

**AMENDMENT No. 3 TO PROFESSIONAL SERVICES AGREEMENT
COUNTY OF MONTEREY AND UNITED WAY MONTEREY COUNTY**

THIS AMENDMENT is made to the Professional Services Agreement for the toll-free telephone referral system “2-1-1” connecting Monterey County residents with important services and volunteer opportunities, by and between **UNITED WAY MONTEREY COUNTY**, hereinafter “**CONTRACTOR**”, and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as “**County**”.

WHEREAS, the County and **CONTRACTOR** wish to amend the **AGREEMENT** to increase the total amount of the **AGREEMENT**, to extend the term for an additional fiscal year and to incorporate the new **EXHIBITS E and F** in the amended **AGREEMENT**.

WHEREAS, the County and **CONTRACTOR** amended the **AGREEMENT** previously on July 11, 2011 via Amendment No. 2, and on July 13, 2011 via Amendment No. 1.

NOW THEREFORE, the County and **CONTRACTOR** hereby agree to amend the **AGREEMENT** in the following manner:

1. Paragraph 2, “**PAYMENTS BY COUNTY**” shall be amended by removing “*The total amount payable by County to **CONTRACTOR** under this Agreement shall not exceed the sum of \$100,000*” and replacing it with, “*The total amount payable by County to **CONTRACTOR** under this Agreement shall not exceed the sum of \$125,000*”

2. Paragraph 3, “**TERM OF AGREEMENT**” shall be amended by removing “*The term of this Agreement is from January 1, 2009 to June 30, 2012, unless sooner terminated pursuant to the terms of this Agreement*” and replacing it with “*The term of this Agreement is from January 1, 2009 to June 30, 2013, unless sooner terminated pursuant to the terms of this Agreement.*”

3. **EXHIBIT A-3** replaces **EXHIBITS A-2, A-1 and A**. All references in the Agreement to **EXHIBIT A** shall be construed to refer to **EXHIBIT A-3**.

4. The following exhibits are attached to this Amendment and incorporated herein by reference:

EXHIBIT E: BUDGET AND EXPENDITURE SUMMARY

EXHIBIT F: ANNUAL REPORT(S) AND AUDIT

4. Except as provided herein, all remaining terms, conditions and provisions of the **AGREEMENT** are unchanged and unaffected by this **AMENDMENT** and shall continue in full force and effect as set forth in the **AGREEMENT**.

5. A copy of the **AMENDMENT** shall be attached to the original **AGREEMENT** executed by the County on February 13, 2009.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Amendment No. 3 as of the day and year written below.

COUNTY OF MONTEREY

CONTRACTOR

By: _____
Contracts/Purchasing Manager

Date: _____

By: _____
Department Head (if applicable)

Date: 7/13/12

Approved as to Form ¹

By: Stacy Sute
Deputy County Counsel

Date: 6/6/12

Approved as to Fiscal Provisions

By: [Signature]
Auditor/Controller

Date: 6-12

Approved as to Liability Provisions ³

By: _____
Risk Management

Date: _____

Approved as to Content

By: [Signature]
Behavioral Health Director

Date: 5-31-12

UNITED WAY MONTEREY COUNTY

Contractor's Business Name

By: [Signature]
(Signature of Chair, President, or Vice-President)

MARY L. ADAMS, President & CEO
Name and Title

Date: 5/31/12

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO, or Asst. Treasurer)

SHARON LAGANA CFO
Name and Title

Date: 5/31/12

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹ Approval by County Counsel is required.
² Approval by Auditor/Controller is required.
³ Approval by Risk Management is required only if changes are made in paragraph 8 or 9 of the Agreement

**EXHIBIT A-3:
SERVICE DESCRIPTION/PAYMENT PROVISIONS**

A. SERVICE DESCRIPTION

I. IDENTIFICATION OF PROVIDER

United Way Monterey County
60 Garden Court, Suite 350
Monterey, CA 93940
(831) 372-8026

II. PROGRAM NARRATIVE

The 2-1-1 Service provides 24/7 assistance for residents seeking health and human services and is a response to the enormity of input from community stakeholders expressing the need for increased access to essential services including mental health services, especially for unserved or underserved community residents. 2-1-1 is an easy-to-remember telephone number that connects people with important community services and volunteer opportunities. 2-1-1 provides callers with information about and referrals to human services for every day needs and in times of crisis.

