effect for the period specified.
2. **Program Budget and Agreement Amount**

A. **Agreement Amount**

The total amount of this agreement is \$____. OSA under the terms of this agreement will provide funding not to exceed \$____. The federal funding provided by OSA: is \$____ or approximately ____%; the Catalog of Federal Domestic Assistance (CFDA) number is ____ and the CFDA Title is _____; the federal agency name is _____; the federal grant award number is ____ and the award phase is _____(through date)____, and the federal program title is _____. The grant agreement is designated as a:

- subrecipient relationship; or
- vendor relationship.

The grant agreement is designated as a:

- research and development project; or
- not a research and development project.

B. **Equipment Purchases and Title**

Any contractor equipment purchases supported in whole or in part through this agreement must be listed in the supporting Equipment Inventory Schedule. Equipment means tangible, non-expendable, personal property having useful life of more than one (1) year and an acquisition cost of \$5,000 or more per unit.

Title to items having a unit acquisition cost of less than \$5,000 shall vest with the Contractor upon acquisition. OSA reserves the right to retain or transfer the title to all items of equipment having a unit acquisition cost of \$5,000 or more, to the extent that OSA's proportionate interest in such equipment supports such retention or transfer of title.

C. **Deviation Allowance**

A deviation allowance modifying an established budget category by \$10,000 or 15%, whichever is greater, is permissible without prior written approval of OSA. Any modification or deviations in excess of this provision, including any adjustment to the total amount of this agreement, must be made in writing and executed by all parties to this agreement before the modifications can be implemented. This deviation allowance does not authorize new categories, subcontracts, equipment items or positions not shown in the attached Program Budget Summary and supporting detail schedules.

3. **Purpose:** The focus of the program is:
4. **Statement of Work:** The Contractor agrees to undertake, perform and complete the services described in Attachment A, which is part of this agreement through reference.
5. **Financial Requirements:** The financial requirements shall be followed as described in Part II of this agreement and Attachments B and D which are part of this agreement through reference. State of Michigan Travel Reimbursement Rates will apply related to any travel costs incurred as part of this agreement.
6. **Performance/Progress Report Requirements:** The progress reporting methods, as applicable, shall be followed as described in Attachment C, which is part of this agreement through reference.
7. **General Provisions:** The Contractor agrees to comply with the General Provisions outlined in Part II, which is part of this agreement through reference.
8. **Administration of the Agreement:**
The person acting for OSA in administering this agreement (hereinafter referred to as the Contract Manager) is:

Name, Location/Building	Title	Telephone No.	Email Address
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9. **Contractor's Financial Contact for the Agreement:**

The person acting for the Contractor on the financial reporting for this agreement is:

Name	Title
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E-Mail Address	Telephone No.
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10. **Special Conditions:**

- A. This agreement is valid upon approval by the State Administrative Board or Michigan Commission on Services to the Aging as appropriate and approval and execution by OSA.
- B. This agreement is conditionally approved subject to and contingent upon the availability of funds.
- C. OSA will not assume any responsibility or liability for costs incurred by the Contractor prior to the signing of this agreement.
- D. The Contractor is required by PA 533 of 2004 to receive payments by electronic funds transfer.

11. **Special Certification:**

The individual or officer signing this agreement certifies by his or her signature that he or she is authorized to sign this agreement on behalf of the responsible governing board, official or Contractor.

12. **Signature Section:**

For the CONTRACTOR

Name	<i>(Please print)</i>	Title
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Signature	Date
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For the MICHIGAN OFFICE OF SERVICES TO THE AGING

Kari Sederburg, Director	Date
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Part II

General Provisions

I. **Responsibilities – Contractor**

The Contractor in accordance with the general purposes and objectives of this agreement will:

A. **Publication Rights**

1. Where the Contractor exclusively develops books, films, or other such copyrightable materials through activities supported by this agreement, the Contractor may copyright those materials. The materials that the Contractor copyrights cannot include service recipient information or personal identification data. Contractor grants OSA a royalty-free, non-exclusive and irrevocable license to reproduce, publish and use such materials and authorizes others to reproduce and use such materials.
2. Any materials copyrighted by the Contractor or modifications bearing acknowledgement of OSA's name must be approved by OSA before reproduction and use of such materials. The State of Michigan may modify the material copyrighted by the Contractor and may combine it with other copyrightable intellectual property to form a derivative work. The State of Michigan will own and hold all copyright and other intellectual property rights in any such derivative work, excluding any rights or interest granted in this agreement to the Contractor. If the Contractor ceases to conduct business for any reason, or ceases to support the copyrightable materials developed under this agreement, the State of Michigan has the right to convert its licenses into transferable licenses to the extent consistent with any applicable obligations the Contractor has to the federal government.
3. The Contractor shall give recognition to OSA in any and all publications, papers and presentations arising from the program and service contract herein; OSA will do likewise.
4. The Contractor must notify OSA's Grants and Purchasing Division 30 days prior to applying to register a copyright with the U.S. Copyright Office. The Contractor must submit an annual report for all copyrighted materials developed by the Contractor through activities supported by this agreement and must submit a final invention statement and certification within 90 days of the end of the agreement period.

B. **Fees**

Make reasonable efforts to collect 1st and 3rd party fees, where applicable, and report these as outlined by the OSA's fiscal procedures. Any under-recoveries of otherwise available fees resulting from failure to bill for eligible services will be executed from reimbursable expenditures.

- C. **Program Operation**
Provide the necessary administrative, professional, and technical staff for operation of the program.
- D. **Reporting**
Utilize all report forms and reporting formats required by OSA at the effective date of this agreement, and provide OSA with timely review and commentary on any new report forms and reporting formats proposed for issuance thereafter.
- E. **Record Maintenance/Retention**
Maintain adequate program and fiscal records and files, including source documentation to support program activities and all expenditures made under the terms of this agreement, as required. Assure that all terms of the agreement will be appropriately adhered to and that records and detailed documentation for the project or program identified in this agreement will be maintained for a period of not less than three (3) years from the date of termination, the date of submission of the final expenditure report or until litigation and audit findings have been resolved.
- F. **Authorized Access**
Permit upon reasonable notification and at reasonable times, access by authorized representatives of OSA, Federal Grantor Agency, Comptroller General of the United States and State Auditor General, or any of their duly authorized representatives, to records, files and documentation related to this agreement, to the extent authorized by applicable state or federal law, rule or regulation.
- G. **Audits**
This section only applies to Contractors designated as subrecipients. Contractors designated as vendors are exempt from the provisions of this section.
1. **Required Audit or Notification Letter**
Contractors must submit to OSA either a Single Audit, Financial Related Audit, Financial Statement Audit, or Audit Status Notification Letter as described below. Financial Related Audit is applicable to non-profit contractors that are designated as subrecipients. If submitting a Single Audit or Financial Statement Audit, Contractors must also submit a Corrective Action Plan for any audit findings that impact OSA-funded programs and management letter (if issued) with a response.
 - a. **Single Audit**
Contractors that are a state, local government, or non-profit organization that expend \$500,000 or more in federal awards during the Contractor's fiscal year must submit a Single Audit to OSA, regardless of amount of funding received from OSA. The Single Audit must comply with the requirements of the Single Audit Act Amendments of 1996, and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," as revised.

- b. Financial Related Audit
Contractors that are for-profit organizations that expend \$500,000 or more in Federal awards during the Contractor's fiscal year must submit a financial related audit prepared in accordance with Government Auditing Standards relating to all Federal awards; or an audit that meets the requirements contained in OMB Circular A-133, if required by the Federal awarding agency.
 - c. Financial Statement Audit
Contractors exempt from the Single Audit and Financial Related Audit requirements that receive \$500,000 or more in **total funding** from OSA in State and Federal grant funding must submit to OSA a Financial Statement Audit prepared in accordance with generally accepted auditing standards (GAAS). Contractors exempt from the Single Audit and Financial Related Audit requirements that receive less than \$500,000 of total OSA grant funding must submit to OSA a Financial Statement Audit prepared in accordance with GAAS if the audit includes disclosures that may negatively impact OSA-funded programs including, but not limited to fraud, going concern uncertainties, financial statement misstatements, and violations of contract and grant provisions.
 - d. Audit Status Notification Letter
Contractors exempt from the Single Audit, Financial Related Audit and Financial Statement Audit requirements (a., b., and c. above) must submit an Audit Status Notification Letter that certifies these exemptions. The template Audit Status Notification Letter and further instructions are available at <http://www.michigan.gov/mdch> by selecting Inside Community Health – MDCH Audit.
2. Due Date and Where to Send
The required audit and any other required submissions (i.e. Corrective Action Plan and management letter with a response), or audit Status Notification Letter must be submitted to OSA within nine months after the end of the Contractor's fiscal year by e-mail to OSA at MDCH-AuditReports@michigan.gov. The required materials must be assembled as one document in a PDF file compatible with Adobe Acrobat (read only). The subject line must state the agency name and fiscal year end. OSA reserves the right to request a hard copy of the audit materials if for any reason the electronic submission process is not successful.
3. Penalty
- a. Delinquent Single Audit, Financial Related or Financial Statement Audit
If the Contractor does not submit the required Single Audit Financial Related Audit, or Financial Statement Audit, including any, management letter with a response and applicable Corrective Action Plan; within nine months after the end of the Contractor's fiscal year and an extension has not been approved by the

cognizant or oversight agency for audit, OSA may withhold from the current funding an amount equal to five percent of the audit year's grant funding (not to exceed \$200,000) until the required filing is received by OSA. OSA may retain the amount withheld if the Contractor is more than 120 days delinquent in meeting the filing requirements and an extension has not been approved by the cognizant or oversight agency for audit. OSA may terminate the current grant if the Contractor is more than 180 days delinquent in meeting the filing requirements and an extension has not been approved by the cognizant or oversight agency for audit.

b. Delinquent Audit Status Notification Letter

Failure to submit the Audit Status Notification Letter, when required, may result in withholding from the current funding an amount equal to one percent of the audit year's grant funding until the Audit Status Notification Letter is received.

4. Other Audits

OSA or federal agencies may also conduct or arrange for "agreed upon procedures" or additional audits to meet their needs.

H. Subrecipient/Vendor Monitoring

The Contractor must ensure that each of its **subrecipients** comply with the Single Audit Act requirements. The Contractor must issue management decisions on audit findings of their subrecipients as required by OMB Circular A-133.

