



HAYWOOD COUNTY
BOARD OF COMMISSIONERS

AGENDA REQUEST

***Must be presented to the County Manager's Office
NO LATER THAN 5 P.M. FRIDAY THE WEEK BEFORE THE MEETING***

DATE OF REQUEST: September 17, 2012

FROM: Carmine Rocco, Health Director

A handwritten signature in black ink, appearing to read "C. Rocco".

MEETING DATE REQUESTED: October 1, 2012

*Regular meetings: First (1st) Monday of the month at 9:00 am
Third (3rd) Monday of the month at 5:30 pm*

SUBJECT: Region A Partnership for Children Contract with Haywood County Health Department (Consent Agenda)

REQUEST: Requesting approval of Region A Partnership Contract supporting one registered nurse Child Care Health Consultant, the amount paid is \$34,569, for the contract period of July 1, 2012 to June 30, 2013

BACKGROUND: Ongoing relationship with Region A Partnership to provide Child Care Consultant Services through contractual arrangement for many years. _____

IMPLEMENTATION PLAN: One registered nurse provides onsite consultation services for providers in all Haywood County childcare centers to ensure safe and healthy environments for children from birth to five years of age. Focus is on development, disease prevention, health care needs of children with special needs and chronic health problems, sanitation, safety, the development of written health polices and educational needs. Develops training modules in response to specific issues identified with childcare providers. Workshops and consultation offered on healthy nutrition, exercise, hand washing, safety in outdoor learning environments and effective communication with caregivers about health and safety.

FINANCIAL IMPACT STATEMENT: Optional, funds provided by Region A Partnership for Children to support service of one registered nurse Child Care Health Consultant in the amount of \$34,569. _____

SUPPORTING ATTACHMENTS: YES NO HOW MANY? 2

LIST: Financial Assistance Contract 13-221
Vendor Certifications Required by NC Law

If yes, one ORIGINAL ATTACHMENT, and 14 copies, copied front and back side of pages, stapled and three-hole punched must accompany the agenda request

PowerPoint Presentation: YES NO

PERSON MAKING PRESENTATION AT MEETING: Carmine Rocco
TITLE: Health Director
PHONE NUMBER: 452-6675
E-MAIL: crocco@haywoodnc.net

THIS SECTION FOR OFFICE USE ONLY

Received (Date/Time): _____

County Manager / Clerk to the Board Comments: _____

In an effort to save paper, attachments should be copied on both front and back sides.

Vendor Certifications Required by North Carolina Law

Instructions

The person who signs this document should read the text of the statutes cited herein and consult with counsel and other knowledgeable persons before signing. The text of G.S. 143-59.1 can be found online at:

http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.1.pdf

The text of G.S. 143-59.2 can be found online at:

http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.2.pdf

The text of G.S. 105-164.8(b) can be found online at:

http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.8.pdf

Certifications

- (1) Pursuant to G.S. 143-59.1(b), the undersigned hereby certifies that the Vendor named below is not an "ineligible vendor" as set forth in G.S. 143-59.1(a) because:
 - (a) Neither the Vendor nor any of its affiliates has refused to collect the use tax levied under Article 5 of Chapter 105 of the General Statutes on its sales delivered to North Carolina when the sales met one or more of the conditions of G.S. 105-164.8(b); and
 - (b) [check one of the following boxes]
 - Neither the Vendor nor any of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c)(2) after December 31, 2001; or
 - The Vendor or one of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c)(2) after December 31, 2001 but the United States is not the principal market for the public trading of the stock of the corporation incorporated in the tax haven country.
- (2) Pursuant to G.S. 143-59.2(b), the undersigned hereby certifies that none of the Vendor's officers, directors, or owners (if the Vendor is an unincorporated business entity) has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934 within 10 years immediately prior to the date of the bid solicitation.
- (3) The Vendor shall require its subcontractors, if any, to make the same certifications before they perform any work under the contract.

(4) The undersigned hereby certifies further that:

- (a) He or she is a duly authorized representative of the Vendor named below;
- (b) He or she is authorized to make, and does hereby make, the foregoing certifications on behalf of the Vendor; and
- (c) He or she understands that any person who knowingly submits a false certification shall be guilty of a Class I felony.

<u>Haywood County Health Department</u>	
Vendor's Name	
<u>Carmin F. Rocco</u>	<u>09/7/12</u>
Signature of Vendor's Authorized Agent	Date
<u>CARMINE F. ROCCO</u>	<u>Health Director</u>
Printed Name of Vendor's Authorized Agent	Title
<u>Joyce Fuchs</u>	<u>Accounting Tech.</u>
Signature of Witness	Title
<u>Joyce Fuchs</u>	<u>9/7/12</u>
Printed Name of Witness	Date

The witness should be present when the Vendor's Authorized Agent signs this certification and should sign and date this document immediately thereafter.

FINANCIAL ASSISTANCE CONTRACT

13-221

Between

REGION A PARTNERSHIP FOR CHILDREN

And

HAYWOOD COUNTY HEALTH DEPARTMENT

FEDERAL TAX ID # 56-6001524

1. Parties to the Contract:

This Contract is hereby entered into by and between the Region A Partnership for Children (the "Local Partnership") and Haywood County Health Department, (the "Contractor") (referred to collectively as the "Parties").

2. Effective Period:

This Contract shall be effective on **July 1, 2012** and shall terminate on **June 30, 2013**.

3. Independent Contractor:

The Contractor is and shall be deemed to be an independent contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this Contract. Such employees shall not be employees of, or have any individual contractual relationship with, the Local Partnership.

4. Subcontracting:

The Contractor shall not subcontract any of the work contemplated under this Contract without prior written approval from the Local Partnership. Any approved subcontract shall be subject to all conditions of this Contract. The Local Partnership shall not be obligated to pay for work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

5. Assignment:

No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted.

6. Beneficiaries:

Except as herein specifically provided otherwise, this Contract shall inure to the benefit of and be binding upon the Parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Local Partnership and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Local Partnership and Contractor that any such person or entity, other than the Local Partnership or the Contractor, receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.