The system provides multi-lingual services to Monterey County residents of all age and cultural groups. Marketing of the service includes specific outreach materials and strategies designed to reach Underserved and Unserved Cultural Populations.

III. PROGRAM GOALS

The goal of the 2-1-1 service is to offer information regarding the following types of services:

- a. Basic Human Needs Resource: food banks, clothing closets, shelters, rent assistance, utility assistance;
- b. Physical and Mental Health Resources: health insurance programs, Medi-Cal and Medicare, maternal health, Children's Health Insurance Program, medical information lines, crisis intervention services, support groups, counseling, drug and alcohol intervention and rehabilitation;
- c. Employment Supports: financial assistance, job training, transportation assistance, education programs;
- d. Support for Older Americans and Persons with Disabilities: congregate meals, Meals on Wheels, respite care, home health care, transportation, homemaker services;
- e. Support for Children, Youth and Families: childcare, after school programs, Head Start, family resource centers, summer camps and recreation programs, mentoring, tutoring, protective services;
- f. Volunteer Opportunities and Donations;

- g. During times of natural or manmade disasters or crisis, provide important authorized official information to the public and pass along to appropriate authorities feedback from the public; and,
- h. Available to serve as a “Go-to” phone number for county agencies.

IV. PERFORMANCE OUTCOME MEASURES & DATA COLLECTION ELEMENTS

- A. Number of phone calls per quarter
- B. Demographic information of callers, in aggregate form
- C. Reporting frequency

The Contractor will use the Logic Model for program progress tracking and reporting to the County. (See page 3 of this Exhibit A-3). The data that is required pursuant to this Agreement will be reported to the County of Monterey Health Department, Behavioral Health Bureau (MCBH) on a quarterly basis and shall accompany the quarterly invoice.

V. CONTRACT MONITOR

Alica Hendricks
Mental Health Services Act Coordinator
Monterey County Health Department
Behavioral Health Bureau
1270 Natividad Road
Salinas, CA 93906
(831) 796-1295

LOGIC MODEL

Problem, Objective, Goal, Strategies, & Activities	Measures	Data Source	When measured	Desired result
<p>Problem: The United Way Monterey County (UWMC) requires funding from community partners to continue the provision of a 2-1-1 Service that provides 24/7 assistance for residents seeking health and human services assistance.</p>				
<p>Objectives: Participate with United Way Monterey County and other community partners in funding a 2-1-1 Service.</p>				
<p>Focus Population: Monterey County residents in need of assistance accessing health and human services.</p>				
<p>Goal: Provide annual Call Data describing the annual number and percentage of calls for behavioral health services. Data to include demographic variables (such as gender, age group, race/ethnicity, socio-economic status indicators) as available through the 2-1-1 Service evaluation plan.</p>				
<p>Strategy: Provide quarterly funding to UWMC.</p>				
<p>Activities:</p> <ol style="list-style-type: none"> 1. MCBH provides funding to UWMC for 2-1-1 Service 2. UWMC provides MCBH with quarterly reports indicating: <ul style="list-style-type: none"> • Number of calls by caller age group, gender, race/ethnicity, language spoken, zip code. • Number of calls by contact type, problem category, and problem subcategory. • Number of referrals made to each agency • Annual UWMC 2-1-1 report 	<ul style="list-style-type: none"> ▪ Timely receipt of quarterly reports in Microsoft Excel format 	<ul style="list-style-type: none"> ▪ 2-1-1 Call records 	<p>Quarterly</p>	<p>Referrals are provided to callers to help meet behavioral health service needs.</p>

B. PAYMENT & BILLING PROVISIONS

I. PAYMENT TYPE

Negotiated Rate up to the maximum contract amount.

II. PAYMENT RATE/QUARTERLY PAYMENT SCHEDULE

Period of Payment	Quarterly Invoice Amount
FY 2008-09: January 1, 2009 through June 30, 2009	\$ 12,500
FY 2009-10: July 1, 2009 through June 30, 2010	\$ 6,250
FY 2010-11: July 1, 2010 through June 30, 2011	\$ 6,250
FY 2011-12: July 1, 2011 through June 30, 2012	\$ 6,250
FY 2012-13: July 1, 2012 through June 30, 2013	\$ 6,250

III. PAYMENT CONDITIONS

A. If CONTRACTOR is seeking reimbursement for eligible services funded by the Short-Doyle/Medi-Cal, Mental Health Services Act (“MHSA”), SB 90, Federal or State Grants, and/or COUNTY funds provided pursuant to this Agreement, reimbursement for such services shall be based on actual cost of providing those services less any deductible revenues collected by the CONTRACTOR from other payer sources. In order to reduce COUNTY costs, the CONTRACTOR shall comply with all applicable provisions of the California Welfare and Institutions Code (WIC), the California Code of Regulations, the Code of Federal Regulations, and the federal Social Security Act related to reimbursements by non-County and non-State sources, including, but not limited to, collecting reimbursements for services from clients (which shall be the same as patient fees established pursuant to WIC section 5710) and from private or public third-party payers.