The Contractor must also develop a subrecipient monitoring plan that addresses "during the award monitoring" of **subrecipients** to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts, and that performance goals are achieved. The subrecipient monitoring plan should include a risk-based assessment to determine the level of oversight, and monitoring activities such as reviewing financial and performance reports, performing site visits, and maintaining regular contact with subrecipients.

The Contractor must establish requirements to ensure compliance for **for-profit subrecipients** as required by OMB Circular A-133, Section .210(e).

The Contractor must ensure that transactions with **vendors** comply with laws, regulations, and provisions of contracts or grant agreements in compliance with OMB Circular A-133, Section .210(f).

I. Notification of Modifications

Provide timely notification to OSA, in writing, of any action by its governing board or any other funding source that would require or result in significant modification in the provision of services, funding or compliance with operational procedures.

J. **Software Compliance**

The Contractor must ensure software compliance and compatibility with OSA's data systems for services provided under this agreement including, but not limited to: stored data, databases, and interfaces for the production of work products and reports. All required data under this agreement shall be provided in an accurate and timely manner without interruption, failure or errors due to the inaccuracy of the Contractor's business operations for processing date/time data.

K. **Human Subjects**

The Contractor will comply with Protection of Human Subjects Act, 45 CFR, Part 46. The Contractor agrees that prior to the initiation of the research, the Contractor will submit Institutional Review Board (IRB) application material for all research involving human subjects, which is conducted in programs sponsored by OSA or in programs which receive funding from or through the State of Michigan, to OSA's IRB for review and approval, or the IRB application and approval materials for acceptance of the review of another IRB. All such research must be approved by a federally assured IRB, but OSA's IRB can only accept the review and approval of another institution's IRB under a formally-approved interdepartmental agreement. The manner of the review will be agreed upon between OSA's IRB Chairperson and the Contractor's IRB Chairperson or Executive Officer(s).

II. **Responsibilities – Department**

OSA in accordance with the general purposes and objectives of this agreement will:

A. **Reimbursement**

Provide reimbursement in accordance with the terms and conditions of this agreement based upon appropriate reports, records, and documentation maintained by the Contractor.

B. **Report Forms**

Provide any report forms and reporting formats required by OSA at the effective date of this agreement, and provide to the Contractor any new report forms and reporting formats proposed for issuance thereafter at least ninety (90) days prior to their required usage in order to afford the Contractor an opportunity to review and offer comment.

III. **Assurances**

The following assurances are hereby given to OSA:

A. **Compliance with Applicable Laws**

The Contractor will comply with applicable federal and state laws, guidelines, rules and regulations in carrying out the terms of this agreement. The Contractor will also comply with all applicable general administrative requirements such as OMB Circulars covering cost principles, grant/agreement principles, and audits in carrying out the terms of this agreement.

B. **Anti-Lobbying Act**

The Contractor will comply with the Anti-Lobbying Act, 31 USC 1352 as revised by the Lobbying Disclosure Act of 1995, 2 USC 1601 et seq, and Section 503 of Departments of Labor, Health and Human Services, and Education, and Related Agencies section of the FY 1997 Omnibus Consolidated Appropriations Act (Public Law 104-208). Further, the Contractor shall require that the language of this assurance be included in the award documents of all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

C. **Non-Discrimination**

1. In the performance of any contract or purchase order resulting herefrom, the Contractor agrees not to discriminate against any employee or applicant for employment or service delivery and access, with respect to their hire, tenure, terms, conditions or privileges of employment, programs and services provided or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position or to receive services. The Contractor further agrees that every subcontract entered into for the performance of any contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, service delivery and access, as herein specified binding upon each subcontractor. This covenant is required pursuant to the Elliot-Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2201 et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 et seq., and any breach thereof may be regarded as a material breach of the contract or purchase order.

2. The Contractor will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to:

a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;

b. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;

c. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;

d. the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;

- e. the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
 - f. the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - g. §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee3), as amended, relating to confidentiality of alcohol and drug abuse patient records.
 - h. any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and,
 - i. the requirements of any other nondiscrimination statute(s) which may apply to the application.
3. Additionally, assurance is given to OSA that proactive efforts will be made to identify and encourage the participation of minority owned and women owned businesses, and businesses owned by persons with disabilities in contract solicitations. The Contractor shall incorporate language in all contracts awarded: (1) prohibiting discrimination against minority owned and women owned businesses and businesses owned by persons with disabilities in subcontracting; and (2) making discrimination a material breach of contract.

D. Debarment and Suspension

Assurance is hereby given to OSA that the Contractor will comply with Federal Regulation, 2 CFR part 180 and certifies to the best of its knowledge and belief that it, its employees and its subcontractors:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or contractor;
2. Have not within a three-year period preceding this agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state or local) with commission of any of the offenses enumerated in section 2, and;

4. Have not within a three-year period preceding this agreement had one or more public transactions (federal, state or local) terminated for cause or default.

E. **Federal Requirement: Pro-Children Act**

1. Assurance is hereby given to OSA that the Contractor will comply with Public Law 103-227, also known as the Pro-Children Act of 1994, 20 USC 6081 et seq, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, and Children (WIC) coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. The Contractor also assures that this language will be included in any subawards which contain provisions for children's services.
2. The Contractor also assures, in addition to compliance with Public Law 103-227, any service or activity funded in whole or in part through this agreement will be delivered in a smoke-free facility or environment. Smoking shall not be permitted anywhere in the facility, or those parts of the facility under the control of the Contractor. If activities or services are delivered in facilities or areas that are not under the control of the Contractor (e.g., a mall, restaurant, or private work site), the activities or services shall be smoke-free.

F. **Hatch Political Activity Act and Intergovernmental Personnel Act**

The Contractor will comply with the Hatch Political Activity Act, 5 USC 1501-1509 and 7324-7328, and the Intergovernmental Personnel Act of 1970, as amended by Title VI of the Civil Service Reform Act, Public Law 95-454, 42 USC 4728-4763. Federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally-assisted programs.

G. **Subcontracts**

Assure for any subcontracted service, activity or product:

1. That a written subcontract is executed by all affected parties prior to the initiation of any new subcontract activity. Exceptions to this policy may

be granted by OSA upon written request within 30 days of execution of the agreement.

2. That any executed subcontract to this agreement shall require the subcontractor to comply with all applicable terms and conditions of this agreement. In the event of a conflict between this agreement and the provisions of the subcontract, the provisions of this agreement shall prevail.

A conflict between this agreement and a subcontract, however, shall not be deemed to exist where the subcontract:

- a. Contains additional non-conflicting provisions not set forth in this agreement;
 - b. Restates provisions of this agreement to afford the Contractor the same or substantially the same rights and privileges as OSA; or
 - c. Requires the subcontractor to perform duties and/or services in less time than that afforded to Contractor in this agreement.
3. That the subcontract does not affect the Contractor's accountability to OSA for the subcontract activity.
 4. That any billing or request for reimbursement for subcontract costs is supported by a valid subcontract and adequate source documentation on costs and services.
 5. That the Contractor will submit a copy of the executed subcontract if requested by OSA.

H. **Procurement**

Assure that all purchase transactions, whether negotiated or advertised, shall be conducted openly and competitively in accordance with the principles and requirements of OMB Circular A-102 as revised, implemented through applicable portions of the associated "Common Rule" as promulgated by responsible federal contractor(s), or 2 CFR, Part 215 (OMB Circular A-110) as amended, as applicable, and that records sufficient to document the significant history of all purchases are maintained for a minimum of three years after the end of the agreement period.

I. **Health Insurance Portability and Accountability Act**

To the extent that this act is pertinent to the services that the Contractor provides to OSA under this agreement, the Contractor assures that it is in compliance with the Health Insurance Portability and Accountability Act (HIPAA) requirements including the following:

1. The Contractor must not share any protected health data and information provided by OSA that falls within HIPAA requirements except as

permitted or required by applicable law; or to a subcontractor as appropriate under this agreement.

2. The Contractor will ensure that any subcontractor will have the same obligations as the Contractor not to share any protected health data and information from OSA that falls under HIPAA requirements in the terms and conditions of the subcontract.
3. The Contractor must only use the protected health data and information for the purposes of this agreement.
4. The Contractor must have written policies and procedures addressing the use of protected health data and information that falls under the HIPAA requirements. The policies and procedures must meet all applicable federal and state requirements including the HIPAA regulations. These policies and procedures must include restricting access to the protected health data and information by the Contractor's employees.
5. The Contractor must have a policy and procedure to immediately report to OSA any suspected or confirmed unauthorized use or disclosure of protected health data and information that falls under the HIPAA requirements of which the Contractor becomes aware. The Contractor will work with OSA to mitigate the breach, and will provide assurances to OSA of corrective actions to prevent further unauthorized uses or disclosures.
6. Failure to comply with any of these contractual requirements may result in the termination of this agreement in accordance with Part II, Section V. Agreement Termination.
7. In accordance with HIPAA requirements, the Contractor is liable for any claim, loss or damage relating to unauthorized use or disclosure of protected health data and information received by the Contractor from OSA or any other source.
8. The Contractor will enter into a business associate agreement should OSA determine such an agreement is required under HIPAA.

IV. **Financial Requirements**

A. **Reimbursement Method**

The Contractor will be reimbursed in accordance with the staffing grant reimbursement method as follows:

Reimbursement from OSA is based on the understanding that OSA funds will be paid up to the total OSA allocation as agreed to in the approved budget. OSA funds are first source after the application of fees and earmarked sources unless a specific local match condition exists.

B. **Financial Status Report, Cash Request and Expense Detail Submission**

Monthly and quarterly Financial Status Reports (FSRs), cash requests and detailed budget expenses shall be prepared and submitted to the Department.

FSRs and expense reports must be submitted through the OSA Secure File Drop or FIRST on a monthly and quarterly basis by the 15th of the following month and especially Final FSRs in October or the month following the last quarter of the grant award. All FSRs must reflect total actual program expenditures, regardless of the source of funds. Amounts submitted on all FSRs and cash requests must be rounded to the nearest dollar. Attachment D contains the FSR form for the OSA Secure File Drop. The FSR form and instructions for completing the FSR form are available through your contract manager or the Department's web site:

- <https://ais.osapartner.net/pclogin/pclogin.aspx>
- http://www.michigan.gov/documents/DCH-0384-Financial_Status_Report_8214_7.pdf and
- http://www.michigan.gov/documents/DCH-0384-Financial_Status_Report_Instructions_8216_7.pdf

Failure to meet financial reporting responsibilities as identified in this agreement may result in withholding future payments. Final FSRs must be submitted as required above in order to ensure proper submission by the Department to the federal government.