7. Key Personnel:

The Contractor shall not replace any of the key personnel assigned to the performance of this Contract without written approval of the Local Partnership. The individuals designated as "key personnel" for purposes of this Contract are those specified in the Contractor's proposal and such others as the Parties may agree.

8. Indemnification:

The Contractor agrees to indemnify and hold harmless the State of North Carolina (the "State"), the Division of Child Development and Early Education of the North Carolina Department of Health and Human Services (the "Division"), The North Carolina Partnership for Children, Inc. ("NCPC"), the Local Partnership and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of the Contractor in connection with the performance of this Contract but the responsibility for any indemnification provided herein shall be subject to the condition that the acts so indemnified must first be covered by liability insurance carried by Haywood County with the result that government immunity is waived.

This Section shall not apply to state agencies.

9. Contract Administrators:

All notices permitted or required to be given by one Party to the other and all questions about the Contract from one Party to the other shall be addressed and delivered to the other Party's Contract Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Contract Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Contract Administrator by giving timely written notice to the other Party.

For the Local Partnership:

Kelly Vreeland, Fiscal Officer
Region A Partnership for Children
116 Jackson Street
Sylva, NC 28779
Telephone: 828-586-0661
Fax: 828-586-0663
Email: Kelly@regionakids.org

For the Contractor:

Carmine Rocco, Health Director
Haywood County Health Department
157 Paragon Parkway, Suite 800
Clyde, NC 28721
Telephone: 828-452-6675
Fax: 828-356-1115
Email: crocco@haywoodnc.net

10. Choice of Law:

The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the Parties to this Contract, are governed by the laws of North Carolina. The Contractor, by signing this Contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Jackson County, North Carolina. The place of this Contract, and all transactions and agreements relating to it, and their situs and forum, shall be Jackson County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

11. Precedence Among Contract Documents:

This Contract and any documents incorporated herein by reference represent the entire agreement between the Parties and supersede all prior oral or written statements or agreements. In the event of a conflict between or among the terms in the Contract Documents, the terms in the Contract Document with the highest relative precedence shall prevail. The Contract Documents include this Contract, any amendments thereto, and the Attachments. The Contract Documents have the highest precedence, followed by the Contractor's proposal. If there are multiple Contract Amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.

12. Survival of Promises:

All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statutes of limitation.

13. Availability of Funds:

The Parties to this Contract agree and understand that the payment of the sums specified in this Contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Local Partnership. In the event funds are unavailable, the Local Partnership may terminate this Contract by giving written notice to the Contractor specifying the effective date of termination.

14. Authorized Use of Funds:

The Contractor shall use or expend the funds provided by this Contract only for the purposes for which they were appropriated by the North Carolina General Assembly and as defined in the Early Childhood legislation. Further, the funds provided by the Local Partnership shall be used by the Contractor only for the purposes and activities specified in Attachment I, which is attached hereto; any amendments or additions to Attachment I; and the Contractor's proposal, which is incorporated by reference as if fully set forth herein.

15. Responsibilities of the Local Partnership:

The Local Partnership shall perform the following:

- A. Reimburse the Contractor for its allowable costs of services incurred in providing the activities described in Attachment I in accordance with the approved budget in Attachment II and subsequent amendments to these Attachments;
- B. Perform on-site financial and programmatic monitoring of the Contractor for compliance with the terms of this Contract; and
- C. Specify reports and other deliverables required from the Contractor.

16. Responsibilities of the Contractor:

The Contractor shall perform the following:

- A. Provide the services described in Attachment I in accordance with the terms of this Contract and in accordance with the approved budget in Attachment II; and in compliance with the Smart Start Cost Principles in Attachment III; and subsequent amendments to the

Attachments and in the activity proposal submitted by the Contractor which is incorporated herein by reference as if fully set forth herein. Any portion of payment under this Contract not used for these purposes must revert to the Local Partnership and thereafter to the funding source as appropriate. Any condition or purpose set forth in this Contract shall take precedence over any conflicting provision in the proposal submitted by the Contractor.

- B. Receive approval from the Local Partnership of any activity changes by the Contractor prior to implementation. Budget amendments must also receive advance approval from the Local Partnership.
- C. Report all expenditures on the cash basis of accounting. The Contractor will submit to the Local Partnership, in such form and by such date as specified by the Local Partnership, a financial status report for each activity in order to claim reimbursement for allowable costs incurred under the Contract.

The certified expenditure report must be submitted no less frequently than monthly to the Local Partnership.

- D. Make available all records, including general and subsidiary ledgers, reports, vouchers, books, program documentation, correspondence, or other documentation or evidence at reasonable times for review, inspection or audit by duly authorized officials of the Local Partnership, NCPC, the Division, or the North Carolina Office of State Auditor or applicable federal agencies. The Contractor agrees that the Local Partnership or its agent has the right to audit the records of the Contractor pertaining to this Contract both during performance and after completion.
- E. Submit to the Local Partnership any other plans, reports, documents or other products that the Local Partnership may require in the form specified by the Local Partnership.
- F. Attend scheduled meetings with the Local Partnership and/or NCPC as requested.
- G. Use Program Income earned under this Contract, with written permission of the Local Partnership, only to enhance the activities performed under this Contract or to decrease the cost to the Local Partnership of performing those activities. Program income includes, but is not limited to, income from services rendered, the use or rental of personal property acquired with State funds, sales of commodities acquired with State funds, and interest earnings on State-funded deposits.
- H. Submit to the Local Partnership with the final report of expenditures, in such form as specified by the Local Partnership, an accounting of all program income earned and expended.
- I. Publicize the activities performed under this Contract as being funded by the Local Partnership and Smart Start.
- J. Maximize the use of program match in-kind (volunteers, goods, services, facilities) and cash contributions, maintaining written documentation of program match cash and in-kind contributions, and quantify and report to the Local Partnership on a quarterly basis (or as required by the Local Partnership) these contributions and any other direct or indirect funding the Local Partnership funds have leveraged.

Obtain or supply program match cash and in-kind (volunteers, goods, services, facilities) contributions of Thirteen 13% percentage of the Contract amount; retain written documentation of program match cash and in-kind contributions, and quantify and report to

the Local Partnership on a **quarterly** basis these contributions and any other direct or indirect funding the Local Partnership funds have leveraged.