CONTRACTOR shall not claim reimbursement from COUNTY for (or apply sums received from COUNTY with respect to) that portion of its obligations which has been paid by another source of revenue. If CONTRACTOR is seeking reimbursement for mental health services provided pursuant to this Agreement, reimbursement for such services shall be based upon the actual allowable costs of providing those services less any deductible revenues, as stated above.

B. In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims in such form as General Ledger, Payroll Report and other accounting documents as needed, and as may be required by the County of Monterey Department of Health, Behavioral Health Bureau. Specifically, CONTRACTOR shall submit its claims on the Invoice Form provided as Exhibit D, to this Agreement, along with backup documentation, on a quarterly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30th) day of the month following the quarter of service. See Section II, above, for payment amount information to be reimbursed each fiscal year period of this Agreement. The amount requested for reimbursement shall be in accordance

with the approved budget and shall not exceed the actual net costs incurred for services provided under this Agreement.

CONTRACTOR shall submit via email a monthly claim using Exhibit D, Invoice Form in Excel format with electronic signature along with supporting documentation, as may be required by the COUNTY for services rendered to:

MCHDBHFinance@co.monterey.ca.us

- C. CONTRACTOR shall submit all claims for reimbursement under this Agreement within thirty (30) calendar days after the termination or end date of this Agreement. All claims not submitted after thirty (30) calendar days following the termination or end date of this Agreement shall not be subject to reimbursement by the COUNTY. Any claim(s) submitted for services that preceded thirty (30) calendar days prior to the termination or end date of this Agreement may be disallowed, except to the extent that such failure was through no fault of CONTRACTOR. Any "obligations incurred" included in claims for reimbursements and paid by the COUNTY which remain unpaid by the CONTRACTOR after thirty (30) calendar days following the termination or end date of this Agreement shall be disallowed, except to the extent that such failure was through no fault of CONTRACTOR under audit by the COUNTY.
- D. If CONTRACTOR fails to submit claim(s) for services provided under the terms of this Agreement as described above, the COUNTY may, at its sole discretion, deny payment for that quarter of service and disallow the claim.
- E. COUNTY shall review and certify CONTRACTOR'S claim either in the requested amount or in such other amount as COUNTY approves in conformity with this Agreement, and shall then submit such certified claim to the COUNTY Auditor. The County Auditor-Controller shall pay the amount certified within thirty (30) calendar days of receiving the certified invoice.
- F. If COUNTY certifies payment at a lesser amount than the amount requested COUNTY shall immediately notify the CONTRACTOR in writing of such certification and shall specify the reason for it. If the CONTRACTOR desires to contest the certification, the CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) calendar days after the CONTRACTOR'S receipt of the COUNTY notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such a dispute until the parties have met and attempted to resolve the dispute in person.

IV. MAXIMUM OBLIGATION OF COUNTY

- A. Subject to the limitations set forth herein, COUNTY shall pay to CONTRACTOR during the term of this Agreement a maximum amount of \$125,000 for services rendered under this Agreement.

B. Maximum Annual Liability:

FISCAL YEAR	FUNDING SOURCE	AMOUNT
2008-2009	Mental Health Services Act (MHSA) Prevention & Early Intervention (PEI) Funds	\$ 25,000
2009-2010	MHSA PEI Funds	\$ 25,000
2010-11	MHSA PEI Funds	\$ 25,000
2011-12	MHSA PEI Funds	\$ 25,000
2012-13	MHSA PEI Funds	\$ 25,000
TOTAL AGREEMENT MAXIMUM LIABILITY		\$ 125,000

- C. If, as of the date of signing this Agreement, CONTRACTOR has already received payment from COUNTY for services rendered under this Agreement, such amount shall be deemed to have been paid out under this Agreement and shall be counted towards COUNTY'S maximum liability under this Agreement.
- D. If for any reason this Agreement is canceled, COUNTY'S maximum liability shall be the total utilization to the date of cancellation not to exceed the maximum amount listed above.
- E. As an exception to Section D. above with respect to the Survival of Obligations after Termination, COUNTY, any payer, and CONTRACTOR shall continue to remain obligated under this Agreement with regard to payment for services required to be rendered after termination.