Cash requests must be submitted through FIRST. OSA Transmittal Letter #2005-101A indicates that cash requests should be prepared "within a timeframe that allows for receipt of cash as near to distributions as possible. Federal and state regulations require that no more than a three-day supply of funds be maintained at the agency." Please refer to transmittal letter 2005-101A for further guidance. Cash requests are intended to cover immediate need per the Cash Management Improvement Act.

C. **Reimbursement Mechanism**

All contractors must sign up through the on-line vendor registration process to receive all State of Michigan payments as Electronic Funds Transfers (EFT)/Direct Deposits, as mandated by PA 533 of 2004. Vendor registration information is available through Department of Management and Budget's web site:

- <http://www.michigan.gov/cpexpress>

D. **Final Obligations and Financial Status Report Requirements**

1. **Obligation Report**

The Obligation Report, based on annual guidelines, must be submitted by the due date using the format provided by OSA's Accounting Office. The Contractor must provide an estimate of total expenditures for the entire agreement period. The information on the report will be used to record OSA's year-end accounts payables and receivables for this agreement.

2. Department-wide Payment Suspension

A temporary payment suspension is in effect on agreements during the department's year-end closing period beginning September 13th until mid-November. FSRs through the August period should be submitted by September 6th to ensure payment prior to the payment suspension period.

3. Final FSRs

Final FSRs are due sixty (60) days following the end of the fiscal year or agreement period. The final FSR must be clearly marked "Final". Final FSRs not received by the due date may result in the loss of funding requested on the Obligation Report and may result in the potential reduction in the subsequent year's agreement amount.

E. Unobligated Funds

Any unobligated balance of funds held by the Contractor at the end of the agreement period will be returned to OSA or treated in accordance with instructions provided by OSA.

V. Agreement Termination

OSA may cancel this agreement without further liability or penalty to OSA for any of the following reasons:

A. This agreement may be terminated by either party by giving thirty (30) days written notice to the other party stating the reasons for termination and the effective date.

B. This agreement may be terminated on thirty (30) days prior written notice upon the failure of either party to carry out the terms and conditions of this agreement, provided the alleged defaulting party is given notice of the alleged breach and fails to cure the default within the thirty (30) day period.

C. This agreement may be terminated immediately if the Contractor or an official of the Contractor or an owner is convicted of any activity referenced in Section III.D. of this agreement during the term of this agreement or any extension thereof.

VI. Final Reporting Upon Termination

Should this agreement be terminated by either party, within thirty (30) days after the termination, the Contractor shall provide OSA with all financial, performance and other reports required as a condition of this agreement. OSA will make payments to the Contractor for allowable reimbursable costs not covered by previous payments or other state or federal programs. The Contractor shall immediately refund to OSA any funds not authorized for use and any payments or funds advanced to the Contractor in excess of allowable reimbursable expenditures. Any dispute arising as a result of this agreement shall be resolved in the State of Michigan.

VII. **Severability**

If any provision of this agreement or any provision of any document attached to or incorporated by reference is waived or held to be invalid, such waiver or invalidity shall not affect other provisions of this agreement.

VIII. **Amendments**

Any changes to this agreement will be valid only if made in writing and accepted by all parties to this agreement. Any change proposed by the Contractor which would affect OSA funding of any project, in whole or in part in Part I, Section 2.C of the agreement, must be submitted in writing to OSA for approval immediately upon determining the need for such change.

IX. **Liability**

A. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the Contractor in the performance of this agreement shall be the responsibility of the Contractor and not the responsibility of OSA, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the Contractor, any subcontractor, anyone directly or indirectly employed by the Contractor, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the Contractor or its employees by statute or court decisions.

B. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities, such as the provision of policy and procedural direction, to be carried out by OSA in the performance of this agreement shall be the responsibility of OSA, and not the responsibility of the Contractor, if the liability, loss, or damage is caused by, or arises out of, the action or failure to act on the part of any Department employee or agent, provided that nothing herein shall be construed as a waiver of any governmental immunity by the State, its agencies (OSA) or employees as provided by statute or court decisions.

C. In the event that liability to third parties, loss, or damage arises as a result of activities conducted jointly by the Contractor and OSA in fulfillment of their responsibilities under this agreement, such liability, loss, or damage shall be borne by the Contractor and OSA in relation to each party's responsibilities under these joint activities, provided that nothing herein shall be construed as a waiver of any governmental immunity by the Contractor, the State, its agencies (OSA) or their employees, respectively, as provided by statute or court decisions.

X. **Conflict of Interest**

The Contractor and OSA are subject to the provisions of 1968 PA 317, as amended, MCL 15.321 et seq, MSA 4.1700(51) et seq, and 1973 PA 196, as amended, MCL 15.341 et seq, MSA 4.1700(71) et seq.

XI. **State Of Michigan Agreement**

This is a State of Michigan Agreement and is governed by the laws of Michigan. Any dispute arising as a result of this agreement shall be resolved in the State Of Michigan.

XII. **Confidentiality**

Both OSA and the Contractor shall assure that medical services to and information contained in medical records of persons served under this agreement, or other such recorded information required to be held confidential by federal or state law, rule or regulation, in connection with the provision of services or other activity under this agreement shall be privileged communication, shall be held confidential, and shall not be divulged without written consent of either the patient or a person responsible for the patient, except as may be otherwise permitted or required by applicable state or federal law or regulation. Such information may be disclosed in summary, statistical or other form, which does not directly or indirectly identify particular individuals.

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
Grants and Purchasing Division
FY 13/14 Standard Agreement Language Instructions

All MDCH Standard Grant Agreements that have not been converted to a Purchase Order or to MI E-Grants will continue to use the hardcopy standard agreements and the manual process as described in this document.

During FY 13/14, Grants and purchasing Division will continue to convert to Purchase Orders or to the MI E-Grants electronic grants management system. The conversion process will begin in November, 2013 and will conclude by April 1, 2014. If your program area has standard grant agreements that have not been converted to MI E-Grants, you will be contacted in November, 2013 to discuss the MI E-Grants conversion process, timeline and training opportunities for both MDCH staff and contractors. However, until your grant agreements have been converted to MI E-Grants, you will need to complete hardcopy Standard Agreements and follow the manual process for FY 14 grant agreements that begin October 1, 2013.

Following are instructions to assist you in preparing your FY 13/14 Michigan Department of Community Health (MDCH) standard agreements in accordance with MDCH policies and guidelines. In addition, a help feature has been added to the FY 13/14 agreement language (DCH-0665) and amendment language (DCH-0666). Each field, on the forms now has a help message that is displayed on the status bar near the bottom of the screen. The help message provides a brief instruction on how to properly complete each field.

Also, we have attached a copy of the Grants and Purchasing Division Directory, Attachment 6, to this document, which lists the Division's Grants and Purchasing Section Liaisons and their contact information. Please be sure to contact your liaison if you have any questions or concerns regarding how to implement these instructions.

I. Document Availability:

The FY 13/14 standard agreement documents are available in Word format through the Intranet. To access the intranet documents, please open your web browser and select the following location <http://inside.michigan.gov/dch> and click on the forms link to select the appropriate documents. Please select the correct version of the standard agreement language, as both FY 12/13 and FY 13/14 are available.

II. Standard Agreement Policies:

- A. All FY 13/14 MDCH agreements must use the standard agreement language and format including the use of the standard budget forms. If sharing agreement language electronically, please make sure to password protect the document to assure continuity.
- B. All standard agreement language must remain intact. Any exceptions must be discussed with, and approved by, the Grants and Purchasing

Division prior to agreement execution. In addition, we are available to provide technical assistance to program staff developing program specific provisions that will be added to the standard agreement language for a given program.

- C. If there are provisions that you are using in your FY 12/13 agreements, that are not included in the FY 13/14 standard agreement language, please add those provisions as part of your program specific provisions under Contractor Responsibilities after the standard provisions or create a separate attachment (Attachment E - Program Specific Requirements). **Please make sure to reference additional attachments in Part I, Section 7 – General Provisions.**

D. Multi-year agreements

Multi-year agreements are authorized for use in FY 13/14. Please work with Grants and Purchasing Division in advance to discuss the specialized language and financial limitations for multi-year agreements.

E. Deviation Allowance and Amendments

The deviation allowance is \$10,000 or 15% of the established budget categories whichever is greater. There has been some confusion in regard to the approval of expenditures in excess of the deviation allowance. When expenditures exceed the deviation allowance per the executed agreement/amendment, an amendment **must** be prepared to revise the applicable budget categories. Accounting and Contract Managers do not have the authority to approve expenditures that exceed the deviation provision. An amendment is not required if the state and total agreement amounts remain the same and expenditures do not exceed the deviation allowance for established budget categories.

F. Combining Projects within a Single Agreement for a Division or Administration

In an effort to continue to streamline the agreement process, we urge all program areas to assess the contractors with whom they have agreements, and whenever possible, combine projects into one single agreement with that specific contractor. The single agreement may contain a summary table of projects, along with a budget, work plan and reporting requirements for each project within the agreement. Please work with the Grants and Purchasing Division if you have questions.

G. Indirect Costs/Cost Allocation Certifications

The Department does not allow reimbursement of administrative costs. Indirect costs may be included for reimbursement in accordance with the Grants and Purchasing Division guidelines, as specified in the

Instructions for Preparation of Budget Forms and that comply with the applicable federal cost principle circulars. We have attached a copy of the Grants and Purchasing Division guideline in attachment 8.

H. On-line Vendor Registration

All contractors must be registered in the vendor registration file in order to execute their agreements with the Department and receive payments. Requests for Proposals (RFPs) should require applicants that have not received a reimbursement from the State of Michigan to register with the State of Michigan using the Internet vendor registration process. Early registration will assist applicants in avoiding additional delays in the processing their agreements if they receive a grant award. Details of the process and required information are available at: <http://michigan.gov/cpexpress>.