- K. Report suspected child abuse, neglect, or dependency as defined in N.C.G.S. §7B-101.
- L. Ensure that no funds from this Contract will be used to carry on propaganda or otherwise to attempt to influence legislation, to influence the outcome of any public election, or to carry on directly or indirectly any voter registration drive.
- M. Ensure adherence to N.C.G.S. §143B-168.10.-143B-168.16. and as modified by applicable Session Law.
- N. Participate in the Local Partnership's evaluation process and develop measurable outcomes for evaluating funded activities.
- O. Ensure that this Contract and all referenced attachments and subsequent amendments thereto have been reviewed.

17. Compliance with Cost Principles:

The Contractor will not be reimbursed for expenditures incurred under this Contract that do not comply with the Smart Start Cost Principles, which are incorporated herein as Attachment III, and North Carolina State cost principles, as applicable.

18. Amount of Reimbursement:

The Local Partnership shall reimburse the Contractor in the manner and in the amount specified in the Contract Documents. The amount paid by the Local Partnership for provision of services under the Contract shall not exceed \$ **34,569**.

19. Payment Provisions:

A. Payment Procedure:

- 1. **Monthly** reimbursements shall be made for actual expenditures made in accordance with the approved budget on file with both Parties and reported in the **monthly** expenditure report submitted by the Contractor.
- 2. In June **2013**, the Contractor may receive an advance for the final reimbursement under the Contract.

B. Withholding of Payment:

The Local Partnership has the authority to withhold payment if the Contractor fails to make significant progress toward achieving outcomes as defined in the activity proposal as approved by the Local Partnership, or if the quality of services provided fails to meet Local Partnership standards and expectations for any reason, or if the Contractor fails to submit required reports.

C. Reimbursements:

Reimbursements for expenditures under this Contract will not occur subsequent to June 30, 2013

20. Reversion of Unexpended Funds:

Any unexpended funds held by the Contractor upon termination or completion of the Contract shall be reported and reverted to the Local Partnership with the final report of expenditures.

21. Reporting and Audit Requirements:

The Contractor shall comply with all rules and reporting requirements established by statute or administrative rules.

NCAC Title 09 NCAC 03M, "Uniform Administration of State Grants," establishes reporting thresholds and requirements for nongovernmental grantees and subgrantees of State funds. The three reporting thresholds are:

- A. A grantee that receives, uses, or expends State funds in an amount less than \$25,000 within its fiscal year must, within six months after the end of its fiscal year, submit to the Local Partnership:
 - 1) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted; and
 - 2) An accounting of the State funds received, used, or expended.

- B. A grantee that receives, uses, or expends State funds in an amount of at least \$25,000 and up to and including \$500,000 within its fiscal year must, within six months after the end of its fiscal year, submit to the Local Partnership:
 - 1) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted;
 - 2) An accounting of the State funds received, used, or expended; and
 - 3) A description of activities and accomplishments undertaken by the grantee with the State funds.

- C. A grantee that receives, uses, or expends State funds in the amount greater than \$500,000 within its fiscal year must, within nine months after the end of its fiscal year, submit to the Local Partnership:
 - 1) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted;
 - 2) An audit prepared and completed by a licensed Certified Public Accountant; and
 - 3) A description of activities and accomplishments undertaken by the grantee with the State funds.

The Contractor shall use the forms specified by the Local Partnership in making reports to the Local Partnership.

The Contract fiscal year runs from July 1, 2012 to June 30, 2013.

22. Subgrantees:

The Contractor has the responsibility to ensure that all subgrantees, if any, provide all information necessary to permit the Contractor to comply with the standards set forth in this Contract.

23. Sales/Use Tax Refunds:

If eligible, the Contractor and all subgrantees shall (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this Contract,

pursuant to N.C.G.S. §105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in the reimbursement reports.

24. Care of Property:

The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this Contract and will reimburse the Local Partnership for loss of, or damage to, such property. When the property provided or purchased is no longer needed or used for the performance of services under this Contract, or at the termination of this Contract, the Contractor shall contact the Local Partnership for instructions as to the disposition of such property and shall comply with these instructions.

For personal property costing in excess of \$500 per item, controls and procedures shall include at a minimum the following:

- A. Detailed asset records that accurately include description and location of the asset, acquisition date, cost, and serial number, if applicable.
- B. A control system shall be in place to ensure adequate safeguards to prevent loss, damage, or theft of personal property.
- C. Adequate maintenance procedures to ensure that property is maintained in good condition.

25. Access to Persons and Records:

The State Auditor shall have access to persons and records as a result of this Contract in accordance with N.C.G.S. §147-64.7. Additionally, as funding authorities, the State, the Division, NCPC, and the Local Partnership shall have access to persons and records as a result of this Contract.

The Office of State Auditor has audit oversight for all organizations that receive, use or expend State funds. The Contractor shall, upon request, furnish to the Office of State Auditor, the Division, the Local Partnership, and NCPC all financial books, records, and other information requested by them to provide full accountability for the use and expenditure of State funds. In addition, the Office of State Auditor, the Division, NCPC, and the Local Partnership shall have access to the working papers of the Contractor's independent auditor for review as considered necessary.

26. Records Retention:

The State's basic records retention policy requires all grant records to be retained for a minimum of five years following completion or termination of the Contract or until all audit exceptions have been resolved, whichever is longer. If any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later.

If the Contractor becomes unable to maintain these records for the period described above, the Contractor must provide the records to the Local Partnership.

27. Conflict of Interest Policy:

The Contractor expressly asserts that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. The Contractor shall not employ any person having such interest during the performance of this Contract. The Contractor further agrees to notify the Local Partnership in writing of any instances that might have the appearance of a conflict of interest.

The Local Partnership shall not be required to make any payments until it has received a notarized copy of the Contractor's policy addressing conflict of interest. The policy shall address situations in which the Contractor's employees and the members of its board of directors or other governing body may directly or indirectly benefit from the Contractor's disbursing of funds under this Contract and shall include actions to be taken by the Contractor or the individual, or both, to avoid conflicts of interest and the appearance of impropriety.