V. **BILLING AND PAYMENT LIMITATIONS**

- A. Provisional Payments: COUNTY payments to CONTRACTOR for performance of eligible services hereunder are provisional until the completion of all settlement activities and audits, as such payments are subject to future Federal, State and/or COUNTY adjustments. COUNTY adjustments to provisional payments to CONTRACTOR may be based upon COUNTY'S claims processing information system data, State adjudication of Medi-Cal and Healthy Families claims files, contractual limitations of this Agreement, annual cost and MHSA reports, application of various Federal, State, and/or COUNTY reimbursement limitations, application of any Federal, State, and/or COUNTY policies, procedures and regulations, and/or Federal, State, or COUNTY audits, all of which take precedence over quarterly claim reimbursements.
- B. Allowable Costs: Allowable costs shall be the CONTRACTOR'S actual costs of developing, supervising and delivering the services under this Agreement, as set forth in the Budget provided in Exhibit E. Only the costs listed in Exhibit E of this Agreement as

contract expenses may be claimed as allowable costs. Any dispute over whether costs are allowable shall be resolved in accordance with the provisions of applicable Federal, State and COUNTY regulations.

- C. Cost Control: CONTRACTOR shall not exceed by more than twenty (20%) percent any contract expense line item amount in the budget without the written approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget using Exhibit E, or on a format as required by the COUNTY, with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this Agreement. Therefore, an increase in one line item shall require corresponding decreases in other line items.
- D. Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Agreement, reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations and procedures applicable only to that Funded Program. CONTRACTOR shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.

VI. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

- A. This Agreement shall be subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of this Agreement, including, but not limited to, those contained in State's Budget Act.
- B. This Agreement shall also be subject to any additional restrictions, limitations, or conditions imposed by the Federal government which may in any way affect the provisions or funding of this Agreement.
- C. In the event that the COUNTY'S Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in COUNTY Agreements, the COUNTY reserves the right to unilaterally reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement, correspondingly. The COUNTY'S notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action.
- D. Notwithstanding any other provision of this Agreement, COUNTY shall not be obligated for CONTRACTOR'S performance hereunder or by any provision of this Agreement during any of COUNTY'S current or future fiscal year(s) unless and until COUNTY'S Board of Supervisors appropriates funds for this Agreement in COUNTY'S Budget for each such fiscal year. In the event funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. COUNTY shall notify CONTRACTOR of any such non-appropriation of funds at the earliest possible date and the services to be provided by the CONTRACTOR under this Agreement shall also be reduced or terminated.

VII. AUTHORITY TO ACT FOR THE COUNTY

The Director of the Health Department of the County of Monterey may designate one or more persons within the County of Monterey for the purposes of acting on his/her behalf to implement the provisions of this Agreement. Therefore, the term "Director" in all cases shall mean "Director or his/her designee."

United Way of Monterey County
REVENUE AND EXPENDITURE SUMMARY
For Monterey County - Behavioral Health

PROGRAM:

2-1-1 Service

	Actual FY 2010-11	Budget FY 2011-12	FY 2012-13	Change
A. PROGRAM REVENUES				
Requested Monterey County Funds	25,000.00	25,000.00	25,000.00	-
Other Program Revenues	340,660.00	247,496.00	232,452.00	15,044.00
TOTAL PROGRAM REVENUES (equals Allowable Program Expenditures)	365,660.00	272,496.00	257,452.00	

B. ALLOWABLE PROGRAM EXPENDITURES - Allowable Expenditures for the services provided in accordance with requirements contained in this Agreement. Expenditures should be reported within the cost categories listed below.