I. Payments through Electronic Funds Transfer (EFT)

The State of Michigan requires all new contractors and existing contractors to receive their agreement reimbursements through Electronic Funds Transfer (EFT). EFT details are part of the vendor registration process and are available on the State of Michigan's Internet site. <http://michigan.gov/cpexpress>.

J. Provision Modifications

In order to assist programs in fulfilling their grant obligations, Standard Agreement provisions may be modified per Attachment 4 Table 2 - Possible Standard Agreement Modifications (see page 17). **All modifications continue to require prior approval by the Grants and Purchasing Division.**

K. Correspondence

Please make sure to copy Grants and Purchasing Division on all relevant correspondence related to the following agreement activities: terminations; notification of federal award amounts and CFDA information or amount/percentage changes in federal funding not included in the original agreement (per Standard Agreement Part I, Section 2).

L. HIPAA – Business Associate Decision Tools

All grant agreements need to be assessed against the Health Insurance Portability and Accountability Act (HIPAA) Business Associate Decision Tool in Attachment 7 to determine the need for a Business Associate agreement for the grant activities that the Department is funding through the grant agreement. If you have any questions regarding these tools and how to apply them, please contact MDCH's Office of Legal Affairs.

III. Standard Agreement Procedures:

A. Agreement format

The agreement should be assembled in the following order:

1. Part I - Agreement
2. Part II - General Provisions
3. Attachment A - Statement of Work
4. Attachment B - Program Budget Summary and Budget Detail
5. Attachment C - Performance/Progress Report Requirements
6. Attachment D - Financial Status Report
7. Attachment E - Other Program Specific Requirements (if applicable)
8. Attachment F – American Recovery and Reinvestment Act (ARRA) Requirements (if applicable, mandatory).

B. Agreement Originals

Two (2) signed original agreements are required. One signed original agreement is returned to the program area for distribution to the Contractor and one signed original agreement is retained in Accounting. The Grants and Purchasing Division also retains a copy of the signed agreement.

C. Agreement Signatures

Both Sections 11 and 12 of Part I of the standard agreement and Section 5 and 6 of the amendment must appear on the same page with the authorizing signatures. Please insert the appropriate name as defined in Table 1. Authorized Signatures. All Interdepartmental Agreements/Amendments require the Bureau of Budget and Purchasing Director's signature and are processed through the Grants and Purchasing Division the same as an agreement.

Table 1. Authorized Signatures

Agreements/Amendments	Kristi Broessel, Director Grants and Purchasing Division	Kim Stephen, Director Bureau of Budget and Purchasing
Agreements	<ol style="list-style-type: none"> 1. MDCH funding - \$100,000 and under 2. Agreements including training, personal services consulting and conferences. 	<ol style="list-style-type: none"> 1. MDCH funding – over \$100,000
Amendments	<ol style="list-style-type: none"> 1. MDCH funding increases - \$100,000 and under 2. Language and workplan changes. 3. Date extensions. 4. Changes to the total agreement 	<ol style="list-style-type: none"> 1. MDCH funding increases – over \$100,000

Agreements/Amendments	Kristi Broessel, Director Grants and Purchasing Division	Kim Stephen, Director Bureau of Budget and Purchasing
	<p>amount due to increased local, direct federal, fees and collections and/or other funding sources.</p> <p>5. Decreases in MDCH funding of any amount.</p> <p>6. Modifications between budget categories.</p>	
Interdepartmental Agreements	N/A	1. All dollar amounts

D. Federal Assistance Disclosure Reporting

Audit requirements of OMB Circular A-133 stipulate that Contractors must be notified of federal funding and specifies the format for this information. Part 1, Section 2, Program Budget and Agreement Amount provides fill-enabled spaces for the identification of federal funding. Funding may be expressed as actual dollars **or** as a percentage of the Department's funding. Additional information related to the Catalog of Federal Domestic Assistance (CFDA) number, CFDA Title, Federal Agency Name, Federal Grant Award Number, Federal Grant Award Phase and Federal Program title is also required. If the agreement is funded in whole or in part by a federal grant and the federal grant information portion of the agreement is not complete or if the Federal grant information changes, the Contractor must be notified. Notification may occur through an amendment or through separate correspondence. Copies of this correspondence must be sent to the Grants and Purchasing Division and Quality Assurance and Review Section.

E. Federal Financial Assistance Information Subrecipient/Vendor Relationships

Contractors receiving federal funding, as identified in Part I, Section 2, A. Program Budget and Agreement Amount of the agreement, must be identified as subrecipients or vendors with respect to federal award(s). Federal awards expended as a subrecipient are subject to audit or other requirements of OMB Circular A-133. Payments made to or received as a vendor are not considered Federal awards and are therefore not subject to such requirements.

The following guidance is provided to contract managers to determine if grant activities meet the subrecipient or vendor relationship definition:

1. Subrecipient

A subrecipient is a non-Federal entity that expends Federal awards

received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program, or is a recipient of other Federal awards received directly from a Federal Awarding agency. Subrecipient characteristics include:

- a. Determines who is eligible to receive what Federal financial assistance;
- b. Has its performance measured against whether the objectives of the Federal program are met;
- c. Has responsibility for programmatic decision making;
- d. Has responsibility for adherence to applicable Federal program compliance requirements; and
- e. Uses the Federal funds to carry out a program of the organization as compared to providing services for a program of the pass-through entity.

2. Vendor

A vendor is a dealer, distributor, merchant, or other seller providing goods or services that are required for conduct of a Federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the Federal Program. Vendor characteristics include:

- a. Provides the goods and services within normal business operations;
- b. Provides similar goods or services to many different purchasers;
- c. Operates in a competitive environment;
- d. Provides goods or services that are ancillary to the operation of the Federal program; and
- e. Is not subject to compliance requirements of the Federal program.

If federal funds are not awarded, then the Subrecipient and Vendor designation boxes should remain unchecked. Additional information and clarification regarding subrecipient/vendor relationships can be obtained by contacting MDCH, Accounting Division, Grants Accounting Section or Office of Audit, Quality Assurance and Review Section.

F. Type of Project

Program staff must indicate whether the agreement is a Research and Development Project or not a Research and Development Project.

Research and Development Projects are defined by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as:

Research and development (R&D) means all research activities, both basic and applied, and all development activities that are performed by a non-Federal entity. Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function. Development is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

G. Statement of Work

The Statement of Work should be concise and define the work to be accomplished by the contractor. Key elements of the Statement of Work include: Goals and Objectives, Tasks/Activities, Timelines, Staffing/Roles and Responsibilities, and Outcomes/Deliverables. The Statement of Work may take the form of a series of narrative statements, or may be constructed into a table format. Attachment 3 provides a template and instructions for completing a Statement of Work, Attachment A, which uses the table format. The free-form version of Attachment A is no longer available.

H. Contracting Timelines

The contracting timelines and deadlines for FY 12/13 and FY 13/14 agreements are attached (Attachments 1 and 2). Please allow 7 to 10 working days for error-free agreements to be executed. During the end of the current fiscal year/beginning of the new fiscal year, please allow 15 to 30 working days for agreement processing. If you are contacted regarding the need for corrections or additional information, please respond as promptly as possible in order to reduce further delays. Processing delays may result from one or more of the following:

- Budget calculation/categorization errors.
- Failure to secure proper internal or external approvals, such as an approved Request for Contractual Services (DCH-0016) or an approved State Administrative Board request (DCH-0009).
- Failure to submit an indirect rate approval letter when budgeting indirect costs.
- Using obsolete, incorrect or unapproved agreement language, etc.

I. Agreement Cancellation

If you need to cancel an agreement prior to any expenditures being made against the agreement, please forward a copy of the DCH-0016 with CANCEL written in red across the top and a copy of the cancellation letter sent to the contractor to the Grants and Purchasing Division.

If you need to cancel an agreement after expenditures have been incurred but prior to the expiration date of the agreement period, you must process an agreement amendment to change the agreement end date and a DCH-0016 that reflects the new end date and the revised expenditure amount. Please forward a copy of the termination letter sent to the contractor to the Grants and Purchasing Division.

J. Guidelines for Issuing Amendments

Amendments are needed in the following circumstances:

1. If increases or decreases occur in either the state and/or total funding amounts of an agreement.
2. If the Department approves any significant modifications in the provision of services or reporting (i.e., changes to workplan, special requirements, or reporting requirements).
3. If funds are moved from an existing expenditure category into a new expenditure category (i.e., moving funds from Salary and Wages category into the Contractual category when no prior subcontracts had been identified).
4. If there is a request to establish new positions, hire new contractors or purchase new equipment items, even if the state and/or total funding amounts do not change.
5. If funds are moved from one existing expenditure category into another existing expenditure category so that the difference between the new amount and the old amount, in either expenditure category, exceeds the deviation allowance of \$10,000 or 15%, whichever is greater, even if the state and/or total funding amounts do not change. For example, moving \$15,000 from Salaries and Wages into Other Expenses, when previously Other Expenses had been budgeted at \$500, will require a budget amendment.
6. If the start date or end date of the grant agreement/amendment period changes or the grant agreement/amendment is terminated.
7. If a Contractor changes their name and address. The Contractor should also update their information through the On-line Vendor Registration process. If the Contractor changes their federal identification, they should re-register through On-line Vendor registration and the existing agreement should be terminated and a

new agreement issued.

Contact the Grants and Purchasing Division to request assistance if you have questions about whether or not an agreement should be amended.

K. State Administrative Board (SAB) Update

The threshold for grant agreements that require SAB approval is \$250,000, regardless of the source of funds. The threshold for amendments is \$125,000 regardless of the source of funds. **These threshold amounts apply to the total grant agreement/grant amendment amount and are not limited to the State portion of that amount.** The State Administrative Board Contract Abstract form DCH-0009, DCH-0009 instructions and schedule of due dates and meetings are available for download from the intranet at <http://inside.michigan.gov/dch>. Click on the forms link to access the appropriate documents. In addition, please submit your DCH-0009 documents and supporting detail electronically to the new State Administrative Board email address: MDCH-State-Ad-Board@michigan.gov.