28. Insurance:

Providing and maintaining adequate insurance coverage is a material obligation of the Contractor and is of the essence of this Contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Contractor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this Contract. The limits of coverage under each insurance policy maintained by the Contractor shall not be interpreted as limiting the Contractor's liability and obligations under the Contract.

During the term of this Contract, the Contractor shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Contract. At a minimum, the Contractor shall provide and maintain Workers' Compensation, Commercial General Liability, and Automobile Liability Insurance covering all owned, hired and non-owned vehicles used in the performance of the Contract as required to protect the State, the Division, NCPC, and the Local Partnership against claims that may arise from the Contractor's performance.

29. Confidentiality:

Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this Contract shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Local Partnership. The Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this Contract.

30. Copyrights and Ownership of Deliverables:

All deliverable items produced pursuant to this Contract are the exclusive property of the Local Partnership. The Contractor shall not assert a claim of copyright or other property interest in such deliverables.

31. Equal Employment Opportunity:

The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

32. Compliance with Laws:

The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, State, and local agencies having jurisdiction and/or authority.

33. Advertising:

The Contractor shall not use the award of this Contract as a part of any news release or commercial advertising.

34. Statement of No Overdue Tax Debts:

The Contractor certifies that it does not have any overdue tax debts, as defined by N.C.G.S. §105-243.1, at the federal, State, or local level. The Contractor understands that any person who makes a false statement in violation of N.C.G.S. §143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S. §143C-10-1.

35. Supplementation of Expenditure of Public Funds:

The Contractor assures that funds received pursuant to this Contract shall be used only to supplement, not supplant, the total amount of federal, State, and local public funds that the Contractor otherwise expends for services on behalf of young children and their families. Funds received pursuant to this Contract shall be used to provide additional public funding for such services; the funds shall not be used to reduce the Contractor's total expenditure of other public funds for such services. In the event of supplantation, the Local Partnership may immediately reduce or terminate funding under this Contract.

36. Disbursements:

As a condition of this Contract, the Contractor acknowledges and agrees to make disbursements in accordance with the following requirements:

- A. Implement adequate internal controls over disbursements;
- B. Pre-audit all vouchers presented for payment to determine:
 - 1) Validity and accuracy of payment
 - 2) Payment due date
 - 3) Adequacy of documentation supporting payment
 - 4) Legality of disbursement;
- C. Assure adequate control of signature stamps/plates;
- D. Assure that an individual does not sign a check payable to himself/herself or to an organization for which there is a real or perceived conflict of interest; and,
- E. Implement accounting procedures to ensure that expenditures incurred under this Contract may be readily identified and reported.

37. Health Insurance Portability and Accountability Act (HIPAA):

The Contractor agrees that, if the Local Partnership determines that some or all of the activities within the scope of this Contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, as amended ("HIPAA"), or its implementing

regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the Local Partnership may require to ensure compliance.

38. Amendment:

This Contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Local Partnership and the Contractor.

39. Force Majeure:

Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

40. Suspension:

This Contract may be suspended in whole or in part upon 10 days written notice, to the Contract Administrator noted in Section 9, by the Local Partnership if the Contractor has materially failed to comply with the terms and conditions of the Contract, including all attachments and amendments thereto.

Suspension shall remain in effect until:

- A. the Contractor has taken corrective action as approved by the Local Partnership; or
- B. the Contractor has given written assurances satisfactory to the Local Partnership that corrective action will be taken; or
- C. the Contract is terminated by either Party or by mutual consent of both Parties.

41. Default and Termination:

- A. The Parties may terminate this Contract by mutual consent with 10 days notice to the other Party.
- B. This Contract may be terminated in whole or in part by either Party, with 30 days written notice to the other Party's Contract Administrator as noted in Section 9, delivered by certified mail with return receipt requested, or in person.
- C. If, through any cause, the Contractor shall fail to fulfill its obligations under this Contract in a timely and proper manner, the Local Partnership shall have the right to terminate this Contract by giving written notice to the Contractor's Contract Administrator as noted in Section 9, delivered by certified mail with return receipt requested, or in person and specifying the effective date thereof.

After receipt of a notice of termination and except as otherwise directed by the Local Partnership, the Contractor shall cease work under the Contract on the date and to the extent specified in the notice of termination. In the event of termination in part, both Parties shall continue the performance of this Contract to the extent not terminated.

In that event, all finished or unfinished deliverable items prepared by the Contractor under this Contract shall, at the option of the Local Partnership, become its property, and the

HAYWOOD COUNTY

BY: _____
Mark S. Swanger, Chairman
Board of County Commissioners

Date

ATTEST:

BY: _____
Marty L. Stamey, County Manager
Clerk to the Board

Date

CONTRACT ACTIVITY DESCRIPTIONS

Local Partnership: Region A Partnership for Children

Direct Service Provider: Haywood County Health Department

Contract: 13-221

- I. Activity Title: Haywood County Child Care Health Consultant
- II. Purpose Service Code: 3414
- III. Activity Description:

The Haywood County Public Health Department will provide a Child Care Health Consultant/registered nurse who will provide onsite consultation services for childcare programs in Haywood County to ensure safe and healthy environments for children ages birth to five years. Consultation will build the capacity of childcare providers to accurately address illness and injury and to make appropriate referrals. The Consultant will guide childcare staff in developing and meeting goals related to disease prevention, improving sanitation and safety, updating written health policies and ensuring that every child with special health care needs has a personal care plan. She will assist childcare providers in identifying areas for improving health outcomes for children, resulting in the creation of program development plans for each facility. The Consultant will develop outcome based workshops and training modules designed to address the areas of concern in the plans, including chronic health issues such as obesity and asthma along with providing required training for maintaining and improving quality licensure ratings. Training will be offered on topics such as healthy nutrition, exercise, hand washing, safety in outdoor learning environments and effective communication with family members about health and safety.