1 Program Expenditures				\$	-
2	Salaries and wages	\$ 82,904.69	\$ 80,766.00	\$ 65,557.00	\$ 15,209.00
3	Payroll taxes	\$ 6,829.66	\$ 6,827.00	\$ 5,449.00	\$ 1,378.00
4	Employee benefits	\$ 16,432.06	\$ 14,491.00	\$ 10,205.00	\$ 4,286.00
5	Workers Compensation	\$ 896.37	\$ 972.00	\$ 695.00	\$ 277.00
6	Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)				\$ -
7	Temporary Staffing				\$ -
8	Flexible Client Spending (please provide supporting documents)				\$ -
9	Client Transportation Costs and staff mileage	\$ 2,106.02	\$ 1,000.00	\$ 924.00	\$ 76.00
10	Employee Travel and Conference	\$ 1,366.71	\$ 1,125.00	\$ 450.00	\$ 675.00
11	Staff Training	\$ 622.25	\$ 450.00	\$ -	\$ 450.00
12	Communication Costs	\$ 932.54	\$ 945.00	\$ 528.00	\$ 417.00
13	Utilities	\$ 786.56	\$ 896.00	\$ 576.00	\$ 320.00
14	Cleaning and Janitorial	\$ 378.33	\$ 418.00	\$ 300.00	\$ 118.00
15	Insurance and Indemnity				\$ -
16	Maintenance and Repairs - Buildings				\$ -
17	Maintenance and Repairs - Equipment				\$ -
18	Printing and Publications	\$ 9,876.65	\$ 3,500.00	\$ 1,900.00	\$ 1,600.00
19	Memberships, Subscriptions and Dues	\$ 8,899.00	\$ 9,566.00	\$ 6,466.00	\$ 3,100.00
20	Office Supplies	\$ 223.42	\$ 396.00	\$ 72.00	\$ 324.00
21	Postage and Mailing	\$ 5.00	\$ 96.00	\$ 32.00	\$ 64.00
22	Legal Services (when required for the administration of the County Programs)				\$ -
23	Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133))				\$ -
24	Other Professional and Consultant Services (allowable with prior specific approval from Monterey County)	\$ 143,934.06	\$ 143,242.00	\$ 158,085.00	\$ (14,843.00)
25	Rent and Leases - building and improvements	\$ 9,653.82	\$ 9,305.00	\$ 5,138.00	\$ 4,167.00
26	Rent and Leases - equipment				\$ -
27	Taxes and assessments				\$ -

EXHIBIT E

		Actual FY 2010-11	Budget FY 2011-12	FY 2012-13	Change
28	Interest in Bonds				\$ -
29	Interest in Other Long-term debts				\$ -
30	Other interest and finance charges				\$ -
31	Advertising (for recruitment of program personnel, procurement of services and disposal of surplus assets) 2-1-1 Program Marketing	\$ 6,675.24	\$ 1,900.00	\$ 1,075.00	\$ 825.00
32	Miscellaneous (please provide details)				\$ -
33	Total Program Expenditures	\$ 292,522.38	\$ 275,895.00	\$ 257,452.00	\$ 18,443.00
34 Administrative Expenditures - the allocation base must reasonably reflect the level of service received by the County from the program/activity and there must be a direct causal relationship between the allocation based used and the service provided. The allocation base must be auditable and supported by information kept by the CONTRACTOR.					
35	Salaries and wages (please include personnel and contract administration)				\$ -
36	Payroll taxes				\$ -
37	Employee benefits				\$ -
38	Workers Compensation				\$ -
39	Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)				\$ -
40	Transportation, Travel, Training and Conferences				\$ -
41	Data Processing				\$ -
42	Utilities				\$ -
43	Cleaning and Janitorial				\$ -
44	Insurance and Indemnity				\$ -
45	Maintenance and Repairs - Buildings				\$ -
46	Maintenance and Repairs - Equipment				\$ -
47	Memberships, Subscriptions and Dues				\$ -
48	Office Supplies				\$ -
49	Postage and Mailing				\$ -
50	Legal Services (when required for the administration of the County Programs)				\$ -
51	Other Professional and Specialized Services (allowable with prior specific approval from Monterey County)				\$ -
52	Rent and Leases - building and improvements				\$ -
53	Rent and Leases - equipment				\$ -
54	Taxes and assessments				\$ -
55	Interest in Bonds				\$ -
56	Interest in Other Long-term debts				\$ -
57	Other interest and finance charges				\$ -
58	Advertising (for recruitment of admin personnel, procurement of services and disposal of surplus assets)				\$ -
59	Miscellaneous (please provide details)				\$ -
60	Total Administrative Expenditures	-	-	-	\$ -
61 Depreciation Expense					
62 OTHERS - must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.					
63 Total Allowable Program Expenditures					
		292,522.38	275,895.00	257,452.00	\$ 18,443.00