L. Master Agreements for FY 13/14

1. Master Agreement Contractors

The following contractors have been identified as FY 13/14 Master Agreement contractors:

- a. Arab American Community Center for Economic and Social Services (ACCESS)
- b. Children's Hospital of Michigan (CHM)
- c. Henry Ford Health System (HFHS)
- d. Inter-tribal Council of Michigan (ITC)
- e. Michigan Public Health Institute (MPHI)
- f. Michigan State University (MSU)
- g. Neighborhood Service Organization (NSO)
- h. The Regents of the University of Michigan (U of M)
- i. Southeastern Michigan Health Association (SEMHA)
- j. Wayne State University (WSU)
- k. Western Michigan University (WMU)

2. Master Agreement Projects

If you have an award or allocation to make for a program/project in FY 13/14 with a master agreement contractor, it must be a part of the master agreement. Separate agreements with master agreement contractors will not be processed. All master agreements are handled through MI E-Grants effective FY 10/11. Please contact your liaison if you have questions.

3. Master Agreement Correspondence

Please copy Grants and Purchasing Division and the Master Agreement Contractor's Contract Office on all relevant correspondence related to the Master Agreement Project activities, such as: notifying projects of federal award approval/denial when a project is contingent upon the receipt of a federal award; providing a 30-day termination notice for projects ending early, etc.

M. Grant Agreement Monitoring Form

Attachment 5 contains a template that Contract Managers may use to document grant agreement monitoring activities. The form suggests seven specific grant agreement areas for monitoring, which include:

1. Agreements/Amendments,
2. Goals/Objectives,
3. Progress Reports, Final Reports and other Deliverables,
4. Professionalism,
5. Financial Reports,
6. Compliance with Other Provisions, and
7. Future Grant Agreements.

Contract Managers are to choose all that apply from the seven areas. Contract Managers may rate the Contractor as being high performing (HP), meeting expectations (ME) or needs improvement (NI). Space is provided for additional remarks as needed. The Contract Manager should provide an overall rating for the Contractor that may be used to determine if this contractor has met the Department's expectations. This completed form is to be kept with the contract file located in the program area and may be used to determine if future agreements should be granted to the Contractor. Auditors and Federal Reviewers will expect to review this document as part of their audit or site review.

IV. Specialized Agreement Language:

The following provisions are only for specific circumstances and do not apply to all agreements:

- A. Part I - Program Budget and Agreement Amount Match Language - Many programs have match requirements imposed by a grantor agency, administrative rules, or are Department imposed to reinforce cost sharing, community commitment or program sustainability, etc. The match amount should be included in the total budget amount. Match language may be added, but must be consistently applied for the program. Please contact Grants and Purchasing Division if additional provisions or sanctions related to complying with match requirements are needed.

The following is a recommended format for match language. In Part I, 2.A. Program Budget and Agreement Amount, create a second paragraph that states:

The match requirement of this agreement is ____% of the total agreement amount. The Contractor's budgeted match amount is \$ _____ and is identified on Attachment B, Budget pages.

- B. Part II – Section III. Assurances, J., Home Health Services - Special Provision Additions for Local Public Health Departments. Home and Community Based Waiver programs and agreements with local health departments should include the following provisions.

J. **Home Health Services**

If the Contractor provides Home Health Services (as defined in Medicare Part B), the following requirements apply:

1. The Contractor shall not use State Local Public Health Operations (LPHO) or categorical grant funds provided under this agreement to unfairly compete for home health services available from private providers of the same type of services in the Contractor's service area.
2. For purposes of this agreement, the term "unfair competition" shall be defined as offering of home health services at fees substantially less than those generally charged by private providers of the same type of services in the Contractor's area, except as allowed under Medicare customary charge regulations involving sliding fee scale discounts for low-income clients based upon their ability to pay.
3. If the Department finds that the Contractor is not in compliance with its assurance not to use state LPHO and categorical grant funds to unfairly compete, the Department shall follow the procedure required for failure by local health departments to adequately provide required services set forth in Sections 2497 and 2498 of 1978 PA 368 as amended (Public Health Code), MCL 333.2497 and 2498, MSA 14.15 (2497) and (2498).

C. **Special Provision Additions for Agreements with Native American Tribes**

Agreements with Native American Tribes must include the following additions to the Part II, Section III. Assurances, C. Non-discrimination and Section IX. Liability:

1. Part II, Section III, C. Non-discrimination, Section 4:

4. The Department acknowledges and agrees that the Contractor applies employment preferences to Native Americans pursuant to the Civil Rights Act of 1964, 42 U.S.C. 2000(e)(2)(i) and is exempt for the employment provisions of the Americans with Disabilities Act, pursuant to 42 U.S.C.12111(B)(i).

2. Part II, Section IX. Liability:

D. The Contractor and Contractor's employees or agents may also be covered for claims for services which are the subject of the Agreement under the Federal Tort Claims Act, 28 U.S.C. 1346 et. Seq.

D. Part II - General Provisions, Section IV. Financial Requirements, B. Reimbursement Method

The standard agreement language is written for the dominant type of reimbursement method used in the Department, which is the staffing grant reimbursement. For agreements requiring other reimbursement methods, this section may be replaced with the following:

1. Performance Reimbursement Method

For agreements using the performance reimbursement method, performance output measures must be completed as part of Attachment C and Section IV.B. must be replaced with the following:

The Contractor will be reimbursed in accordance with the performance reimbursement method as follows:

A reimbursement method by which contractors are reimbursed based upon the understanding that a certain level of performance measured by outputs must be met in order to receive full reimbursement of costs net of program income and other earmarked sources up to the contracted amount of state funds. If performance falls short of the expectation by a factor greater than the allowed minimum performance percentage, the state maximum allocation will be reduced equivalent to actual performance in relation to the minimum performance (refer to Attachment C - Performance Output Measures). **Final reports of Actual Outputs must be received no later than 90 days after the end of the agreement, along with the final Financial Status Report (FSR).**

2. 50/25/25 Reimbursement Method

The 50/25/25 reimbursement method may be used, but must be consistently applied for the program. If this method of

reimbursement is used, please remove: Part I - Agreement, Section 2. Program Budget and Agreement Amount, C. Deviation Allowance provision, and Part II, Section IV.A. Operating Advance. In addition, Section IV.B. must be replaced with the following:

The Contractor will be reimbursed as follows:

1. Fifty percent (50%) of the total agreement will be paid within thirty (30) days after the agreement is signed by both parties.
2. Twenty-five percent (25%) of the total amount will be paid half way through the agreement period (normally at the end of six [6] months).
3. The balance due will be paid upon the receipt of final program and financial reports. Final reports must be received in the Department no later than 90 days after the end of the agreement.

3. Percentage Withhold Pending Receipt and Department Approval of Final Report or Product

This provision may be added to Part II, Section IV.B. Reimbursement Method for staffing grant agreements to strengthen performance/reporting requirements:

The Department will withhold 10% of the total agreement expenditures due to the Contractor pending the receipt and Department approval of the final FSR and program report/product from the Contractor per Attachment A, Statement of Work and Attachment C, Performance and Reporting Requirements.

4. Other Reimbursement Options

If other reimbursement options are needed, please contact the Grants and Purchasing Division for technical assistance.

E. Special Provisions for Universities

The following two provisions are to be substituted into the Part II General Provisions for university agreements only:

1. Part II, General Provisions, I. Responsibilities - Contractor, A. Publication Rights:

A. Publication Rights

1. News Releases - News releases pertaining to this agreement of the services, study, data or project to which it relates will not be made without prior written Department approval, and then only in accordance with the explicit written instructions from the Department.

2. Publication - The Contractor will not use, release or publish any analyses, findings, results, or techniques developed under this agreement, or any information derived therefrom until such analysis, findings or techniques have been reported to the Department in the manner prescribed by this Agreement and have become public domain. These analyses, findings, or techniques will be considered in the public domain when 1) they are submitted to the Department and receive positive action; 2) they are formally accepted by the Department; or 3) ninety (90) days elapse after submission to the Department, whichever of the three may occur first. No material may be published which is exempt from disclosure under 1976 PA 442, MCL 15.231 et seq, MSA 4.1801 (1) et seq, known as the "Freedom of Information Act," without express permission from the Department. The Contractor will provide the Department, for its review, copies of all presentations or articles being submitted for publication at least thirty (30) days in advance.

The Contractor will provide to the Department a non-exclusive, royalty-free, irrevocable world-wide license to use the data, reports, copyrightable works, and other information for the Department's governmental purposes.

3. Acknowledgment of Department Participation/Support - All publications or oral presentations concerning the analyses, findings, results or techniques developed under this agreement will contain an acknowledgment of the Department's participation and support unless the Department requests in writing that their participation and support not be acknowledged. Furthermore, the Contractor may not receive fees for any article in excess of the costs of preparation of published articles and excluding the cost of the research and compilation, which was compensated under this agreement.
4. Any modifications to copyrighted materials bearing acknowledgment of the Department's name must be approved by the Department prior to reproduction and use of such materials.

2. Part II, General Provisions, Section IX. Liability:

IX. Indemnification

General Indemnification - Each party to this Agreement must seek its own legal representative and bear its own costs; including judgments, in any litigation that may arise from performance of this Agreement. It is specifically understood and agreed that neither party will indemnify the other party in such litigation.

F. Oakland County Agreements

All Oakland County agreements must include a special Addendum A. Please contact Grants and Purchasing Division for this document.

G. Special Requirements for Grant Agreements that include American Recovery and Reinvestment Act (ARRA) Funding

All grant agreements that include ARRA funding are mandated to include an Attachment F that contains specific federal requirements on the use and accountability for these special ARRA funds. Attachment F is mandatory. Please contact Grants and Purchasing Division for Attachment F. If your specific ARRA grant award has specific programmatic requirements, please place them in Attachment E to your grant agreement.

ATTACHMENT 1a

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
GRANTS AND PURCHASING DIVISION**

Standard Agreement Deadlines For Agreements <u>Not in MI E-Grants</u> FY 12/13	
A. New FY 12/13 Agreements/Amendments:	Deadlines for Materials to Grants and Purchasing Division
1. State Admin. Board materials, if needed	July 8, 2013
2. DCH-0016 Request for Contractual Services	, July 19, 2013
3. New Agreements and Amendments obligating FY 12/13 funding (FY 12/13 Agreements and amendments must be signed by MDCH by August 15, 2013)	, July 26, 2013
B. Interdepartmental Agreements and Amendments obligating FY 11/12 funding	August 2, 2013
FY 13/14	
A. New FY 13/14 Agreements with 10/01/13 Start Dates:	Deadlines for Materials to Grants and Purchasing Division
1. State Admin. Board materials, if needed	July 22, 2013
2. DCH-0016 Request for Contractual Services	September 9, 2013
3. New Agreements (FY 13/14 Agreements will be signed by MDCH by September 30, 2013).	September 9, 2013
B. Interdepartmental Agreements	September 9, 2013

*Note: Master Agreements and Comprehensive Agreements are handled through MI E-Grants. The schedule of dates are contained in Attachment 1b and 1c.