**DIRECT SERVICES PROVIDER
FINANCIAL STATUS REPORT - PART 1**

1) LP Name: Region A Partnership for Children	4) Contract #: 13-221	LOC: 40
2) DSP Name: Haywood County Health Department	5) Period Covered by Column D: 7/1/2012	6/31/2013
3) Activity Name: Haywood County CCH(PSC: 3414	6) Period Covered by Column C: 7/1/2012	7/31/2012
Final Report ()		Amended Report ()

Expenditure Categories	A. Approved Budget	B. Previously Reported Expenditures	C. Current Period Expenditures	D. Year to Date Expenditures (Column B+C)	E. Unexpended Budget (Column A-D)
Personnel	34,569.00	0.00	0.00	0.00	34,569.00
Contracted Services	0.00	0.00	0.00	0.00	0.00
Total Personnel/ Contracted Services	34,569.00	0.00	0.00	0.00	34,569.00

Office Supplies & Materials	0.00	0.00	0.00	0.00	0.00
Service Related Supplies	0.00	0.00	0.00	0.00	0.00
Total Supplies & Materials	0.00	0.00	0.00	0.00	0.00

Travel	0.00	0.00	0.00	0.00	0.00
Communications & Postage	0.00	0.00	0.00	0.00	0.00
Utilities	0.00	0.00	0.00	0.00	0.00
Printing & Binding	0.00	0.00	0.00	0.00	0.00
Repair & Maintenance	0.00	0.00	0.00	0.00	0.00
Meeting/Conference Expense	0.00	0.00	0.00	0.00	0.00
Employee Training (no travel)	0.00	0.00	0.00	0.00	0.00
Classified Advertising	0.00	0.00	0.00	0.00	0.00
Total Non-Fixed Operating Expenses	0.00	0.00	0.00	0.00	0.00

Office Rent (Land, Buildings, etc.)	0.00	0.00	0.00	0.00	0.00
Equipment Rental	0.00	0.00	0.00	0.00	0.00
Dues & Subscriptions	0.00	0.00	0.00	0.00	0.00
Insurance & Bonding	0.00	0.00	0.00	0.00	0.00
Books/Library Reference Materials	0.00	0.00	0.00	0.00	0.00
Other Expenses	0.00	0.00	0.00	0.00	0.00
Total Fixed Charges & Other Expenses	0.00	0.00	0.00	0.00	0.00

Furn./Non-Computer Eqpt., \$500+ per	0.00	0.00	0.00	0.00	0.00
Computer Equipment \$500+ per item	0.00	0.00	0.00	0.00	0.00
Furniture/Eqpt., under \$500 per item	0.00	0.00	0.00	0.00	0.00
Total Property & Equipment Outlay	0.00	0.00	0.00	0.00	0.00

Purchase of Services	0.00	0.00	0.00	0.00	0.00
Stipends/Scholarships/Bonuses	0.00	0.00	0.00	0.00	0.00
Cash Grants and Awards	0.00	0.00	0.00	0.00	0.00
Non-Cash Grants and Awards	0.00	0.00	0.00	0.00	0.00
Total Services/Contracts/Grants	0.00	0.00	0.00	0.00	0.00

Total Budgeted Expenditures	34,569.00	0.00	0.00	0.00	34,569.00

**DIRECT SERVICES PROVIDER
FINANCIAL STATUS REPORT - PART 2
CASH REQUIREMENTS SHEET**

1) LP Name: Region A Partnership for Children	4) Contract #: 13-221	LOC: 40
2) DSP Name: Haywood County Health Department	5) Period Covered by Column D: 7/1/2012	6/31/2013
3) Activity Name: Haywood County CCHI PSC: 3414	6) Period Covered by Column C: 7/1/2012	7/31/2012
Computation of Cash Requirements		
7) Current Period Expenditures		0.00
8) Adjustments (attach explanation)		0.00
9) TOTAL CASH PAYMENT REQUESTED [line 7+ line 8]		0.00

CERTIFICATION: I CERTIFY THAT THE ABOVE DATA IS CORRECT AND THE EXPENDITURES SHOWN IN 'PART 1' HAVE BEEN MADE FOR THE PURPOSE OF, AND IN ACCORDANCE WITH, THE APPLICABLE CONTRACT TERMS AND CONDITIONS AND THAT APPROPRIATE DOCUMENTATION TO SUPPORT THESE COSTS AND EXPENDITURES ARE AVAILABLE.

Direct Services Provider Signature : _____ Title: _____ Date: _____

Remainder of Part 2 For Region A Partnership for Children's Use Only

A. Total Cash Disbursed & Approved Prior to This FSR	\$
B. Cash Payment Approved Above	\$
C. YTD Total Cash Received & Approved - Include Initial Draw [A+B]	\$
D. YTD Expenditures	0.00
E. Cash on Hand [C-D]	\$
F. Contract Amount	34,569.00
COMMENTS:	

Approved \$ _____

Date Approved _____

LP ED Signature Approval _____ LP FO Signature Review _____

**DIRECT SERVICES PROVIDER
FINANCIAL STATUS REPORT - PART 3**

1) LP Name: Region A Partnership for Children	4) Contract #: 13-221	LOC: 40
2) DSP Name: Haywood County Health Department	5) Period Covered by Column D: 7/1/2012	6/31/2013
3) Activity Name: Haywood County CCHI PSC: 3414	6) Period Covered by Column C: 7/1/2012	7/31/2012

Verification (confirm by initialing each line)		DSP	LP
PART 1			
Column A "Approved Budget"	Column A agrees with currently approved Budget		Item must be verified prior to submitting FSR
Column B "Previously Reported Expenditures"	Matches Column D of previous period's FSR		Item must be verified prior to submitting FSR
Column C	Shows current period's expenses only		Item must be verified prior to submitting FSR
All Columns	All math has been double checked		Item must be verified prior to submitting FSR
PART 2			
Line 5	Contract Period' dates match currently approved contract		Item must be verified prior to submitting FSR
Line 6	Specify period covered by this request		Item must be verified prior to submitting FSR
Line 7	Agrees with expenditures in Column C of the FSR part 1		Item must be verified prior to submitting FSR
Line 8	If adjustments are requested, explanation attached		Item must be verified prior to submitting FSR
All Columns	All math has been double checked, all is legible and the FSR properly signed		Item must be verified prior to submitting FSR

The North Carolina Partnership for Children, Inc.
Smart Start Cost Principles
Revised July 2, 2007

Purpose

This document establishes principles for determining costs that may be paid with State Smart Start funds. These Cost Principles are not intended to address all items of cost.