**EXHIBIT F:
ANNUAL REPORT(S) AND AUDIT**

I. ANNUAL REPORT(S)

- A. For each fiscal year or portion thereof that this Agreement is in effect, CONTRACTOR shall provide COUNTY with accurate and complete Annual Report(s) known as the State Cost Report, the Annual Mental Health Services Act (MHSA) Revenue and Expenditure Reports, and the Annual Report(s), as applicable and required by the COUNTY in electronic forms and hard copies along with duly signed Provider's Certification and copy of audited financial statement and/or other supporting documents that the COUNTY may require, by the due date specified in this Exhibit F, Section I., Paragraph C.
- B. An accurate and complete State Cost Report and/or Annual MHSA Revenue and Expenditure Report shall be defined as Annual Report(s) which is (are) completed to the best of the ability of CONTRACTOR on such forms or in such formats as specified by the COUNTY and consistent with such instructions as the COUNTY may issue and are based on the best available data and based on the CONTRACTOR'S Financial Summary applicable to the fiscal year. Further, CONTRACTOR shall certify under penalty of perjury that the CONTRACTOR has not violated any of the provisions of Section 1090 through 1096 of the Government Code and with respect to MHSA funding; is in compliance with California Code of Regulations, Title 9, Division 1, Chapter 14, Article 4, Section 3410, Non-Supplant and Article 5, Section 3500, non-Supplant Certification and Reports; that the amount for which reimbursement is claimed in the Annual Report(s) is in accordance with Chapter 3, Part 2. Division 5 of the Welfare and Institutions Code; and WIC Section 5891 and that to the best of the CONTRACTOR'S knowledge and belief the information on Annual Report(s) is (are) in all respects, correct, and in accordance with the law.
- C. The Annual Report(s) shall be due on September 15th for the fiscal year ending on the previous June 30th or seventy-five (75) days following the expiration or termination date of this Agreement, or forty-five (45) days after the COUNTY transmits the cost report template electronically to the CONTRACTOR, whichever occurs later. Should the due date fall on a weekend, such report(s) shall be due on the following business day.
1. Failure to submit the Annual Report(s) within thirty (30) calendar days after the due date specified in this Exhibit F, Section I, Subsection (C) is a breach of this Agreement. In addition to, and without limiting, any other remedy available to the COUNTY for such breach, COUNTY may undertake any or all of the following to remedy such breach:
 - a. COUNTY, in its sole and absolute discretion, may disallow claim(s) for payment for services/activities rendered during the fiscal year(s) for which the CONTRACTOR'S Annual Report(s) is (are) outstanding or withhold payment(s) for reimbursements payable pursuant to Section III (A) to CONTRACTOR for the current fiscal year by COUNTY to CONTRACTOR until the Annual Report(s) is (are) submitted. If COUNTY exercises its discretion to disallow claim(s) or withhold payment(s), COUNTY shall give CONTRACTOR written notice, during

the thirty (30) calendar days after the due date specified in this Exhibit F, Section I, Subsection (C), of its intention to disallow claim(s) or withhold payment(s) as of the date specified in the notice, including the reason(s) for its intended action. Thereafter, CONTRACTOR, within the time specified in the notice, shall submit the Annual Report(s) to avoid disallowance of claims or withholding of payments.

- b. In such instance that CONTRACTOR does not submit the Annual Report(s) by thirty (30) calendar days after the applicable due date specified in this Exhibit F, Section I, Subsection (C), COUNTY, in its sole and absolute discretion, may deem as due and owing to COUNTY by CONTRACTOR all amounts paid pursuant to Section III (A) by COUNTY to CONTRACTOR for services/activities for the fiscal year(s) for which the Annual Report(s) is (are) outstanding. CONTRACTOR shall pay COUNTY according to the method described in this Exhibit F, Section IV (Method of Payments for Amounts Due to COUNTY). Such payments shall be submitted to the persons at the address identified in the COUNTY invoice.

- D. The Annual Report(s) shall be prepared by the CONTRACTOR in accordance with the instructions, rules, policies and procedures established by the Federal government, State and COUNTY.