ATTACHMENT 1b

MDCH – Grants and Purchasing Division
Master Agreements – MI E-Grants
FY 2013 and FY 2014 Schedule of Dates

Document	Allocations/Work Plan/Reporting Requirements Due to MDCH Grants and Purchasing Division	New Project Start Dates	Effective Dates
FY 2012/2013			
Original Agreement	July 5, 2012	October 1, 2012	October 1, 2012
Amendment #1	October 12, 2012	November 1, 2012	November 1, 2012
Amendment #2	December 3, 2012	January 1, 2013	January 1, 2013
Amendment #3	January 14, 2013	March 1, 2013	March 1, 2013
Amendment #4	March 25, 2013	May 1, 2013	May 1, 2013
Final Amendment	June 24, 2013	August 1, 2013	August 1, 2013
FY 2013/2014			
Original Agreement	July 8, 2013	October 1, 2013	October 1, 2013
Amendment #1	October 14, 2013	November 1, 2013	November 1, 2013
Amendment #2	November 21, 2013	January 1, 2014	January 1, 2014
Amendment #3	January 17, 2014	March 1, 2014	March 1, 2014
Amendment #4	March 20, 2014	May 1, 2014	May 1, 2014
Final Amendment	June 18, 2014	August 1, 2014	August 1, 2014

ATTACHMENT 1c

MDCH – Grants and Purchasing Division
Comprehensive Agreements – MI E-Grants
FY 2013 and FY 2014 Schedule of Dates

Document	Allocations/Work Plan/Reporting Requirements Due to MDCH Grants and Purchasing Division	New Project Start Dates	Effective Dates
FY 2012/2013			
Original Agreement	July 5, 2012	October 1, 2012	October 1, 2012
Amendment #1	October 12, 2012	November 1, 2012	November 1, 2012
Amendment #2	December 3, 2012	January 1, 2013	January 1, 2013
Amendment #3	January 14, 2013	March 1, 2013	March 1, 2013
Amendment #4	March 25, 2013	May 1, 2013	May 1, 2013
Final Amendment	June 24, 2013	August 1, 2013	August 1, 2013
FY 2013/2014			
Original Agreement	July 8, 2013	October 1, 2013	October 1, 2013
Amendment #1	October 14, 2013	November 1, 2013	November 1, 2013
Amendment #2	November 21, 2013	January 1, 2014	January 1, 2014
Amendment #3	January 17, 2014	March 1, 2014	March 1, 2014
Amendment #4	March 20, 2014	May 1, 2014	May 1, 2014
Final Amendment	June 18, 2014	August 1, 2014	August 1, 2014

GRANTS AND PURCHASING DIVISION

FY 12/13 and FY 13/14 Agreement Processing Calendar

March, 2013	Issue the FY 13/14 Standard Agreement Language
March, 2013	Issue the FY 13/14 Master Agreement Language
May, 2013	Issue the final draft FY 13/14 Comprehensive Agreement Language for Local Health Department's comment.
June 2013	Materials due for FY 12/13 Master Agreements – Final Amendments
June, 2013	Materials due for FY 12/13 Comprehensive Local Public Health Agreement - Final Amendments
July, 2013	Issue FY 12/13 Master Agreement Final Amendments
July, 2013	Issue FY 12/13 Comprehensive Agreements - Final Amendments
July, 2013	Materials due for FY 13/14 Master Agreements
July, 2013	Materials due for FY 13/14 Comprehensive Agreements
August, 2013	FY 12/13 Agreements and Final Amendments are due in Grants and Purchasing Division.
August, 2013	Issue the FY 12/13 Comprehensive Local Public Health Agreements through MI E-Grants.
August, 2013	Issue FY 12/13 Master Agreements to Contractors through MI E-Grants.
September, 2013	FY 13/14 Agreements are due in Grants and Purchasing Division For review and signature.
October, 2013	Return executed FY 12/13 Agreements and Final Amendments and FY 13/14 Agreements to Department Programs.
October, 2013	Approve all FY 13/14 Agreements.

ATTACHMENT 3
ATTACHMENT A

STATEMENT OF WORK

Goal:

Methodology: Activities, Responsible Individual(s), Timeline and Deliverable(s)

Activity(ies)	Responsible Individual(s)	Timeline	Deliverable(s)
Objective			
Objective			
Objective			
Objective			
Objective			

Instructions for Completing the Formatted Statement of Work, Attachment A

1. **Type the goal(s) of the project in the space provided.** The project goal(s) is a broad statement that conveys the overall purpose of the project and the type of work to be performed.
2. **Type the project's objectives in the space provided.** Objectives are specific, attainable, time-oriented and quantifiable components of the goal. Objectives are usually considered the project's "milestones."
3. **Type the project's activities for each objective in the space provided.** Activity statements are action steps that need to occur for the project to meet its objectives.
4. **Type the responsible individuals or organizations that will carry out the activities identified.** Identifying responsible parties assures accountability and can assist the contract manager in project monitoring and evaluation activities.

5. **Type the timeframe for which the activities are to be accomplished.** Establishing timelines can assist the contract manager by providing a framework for understanding the sequence of activities.

6. **Type the deliverables in the space provided.** Deliverables refers to products, outputs or outcomes that the contractor is to produce. Identifying deliverables can assist the project manager in evaluating the success of the project and determining contractor compliance.

ATTACHMENT 4

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
GRANTS AND PURCHASING DIVISION**

**TABLE 2. POSSIBLE STANDARD AGREEMENT MODIFICATIONS
GRANTS AND PURCHASING DIVISION PRIOR APPROVAL REQUIRED**

Agreement Section		Agreement Section Title	Section May be Modified	Acceptable Modifications
N/A	N/A	Header	Yes	Insert Contractor's Name, Address and Contract Title, Federal ID # and DUNS #
Part I		Primary Provisions		
	1	Period of Agreement	Yes	Insert start date and end date of the agreement
	2.A	Agreement Amount	Yes	Complete.
	2.B	Equipment Purchases and Title	Yes	Prior approval required by Contract Management Section
	2.C	Deviation Allowance	Yes	Prior approval required by Contract Management Section
	3	Purpose	Yes	Insert the purpose of the agreement. (Up to 8 lines of text)
	4	Statement of Work	No	Complete and add Attachment A
	5	Financial Requirements	No	Complete and add Attachment B. Also add Attachments D and E.
	6	Performance/Progress Report Requirements	No	Complete and add Attachment C
	7	General Provisions	Yes	If applicable, add additional attachments and include references to the attachments in this section.
	8	Administration of the Agreement	Yes	Insert Name, Location/Building, Title, Telephone Number of Department Contract Manager.
	9	Contractor's Fiscal Contact for the Agreement	Yes	Insert Name, Title, Telephone Number and Email address of Contractor's financial reporting contact person.
	10.A	Special Conditions	No	None
	10.B	Special Conditions	No	None
	10.C	Special Conditions	No	None
	10.D	Special Conditions	No	None
	11	Special Certification	No	None
	12	Signature Section	Yes	Insert the Name and Title of the MDCH authorized signatory.
Part II	I.	Responsibilities – Contractor		
	I.A	Publication Rights	Yes	Universities Only – see instructions, page 12 Section III. Special Provisions
	I.B	Fees	Yes	Prior approval required by Contract Management Section
	I.C	Program Operation	No	None
	I.D	Reporting	No	None
	I.E	Record Maintenance/Retention	Yes	If a Medicaid funded agreement, change statement “not less than 3 years” to “not less than 6 years”

Agreement Section		Agreement Section Title	Section May be Modified	Acceptable Modifications
	I.F	Authorized Access	No	None
	I.G	Audit	No	None
	I.H	Subrecipient/Vendor Monitoring	No	None
	I.I	Notification of Modifications	No	None
	I.J.	Software Compliance		
	I.K.	Human Subjects	No	None
Part II	II.	Responsibilities – Department		
	II.A	Reimbursement	No	None
	II.B.	Report Forms	No	None
Part II	III.	Assurances		
	III.A	Compliance with Applicable Laws	No	None
	III.B	Anti-Lobbying Act	No	None
	III.C	Non-Discrimination	Yes	Native American Tribes. See instructions, page 10. Section III. Special Provisions
	III.D	Debarment and Suspension	No	None
	III.E	Federal Requirement – Pro Children Act	No	None
	III.F	Hatch Political Activity Act and Intergovernmental Personnel Act	No	None
	III.G	Subcontracts	No	None
	III.H	Procurement	No	None
	III.I	Health Insurance Portability and Accountability Act	No	None
Part II	IV.	Financial Requirements		
	IV.A	Operating Advance	Yes	Prior approval required by Contract Management Section.
	IV.B	Reimbursement Method	Yes	See instructions, page 11. Section III. Special Provisions
	IV.C	Financial Status Report Submission	Yes	Prior approval required by Contract Management Section.
	IV.D	Reimbursement Method	No	None
	IV.E	Final Obligations and Financial Status Report Requirements	No	None
	IV.F.	Unobligated Funds	No	None
Part II	V.	Agreement Termination	Yes	Prior approval required by Contract Management Section

Agreement Section		Agreement Section Title	Section May be Modified	Acceptable Modifications
Part II	VI.	Final Reporting Upon Termination	Yes	Prior approval required by Contract Management Section
Part II	VII.	Severability	No	None
Part II	VIII.	Amendments	No	None
Part II	IX.	Liability	Yes	See instructions, Section III. Special Provisions for a) Native American Tribes, b) Universities.
Part II	X.	Conflict of Interest	No	None
Part II	XI.	State of Michigan Agreement	No	None
Part II	XII.	Confidentiality	No	None

ATTACHMENT 5

Contractor's Name:	Contract #:
Program's Name:	Period: to
MDCH Division/Bureau:	Date Completed:
MDCH Contract Manager:	MDCH Contract Manager's Supervisor:

GRANT AGREEMENT MONITORING FORM

Please review the information below. Check all contract monitoring areas that apply and rate them using the three ratings provided. For areas receiving a NI, provide additional information as requested. Attach a separate sheet of paper if more space is needed. Please rate the contractor's overall ability to administer the grant agreement (as defined below) and indicate whether the contractor should receive a grant agreement in future years.