Effective July 1, 2005, the State adopted new administrative rules, Title 09 NCAC 03M, "Uniform Administration of State Grants," applicable to non-State entities that receive grants of State funds. These rules provide that Federal Office of Management and Budget (OMB) Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments," be used in the determination of allowable uses of State funds.

OMB Circular A-87 specifies that OMB Circular A-122, "Cost Principles for Non-Profit Organizations," should be used by not-for-profit organizations. Accordingly, these Cost Principles incorporate the relevant provisions of OMB Circular A-122.

Applicability

These Cost Principles are applicable only to Smart Start funds, including program income, and supersede any prior guidance for the items listed. Other sources of funds may have specific guidelines and principles that must be used for their funds. Accordingly, each grant agreement or contract related to sources of funds other than Smart Start should be reviewed carefully to ensure compliance with requirements.

These Cost Principles apply to The North Carolina Partnership for Children, Inc., the local partnerships, and their direct service providers and grantees. More restrictive provisions apply to direct service providers and grantees in three areas (Section B.12, Flowers; Section B.16, Interest; and Section B.27, Severance Pay) as identified in bold text below.

Stricter principles may be adopted if desired.

Effective Date

These Cost Principles are effective July 2, 2007.

General Principles

A. Basic Considerations

1. Factors affecting allowability of costs.

In order to be paid from Smart Start funds, costs must meet the following general criteria:

- a. Be reasonable and in compliance with these principles.

- b. Conform to any limitations or exclusions set forth in these principles.
- c. Be consistent with policies and procedures of NCPC and the local partnership.
- d. Be adequately documented.

2. Reasonable costs.

A cost is reasonable if, in its nature or amount, it does not exceed that which would be prudent under the circumstances prevailing at the time the decision is made to incur the cost. In determining the reasonableness of a given cost, consideration shall be given to:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of services.
- b. The restraints or requirements imposed by such factors as generally accepted sound business practices, fair and open competitive bidding, Federal and State laws and regulations, and terms and conditions of the Smart Start contract or grant agreement.
- c. Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the State.

B. Selected Items of Cost

1. Advertising

The term "advertising costs" means the costs of advertising media. Advertising media include magazines, newspapers, radio and television programs, direct mail, exhibits, and the like.

- a. The following costs are allowable:
 - (1) Classified advertising for recruitment of employees;
 - (2) Advertising for the procurement of goods and services;
 - (3) Advertising related to the disposition of property and equipment;
 - (4) Yellow page advertisements that publicize direct services for children and families;
 - (5) Display advertisements that publicize direct services for children and families;
 - (6) Radio or television advertisements that publicize direct services for children and families; and,
 - (7) Listings in community and resource directories.
- b. The following costs are unallowable:
 - (1) Yellow page, display, classified, radio or television advertisements other than those to publicize direct services for children and families; and
 - (2) Billboards.
- c. Also see **Section B.23, Promotion and Public Relations.**

2. Alcoholic Beverages

Costs of alcoholic beverages are unallowable.

3. Apparel and Jewelry

- a. Costs of apparel are unallowable. Apparel includes, but is not limited to, t-shirts, jackets, aprons, and hats.
- b. Costs of jewelry are unallowable.

4. Audit Services

- a. Costs of audit services for local partnerships are unallowable.
- b. Costs of audit services for direct service providers or grantees are allowable **only** if an audit is required by the State (resulting from total State funding exceeding \$500,000). Costs are allowable **only in the proportion** of revenues that Smart Start represents of the total revenues.

5. Bad Debts

Bad debts, including losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collection costs, and related legal costs, are unallowable.

6. Capital and Repair and Maintenance

- a. Capital expenditures are prohibited by legislation and are unallowable.
- b. The term "capital" is defined as "land acquisitions, new construction, or rehabilitation of existing facilities, and repairs and renovations" (N.C.G.S. § 143-34.40).
- c. Costs incurred for improvements which: 1) add to the permanent value of the buildings and/or for land; or 2) appreciably prolong the life of the asset, shall be treated as capital expenditures.
- d. Capital "repairs and renovations" are defined by N.C.G.S. § 143-15.3A to include the following types of projects:
 - (1) Roof repairs and replacements;
 - (2) Structural repairs;
 - (3) Repairs to electrical, plumbing, and heating, ventilating, and air-conditioning systems;
 - (4) Improvements and renovations to improve use of existing space;
 - (5) Improvements to roads, walks, drives, utilities infrastructure;
 - (6) Historical restoration; and
 - (7) Improvements to meet safety or Federal and State standards.
- e. Costs incurred for necessary, recurring minor maintenance, repair, or upkeep of buildings that do not add to the permanent value of the property or appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable.

7. Contributions and Donations

Contributions and donations to others are unallowable other than cash and non-cash grants to individuals or organizations identified with an approved service activity.

8. Defense and Prosecution of Criminal and Civil Proceedings, Claims and Appeals

- a. Legal costs incurred in connection with any criminal, civil or administrative proceeding commenced by the Federal Government, or a State, or local government are not allowable if the proceeding:
 - (1) Relates to a violation, or failure to comply with, a Federal, State or local statute or regulation; **and**
 - (2) Results in any of the following dispositions:
 - i. In a criminal proceeding, a conviction;
 - ii. In a civil or administrative proceeding involving an allegation of fraud or similar misconduct, a determination of organizational liability.
 - iii. In the case of any civil or administrative proceeding, the imposition of a monetary penalty.
 - iv. A disposition, by consent or compromise, if the action could have resulted in any of the dispositions described above.
- b. Legal costs incurred in connection with proceedings described in **paragraph a**, but which are not made unallowable by that paragraph, are allowable to the extent that they are reasonable and necessary and cannot be recovered from another party.