II. AUDIT(S) AND AUDIT APPEALS

- A. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with Federal and State law including but not limited to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., authorized representatives from the Federal government, State or COUNTY may conduct an audit of CONTRACTOR regarding the services/activities provided under the fiscal year(s) for which the audit is outstanding. In addition, contract compliance audits or reviews may be conducted by the Monterey County's Auditor-Controller's Office or designated representative. Furthermore, the California State Controller Office performs audits of the mandated cost claims for the seriously emotionally disturbed pupils for the Out-of-State Mental Health Services Program and Handicapped and Disabled Students Programs. The Centers for Medicare and Medicaid Services (CMS) also perform audits of the Certified Public Expenditure (CPE) processes, negotiated rate audit information, and other issues.
- B. Settlement of audit findings shall be conducted according to the auditing party's procedures in place at the time of the audit.
- C. In the case of a Federal Government or State audit, COUNTY may perform a post-audit based on Federal or State audit findings. Such post-audit shall take place when the Federal Government or State initiates its settlement action, which customarily is after the issuance of the audit report by the Federal Government or State and before the Federal Government or State's audit appeal process.
 - 1. If the Federal Government or State stays its collection of any amounts due or payable because of the audit findings, COUNTY shall also stay its settlement of the same amounts due or payable until the responsible auditing party initiates its settlement action with COUNTY.

2. COUNTY shall follow all applicable Federal, State and local laws, regulations manuals, guidelines and directives in recovering from CONTRACTOR any amount due to the COUNTY.
 3. COUNTY shall issue an invoice to CONTRACTOR for any amount due to the COUNTY no later than ninety (90) calendar days after the Federal or State issues its audit settlement letter to the COUNTY. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit F. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.
- D. CONTRACTOR may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.
1. For Federal audit exceptions, Federal audit appeal processes shall be followed.
 2. CONTRACTOR may appeal the State audit findings in conformance with provisions of Sections 51016 et seq. of Title 22 of the California Code of Regulations. Such appeals must be filed through COUNTY. COUNTY shall notify CONTRACTOR of State appeal deadlines after COUNTY'S receipt from State of the audit report.
 3. If at any time the Appeal process results in a revision to the audit findings, and the Federal Government or State recalculates the final settlement with COUNTY, COUNTY may perform a post-audit based on the Federal or State revised findings after the Federal Government or State has issued its revised settlement with the COUNTY, based on such re-computed final settlement.
 - a. If the re-computed final settlement results in amounts due to CONTRACTOR by the COUNTY, COUNTY shall make such payments to CONTRACTOR within thirty (30) calendar days of issuing the revised settlement amount to the CONTRACTOR.
 - b. If the re-computed final settlement results in amounts due from CONTRACTOR to the COUNTY, CONTRACTOR shall make payment to the COUNTY within thirty (30) days that the COUNTY issues its invoice to the CONTRACTOR.
- E. Notwithstanding any other provisions of this Agreement, if CONTRACTOR appeals any audit report, the appeal shall not prevent the COUNTY from recovering from CONTRACTOR any amount owed by CONTRACTOR that the Federal Government or State has recovered from COUNTY.
- F. Should the auditing party be the COUNTY, CONTRACTOR shall have thirty (30) calendar days from the date of the audit report within which to file an appeal with COUNTY. The letter providing the CONTRACTOR with notice of the audit findings shall indicate the person(s) and address to which the appeal should be directed. COUNTY shall consider all information provided by CONTRACTOR with its appeal, and shall issue its decision on the appeal after such consideration. Such decision is final. COUNTY shall issue an invoice for any amount due COUNTY fifteen (15) calendar days after COUNTY has notified

CONTRACTOR of the COUNTY'S audit appeal findings. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit F. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.

III. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY

A. Within ten (10) business days after written notification by COUNTY to CONTRACTOR of any amount due by CONTRACTOR to COUNTY, CONTRACTOR shall notify COUNTY as to which of the following five (5) payment options CONTRACTOR requests be used as the method by which such amount shall be recovered by COUNTY.

Any such amount shall be:

1. paid in one cash payment by CONTRACTOR to COUNTY;
2. deducted from future claims over a period not to exceed six (6) months;
3. deducted from any amounts due from COUNTY to CONTRACTOR whether under this Agreement or otherwise;
4. paid by cash payment(s) by CONTRACTOR to COUNTY over a period not to exceed six (6) months; or
5. a combination of any or all of the above.

B. If CONTRACTOR does not so notify COUNTY within such ten (10) days, or if CONTRACTOR fails to make payment of any such amount to COUNTY as required, then Director, in his sole discretion, shall determine which of the above five (5) payment options shall be used by COUNTY for recovery of such amount from CONTRACTOR.