Ratings:

HP – High Performing
(Satisfactory)

ME – Meets Expectations
(Satisfactory)

NI – Needs Improvement

Staff Initials	Grant Agreement Monitoring Areas	Overall Rating
	<p>General Information:</p> <p>1. What type of contract: <input type="checkbox"/> Staffing Grant <input type="checkbox"/> Performance <input type="checkbox"/> Fixed Unit Rate</p> <p style="padding-left: 100px;"><input type="checkbox"/> Other (explain):</p> <p>2. Award type: <input type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive</p> <p>3. Award Amount: \$</p>	
	<p><input type="checkbox"/> Agreement/Amendments: Were agreement/amendment materials signed by an authorized person and returned in a timely manner? If not, describe any organizational problems encountered by the contractor that delayed the start of the project or the processing of amendment materials.</p>	None
	<p><input type="checkbox"/> Statement of Work: Was the program's Statement of Work completed in a timely manner? If not, please describe problems, barriers, and/or modifications that occurred and their impact on the Contractor's ability to complete the Statement of Work. Attach copy of final Statement of Work.</p>	None

	<input type="checkbox"/> Progress Reports, Final Reports and/or other Deliverables: Were progress reports, final reports, and/or other deliverables complete, accurate and received by the due dates indicated in the agreement? If not, please specify when materials were received and if any materials remain outstanding. Briefly restate the reasons the Contractor provided for delays and/or non-performance. Attach Final Project Report.	None
	<input type="checkbox"/> Professionalism: Did the Contractor or the Contractor's key staff respond to requests for additional information, actively participate in site visits and other mandatory events, seek out technical assistance or other resources when needed, conduct themselves in a professional manner while carrying out the agreement's activities, work well with Department staff? If not, describe problems encountered related to professionalism.	None
	<input type="checkbox"/> Quality: Was quality of the Contractor's products/services acceptable? Was the Contractor committed to customer satisfaction? If not, describe problems encountered related to quality.	None
	<input type="checkbox"/> Financial Reports. Did the Contractor submit financial status reports (FSRs) and/or other financial reports on time? Did the reports reflect the Contractor's costs and their approved budget? Did the Contractor control costs? If not, describe problems that were encountered.	None

	<input type="checkbox"/> Compliance with Other Provisions. Did the Contractor comply with Department, State and Federal Provisions as stated in the contract? Describe the provision(s) with which the Contractor did not comply and the efforts that were taken to gain compliance (i.e., Was a corrective action plan developed? Implemented?) Indicate if compliance was gained and describe the final outcome.	None
	<input type="checkbox"/> Future Grant Agreements. Would you contract with this Contractor again? Would you recommend this Contractor to others? Please indicate if the contractor met the Department's expectations for carrying out the agreement. If not, indicate what changes need to occur before a new agreement is granted.	None
	<input type="checkbox"/> Overall Rating. Was this Contractor's performance generally acceptable? Please indicate overall the quality of the work, deliverables, reporting, compliance and professionalism of the Contractor. Also indicate why this contractor should or should not be a recipient of future agreements.	None

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
GRANTS AND PURCHASING DIVISION
DIRECTORY**

Kristi Broessel
Della Scott-Wirt
Laura Dotson

Division Director
Division Secretary
Admin. Assistant, Supplier Diversity, Bid4Michigan, Training, MI E-Grants
and Cell phones

241-4012
241-3770
241-4686

Purchasing Section

Name	Primary Contact	Phone
Greg Rivet - Manager	State Administrative Board, DTMB Contracts, Personal Services Agreements, Commodities, Procurement Cards, PRF, DCH-0016, ITRAC-IT Requests, CS-138's, MI E-Grants, MI Print	335-5096
Laura Kwiecien	Services, Commodities, DCH-0016, DTMB Contracts, ITRAC-IT Requests, Personal Services Agreements, PRF and Hospital and Center Liaison	241-4878
Shirley Martin	Services, Commodities, DCH-0016, DTMB Contracts, ITRAC-IT Requests, Personal Services Agreements, PRF and Temporary Services Coordinator	241-2305
Lynn Strong	Services, Commodities, Computer Training, P-Card and CS-138's	241-0134

Grants Section

Name	Primary Contact	Phone
Jeanette Hensler - Manager	Comprehensive, Grant, Master and Inter-Departmental Agreements, MI E-Grants	241-8764
Randy Bitner	Grant Agreements, Comprehensive Allocations, Master Agreements and MI E-Grants	241-3299
Sean Eddy	Grant Agreements and MI E-Grants User Access, Technical Assistance, and Training	241-0176
Necole Staron	Master Agreements, MI E-Grants Technical Assistance, Training and Reporting	241-2493
Tim Kwast	Grant Agreements, Comprehensive Allocations, Master Agreements and MI E-Grants	241-4834

Administrative Services Section

Name	Primary Contact	Phone
Suzanne Brownell – Manager	Information technology, Leasing, Plan, Coordinate, Direct, Control work of Subordinates	241-2761
Patricia Donelson	Telephone Coordinator, Electronic Subscriptions, Records Management Officer	241-2163
Arturo Garcia	Mail Rooms and Warehouse Supervisor	335-9042
Joshua Hall	Cass Mail Room Storekeeper	373-6401
George Hilton	Cass Mail Room Supervisor	373-6927
Julie Kelly	Space and Property Management State-wide	335-4254
Bianca McFarlane	Information Technology, Clerical	241-7902
Charlotte Moffit	Warehouse Storekeeper, Courier	335-9040
Michael Payne	Cass Mail Room Special Worker	373-2775
Mark Warstler	Warehouse Storekeeper	335-9037
Ray White	Capitol View Mail Room	335-9043

CPBC Agencies:

Randy Bitner
Allegan, Barry-Eaton, Bay, Benzie-Leelanau, Berrien, Branch-Hillsdale-St. Joe, Calhoun, Central, Chippewa, Delta-Menominee, Detroit, Dickinson-Iron, District #2, District #4, District #10, Genesee, Grand Traverse, Huron, Ingham, Ionia, Jackson, Kalamazoo, Kent, Lapeer, Lenawee, Livingston, LMAS, Macomb, Marquette, Midland, Mid-Michigan, Monroe, Muskegon, Northwest Michigan, Oakland, Ottawa, Saginaw, St. Clair, Sanilac, Shiawassee, Tuscola, Van Buren-Cass, Washtenaw, Wayne and Western UP

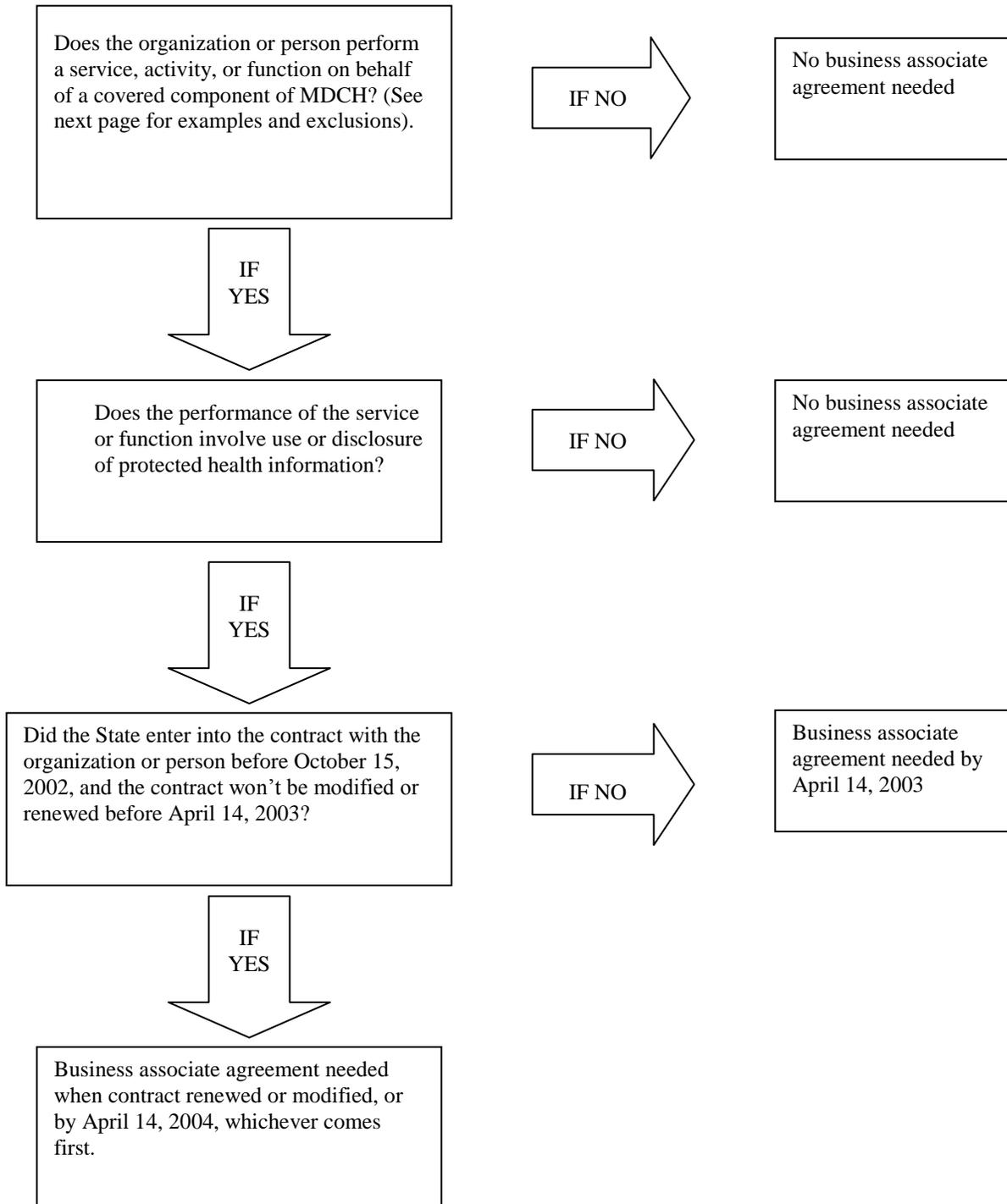
Master Agreements:

Sean Eddy
Tim Kwast
Neighborhood Services Organization, Wayne State University and Western Michigan University
Arab Community Center for Economic & Social Services, Children's Hospital of Michigan, Henry Ford Health System, Inter-Tribal Council, Michigan Public Health Institute
Necole Staron
, Michigan State University, Regents of University of Michigan, Southeastern Michigan Health Association

Definitions:

CS-138
Civil Service Request for Contractual Personal Services Form
DCH
Department of Community Health
DCH-0016
Approval, entry form used to process all MDCH agreements.
DTMB
Department of Technology, Management and Budget
IT
Information Technology
ITRAC
Approval process for all Information Technology commodity purchases.
LPHO
Local Public Health Operations
PRF
Purchasing Request Form

BUSINESS ASSOCIATE DECISION TOOL



ATTACHMENT 7

Examples of Services and Functions that Require Business Associate Relationships

The services listed in the left-hand column are identified in the HIPAA Regulations as those services for which a business associate agreement may be required. The items listed in the right-hand column are examples of activities or functions for which a business associate agreement may be required. Note, business associate agreement required only if the relationship involves the use or disclosure of protected health information. This list is not exclusive, but does provide the most common functions or activities within the service categories.

Legal Services	Attorney Representing Covered Entity
Actuarial Services	Benefits Management
Accounting Services	Patient Accounts Billing Claims Processing Claims Administration Bill Collections
Consulting Services	Professional Services Special Population Assessments (e.g., Olmstead interviews)
Data Aggregation Services	Data Analysis Data Processing Data Administration (InfoSystems Support)
Management Services	Practice Management Software Support Utilization Review Quality Assurance Contract Analysis Central Office Supervision
Administrative Services	Security Dietary Machine Maintenance Facility Maintenance Hardware Support Audits/Surveys
Accreditation Services	Purchasing JCAHO Council on Accreditation
Financial Services	Re-pricing Rate Setting

Examples of Services and Functions That Do Not Require Business Associate Relationships

Providers of treatment: HIPAA explicitly excludes disclosure to a health care provider for treatment of the individual. Examples of treatment providers: Physician Services, Nursing Services, Laboratory Services, Radiology Services, Physical Therapy, Occupational Therapy, Speech/Hearing Therapy, Recreation Therapy, Psychology Services, Counseling, Pharmacy. A business associate agreement may be required where disclosure is to a health care provider for purposes other than treatment. (Example: for training staff of covered entity).

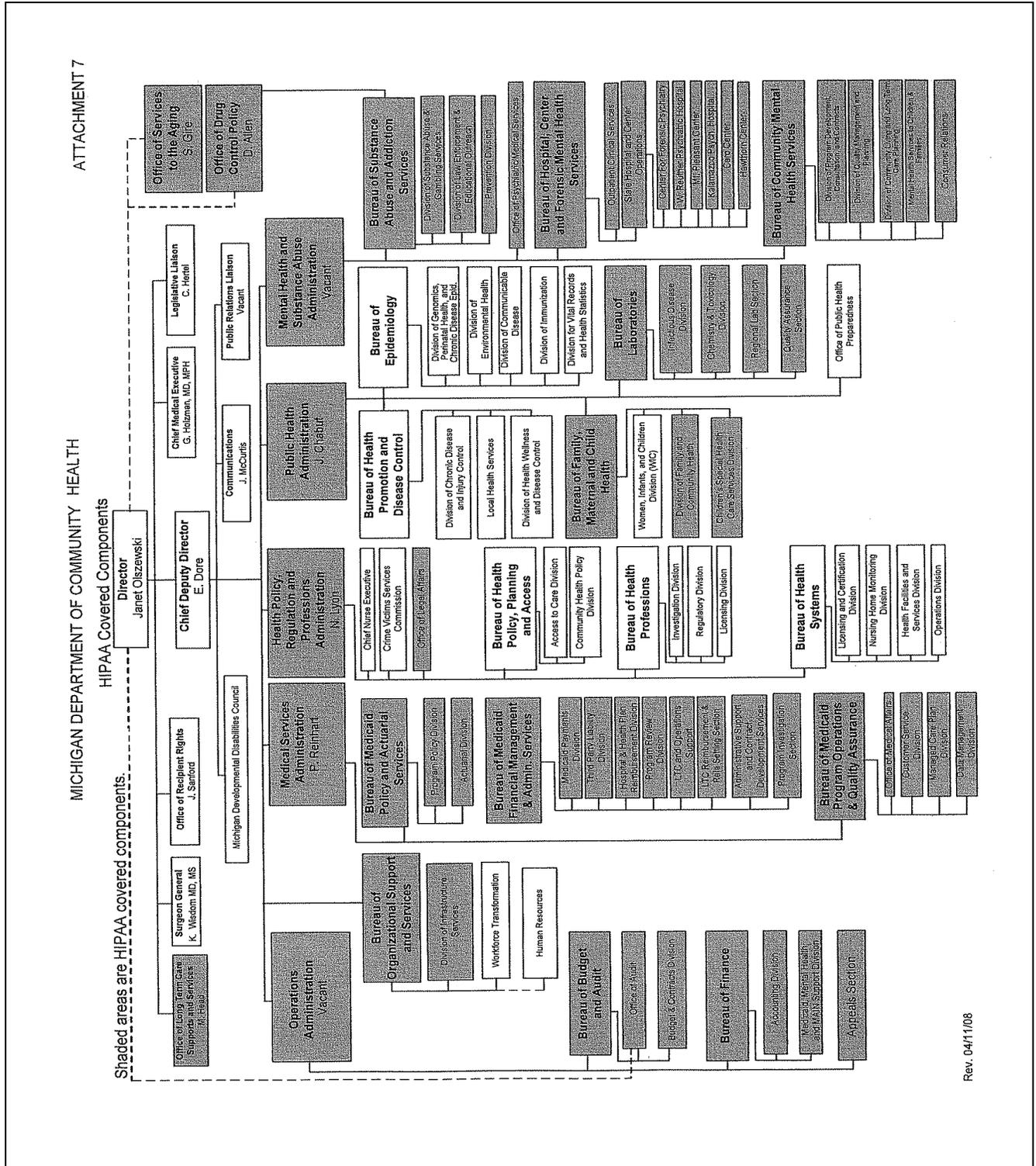
Workforce of Covered Entity: “Workforce” is defined by HIPAA as employees, volunteers, trainees, and other persons whose conduct, in the performance of work for a covered entity, is under the direct control of such entity, whether or not they are paid by the covered entity. Typically, staffing firms (e.g. Kelly Services, Manpower) that provide temporary services, and their temporary employees that are assigned to and act in the capacity of a member of the covered entity’s workforce, are not business associates.

Incidental Access: Persons or organizations (e.g. janitorial service or electrician) whose functions or services do not involve the use or disclosure of protected health information, and where any access to protected health information by such persons would be incidental, if at all.

Conduits: Organizations, such as the US Postal Service, certain private couriers and their electronic equivalents that act merely as conduits for protected health information.

Banking/Financial Institutions: Financial institutions that process consumer-conducted financial transactions by debit, credit, or other payment card, clears checks, initiates or processes electronic funds transfers, or conducts any other activity that directly facilitates or effects

the transfer of funds for payment of health care or health plan premiums. When it conducts these activities, the financial institution is providing its normal banking or other financial transaction services to its customers; it is not performing a function or activity for, or on behalf of, the covered entity.



Rev. 04/11/08

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
GRANTS AND PURCHASING DIVISION**

INDIRECT COST RATE APPROVAL

The Federal Grants Management Handbook advised passthrough agencies (the Department of Community Health is a pass-through agency for federal funding that we subsequently provide to local agencies) of their subrecipient monitoring responsibility relative to indirect costs. The Department has the responsibility to review indirect cost rate proposals and monitor indirect costs during the course of the subawards. comply with the applicable federal cost principle circulars

Acceptable documentation (must be provided with the agreement/amendment submission) for indirect Costs, subject to audit:

- For those agencies who receive direct federal funding, indirect cost rate approval is given by the federal cognizant agency. A copy of the federal approval is acceptable documentation.
- Intermediate School Districts (ISD's) routinely receive indirect cost rate approval from the Department of Education as their funding agency. A copy of the letter approving the rate is acceptable documentation.
- Other state agency approval of indirect cost rate approvals (based upon internal reviews of supporting documentation). A copy of the letter or other approval document is acceptable documentation.
- Universities

The following policy is recommended to standardize the application of indirect rates for projects contracted to State-funded universities in Michigan based on the project's funding source:

- No indirect costs will be allowed on projects that are funding from General Fund/General Purpose and/or State Restricted Funding.
- No indirect costs will be allowed on projects funded from federal categorical grant awards that did not contain indirect costs for the university at the time the award was issued.
- Indirect costs will be allowed on projects funded from federal categorical grant awards. that contain indirect costs for the university at the time the award was issued where MDCH is the grant recipient and the university is the subrecipient.
- Federal grant applications may include an indirect rate for a university not to exceed 26% per the federal guidelines (Federal Grants Management Handbook) Where the university is a grant subrecipient under a project MDCH is the recipient of the grant. To maximize the competitiveness of a federal grant application, it is recommended that the indirect rate should be capped at 20%.
- For block grants and Medicaid funded projects, an indirect rate not to exceed 20% will be allowed.

Indirect costs which are not supported by acceptable documentation will not be paid until acceptable documentation is received by the Department. Administrative cost distributions which are not supported by an acceptable indirect cost rate should not be budgeted and will not be reimbursed. Agencies should be advised to apply the administrative costs to the appropriate

budget category or remove them from the budget.

Audit staff are responsible for reviewing the pass-through agency's records, through the single audit process, to ensure that indirect costs were properly applied. Audit staff are also, responsible for performing tests to verify that the pass-through agency has reviewed subrecipient indirect rates and requested supporting documentation.

Please work with Grants and Purchasing Division if you have any questions regarding indirect rates or cost allocation certifications.