9. Employee Salaries and Fringe Benefits

- a. Costs for salaries and wages must be based on documented timesheets approved by a responsible member of the organization.
- b. Timesheets that reflect the distribution of activity of each employee must be maintained for all staff members (professionals and nonprofessionals).
- c. Costs for salaries and wages must reflect an after-the fact determination of the actual time spent on each activity. Budget estimates are not allowed.
- d. Employee fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as vacation leave, sick leave and the like are allowable.
- e. Employee fringe benefits in the form of extended paid leave, such as sabbatical or paid family medical leave, are unallowable.
- f. Pension plan costs incurred in accordance with established policies are allowable, provided such policies meet the test of reasonableness and are not discriminatory.
- g. Employee fringe benefits in the form of gifts or gift certificates are unallowable, with the exception of token items (i.e., value of \$25 or less) to recognize employees for years of service.

10. Entertainment

Costs of activities for amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows, amusement parks or sports events; meals and lodging; rentals; and transportation) are unallowable. Also see **Section B.24, Recognition Events**.

11. Fines, Penalties and Fees

- a. Costs of fines and penalties resulting from violations of, or failure of the Partnership to comply with Federal, State, and local laws and regulations are unallowable.
- b. Costs of non-sufficient fund (NSF) fees are unallowable.

12. Flowers

Costs of flowers are allowable only in the following circumstances:

- a. Condolences to an employee upon the death of a spouse, parent, child or stepchild of the employee;
- b. Condolences to the employee's family in the event of the death of a Partnership employee; and
- c. Condolences to an employee in the event of his or her hospitalization.
- d. **Costs of flowers are unallowable for direct service providers or grantees.**

13. Food

- a. Costs of food are allowable only in the following circumstances:
 - (1) For Partnership Board or Board Committee meetings; or
 - (2) For service and grant activities for which food purchases have a documented legitimate business purpose and are needed to accomplish the purpose of the activity.
 - (3) Also see **Section B.18, Meetings and Conferences**.
- b. All events at which food is served must be work-related and must involve persons other than partnership employees.
- c. Due care and judgment must be used to ensure that purchases of food are not, or could not be perceived as, unreasonable or excessive with regard to either purpose or cost.

14. Fund Raising

- a. Costs of organized fund raising for contributions that do not qualify as a Smart Start program match, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are unallowable.

- b. Costs of fund raising, including financial campaigns and the solicitation of cash and in-kind donations to meet the legislative mandate for program match are allowable.

15. Goods or Services for Personal Use

Costs of goods, equipment or services for personal use are unallowable, with the exception of token items (i.e., value of \$25 or less) for partnership board member appreciation.

The term “goods or services for personal use” includes beach mats, umbrellas, coolers, tote bags, pen sets, and other “giveaway” items.

Also see **Section B.24, Recognition Events**.

16. Interest

- a. Interest costs on borrowed capital or for the use of funds borrowed from the organization’s non-Smart Start funds are unallowable.
- b. Interest on debt incurred subsequent to June 30, 2001, to acquire or replace capital assets is unallowable.
- c. Interest on debt incurred prior to July 1, 2001 to acquire or replace capital assets is allowable.
- d. See **Section B.6, Capital and Repair and Maintenance**, for the definition of “capital.”
- e. **Interest costs are unallowable for direct service providers or grantees.**

17. Lobbying

- a. Costs associated with the following activities are unallowable:
 - (1) Attempts to influence the outcomes of any Federal, State, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity;
 - (2) Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections;
 - (3) Any attempt to influence: (i) the introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity), or with any Government official or employee in connection with a decision to sign or veto enrolled legislation;
 - (4) Any attempt to influence: (i) the introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation by preparing, distributing or using publicity or propaganda, or by urging members of the general public or any segment

thereof to contribute to or participate in any mass demonstration, march, rally, fundraising drive, lobbying campaign or letter writing or telephone campaign; or

- (5) Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying.

- b. The following activities are excepted from the coverage of **paragraph a**:
 - (1) Providing a technical and factual presentation of information on a topic directly related to the performance of the Smart Start Program through hearing testimony, statements or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof, in response to a documented request made by the recipient member, legislative body or subdivision, or a cognizant staff member thereof;
 - (2) Educating any member of the public about the work of, and services provided by, the partnership;
 - (3) Any lobbying made unallowable by **paragraph a(3)** to influence State legislation in order to directly reduce the cost, or to avoid material impairment of authority to perform Smart Start services;
 - (4) Any activity specifically authorized by statute to be undertaken with Smart Start funds; and
 - (5) Communications with any legislative body whose actions might affect the organization's existence, powers and duties, tax-exempt status, or the deductibility of contributions.

18. Meetings and Conferences

- a. Costs associated with the conduct of meetings and conferences include the cost of renting facilities, meals, speakers' fees, etc.
- b. To the extent that these costs are identifiable with a specific service activity, they should be charged to that activity. These costs are allowable, provided that they have a legitimate business purpose.
- c. Due care and judgment must be used to ensure that meeting and conference costs are not, or could not be perceived as, unreasonable or excessive with regard to either purpose or cost.
- d. Also see **Section B.10, Entertainment** and **Section B.13, Food**.

19. Memberships

- a. Costs of membership in civic or community organizations that provide benefits to the organization, such as training and networking, are allowable.
- b. Costs of memberships in any country club or social or dining club or organization are unallowable.
- c. Costs of memberships for lobbying or advocacy are unallowable.

- d. Due care and judgment must be used to ensure that membership costs are not, or could not be perceived as, unreasonable or excessive with regard to either purpose or cost.

20. Participant Costs

- a. Participant support costs are costs for items such as stipends, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in conjunction with meetings, conferences, or training.
- b. These costs are allowable as part of an approved service activity.

21. Patents, Royalties and Copyrights

Costs related to patents, royalties and copyrights are allowable with prior NCPC approval.

22. Professional Services Costs

- a. Costs of professional and consultant services provided by persons who are members of a particular profession or possess a special skill, and **who are not also officers or employees of the organization to which services are provided**, are allowable subject to **paragraphs b and c** when reasonable.
- b. In determining the allowability of costs in a particular case, the following factors are relevant:
 - (1) The nature and scope of the services rendered in relation to the service required;
 - (2) The necessity of contracting for the service, considering the organization's capacity;
 - (3) Whether the service can be performed more economically by direct employment rather than contracting;
 - (4) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).
- c. Allocation or assignment of costs among activities must be based on documented distributions approved by a responsible member of the organization.

NOTE: For professional services contracts with individuals, the organization must comply with Internal Revenue Service regulations regarding the determination of the status of the individual as an independent contractor versus an employee.

23. Promotion and Public Relations

- a. Pursuant to Smart Start legislation, expenditures of Smart Start funds for promotional activities are unallowable. Promotional activities are those that

promote the Smart Start Initiative and/or organization in a general manner and do not publicize specific available services.

- b. Also see **Section B.1, Advertising**.
- c. The terms “promotion” or “public relations” include community relations and means those activities dedicated to maintaining the image of the organization or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.
- d. Costs associated with the following items are allowable:
 - (1) Communicating with the public and press pertaining to specific activities or accomplishments which result from performance of the Smart Start Initiative (these costs are considered necessary as part of the outreach effort);
 - (2) Conducting general liaison with news media and government officials, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of contract/grant awards, financial matters, etc.;
 - (3) Sponsorship of, or participation in, community health fairs or children’s fairs that focus on the provision of service to parents and children, including reasonable costs of signage to publicize the partnership’s sponsorship of, or participation in, the event;
 - (4) Parent education materials (parent education videos, educational displays, resource guides, resources for “Welcome Baby” packets, etc.);
 - (5) Newsletters, educational brochures and annual reports;
 - (6) Websites;
 - (7) Advertisements, newspaper inserts, and radio or television announcements that publicize direct services for children and families;
 - (8) Materials in “Welcome Baby” packets or distributed through hospitals libraries or other distribution means that directly reach parents of young children and serve as a resource for parents; and
 - (9) Signage for quality improvement items purchased for child care centers, libraries, etc. (labels for books or signage that provides information that Smart Start provided the service).
- e. The following costs for general promotion are unallowable:
 - (1) Costs of meetings or other events related to general promotional activities including:
 - i. Displays, posters, banners, demonstrations, and exhibits; and
 - ii. Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other promotional events;
 - (2) General promotional videos (not parenting videos);
 - (3) Public relations consultants for general promotion of the partnership; and
 - (4) Advertisements, newspaper inserts, and radio or television announcements other than those that publicize direct services for children and families.
- f. The following costs of promotional items and memorabilia (with or without a logo) are unallowable, including, but not limited to:

- i. "Giveaway" items, including but not limited to, lunch bags, umbrellas, coffee mugs, stadium cups, license plates, stress balls, frisbees, etc.; and
 - ii. Jewelry, lapel pins, stickers and tattoos.
- g. The costs of billboards are unallowable.
- h. Due care and judgment must be used to ensure that public relation costs are not, or could not be perceived as, unreasonable or excessive with regard to either purpose or cost.

24. Recognition Events

- a. Recognition events are defined as events to recognize individuals or agencies for performance. Costs associated with recognition events include the cost of renting facilities, meals, speakers' fees and the like.
- b. To the extent that these costs are identifiable with a specific service activity, they should be charged to that activity. These costs are allowable, provided that they have a documented legitimate business purpose and the event is identified in the contract activity description.
- c. Due care and judgment must be used to ensure that recognition events are not or could not be perceived as, unreasonable or excessive with regard to either purpose or cost.
- d. Also see **Sections B.2, Alcoholic Beverages; B.10, Entertainment; B.13, Food; and B.15, Goods or Services for Personal Use.**

25. Rental Costs

- a. Rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition and value of the property leased.
- b. Rental costs under "sale and leaseback" arrangements are allowable only up to the amount that would be allowed had the partnership continued to own the property.

26. Selling and Marketing Expenses

- a. Costs of selling and marketing any products or services must be netted against any income derived.
- b. Losses on sales of products or services are unallowable.

27. Severance Pay

- a. Severance pay is a payment to employees whose employment is being involuntarily terminated. Severance pay is defined as an additional payment upon termination other than regular salaries and wages or vacation and sick leave payouts.

- b. Costs of severance pay are allowable only to the extent that in each case, it is required by (i) law, (ii) employer-employee contractual agreement; or (iii) policy approved by the Partnership Board of Directors in place at time of termination.
- c. **Costs of severance pay are unallowable for direct service providers or grantees.**

28. Travel

- a. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by individuals traveling on business.
- b. The maximum allowable payment for meals shall be the rates set by the State.
- c. Individuals may receive payment for meals for partial days of travel when traveling overnight and the partial day is the day of departure or the day of return.
- d. Individuals may receive payment for breakfast and evening meals when traveling when the following applies:
 - (1) Breakfast – departure from duty station/home prior to 6:00 a.m.
 - (2) Dinner – return to duty station/home after 8:00 p.m.
- e. Payment for lunch for travel away from home or duty station is unallowable if travel does not involve an overnight stay, with the exception that employees may receive payment for lunch when the employee's job requires attendance at a meeting in his or her official capacity and involves persons other than partnership employees.
- f. Payment for meals is unallowable if the meal is provided during a conference or workshop, or if the cost of the meal is included in the registration fee.
- g. Payment for breakfast for travel away from home or duty station on business is allowable even if the lodging establishment offers a free continental breakfast.
- h. The maximum allowable mileage reimbursement rate for the use of personal vehicles is the rate set by the State.
- i. Reimbursement of mileage for commuting is unallowable. "Commuting" is defined as "traveling between your home and your place of work."
- j. Every effort should be made to obtain the State rate for lodging. Excess lodging authorization must be obtained from the partnership Executive Director or his or her designee in order to reimburse for actual costs that exceed the State rate.
- k. Charges for recreation fees, such as movies and gym use, are unallowable.
- l. The actual cost of moderately-priced coach airfare is allowable. Due care should be taken to obtain economical airfare.
- m. The actual cost of moderately-priced vehicle rental is allowable.
- n. Attendance by multiple employees at out-of-state conferences should be limited. Staff attending should share information with other Partnership staff.
- o. International travel is unallowable.