

MINNESOTA DEPARTMENT OF HUMAN SERVICES  
CONTRACT TO PARTICIPATE IN THE  
LOCAL COLLABORATIVE TIME STUDY

VII. – B.

THIS CONTRACT, which shall be interpreted under the laws of the State of Minnesota is between the State of Minnesota, acting through its Department of Human Services (hereinafter STATE) and Aitkin County, acting through its Health and Human Services, Courthouse South Annex, 204 First Street NW, Aitkin, MN 56431-1291 (hereinafter COUNTY):

WHEREAS, the STATE, under Minnesota Statutes, Section(s) 256.01, subd. 2(1)(f) is authorized to enter into contracts and grants, and

WHEREAS, the STATE and COUNTY have a shared interest in enhancing federal funding to children's mental health collaboratives and family services collaboratives by claiming reimbursement for eligible activities through the Local Collaborative Time Study (hereinafter "LCTS"), and

WHEREAS, the COUNTY represents that it is duly qualified and willing to perform the services set forth herein,

NOW, THEREFORE, it is agreed:

ARTICLE I

COUNTY'S DUTIES

Section 1.1. *Administration of the LCTS.* The COUNTY shall act as the reporting and payment agent for purposes of administering the LCTS on behalf of one or more local collaboratives. As reporting and payment agent, the COUNTY is responsible for:

1. Serving as a liaison between all participating collaboratives located in or near the COUNTY;
2. Ensuring accurate and timely cost reporting for each organization submitting claims for reimbursement through the LCTS;
3. Combining cost reports for all local organizations participating in the LCTS into a collaborative summary; and
4. Receiving federal funding from the STATE on behalf of the various collaboratives.

Section 1.2. *Relationship between the COUNTY and the collaborative(s).* It is understood that the COUNTY shall participate with other local partners in carrying out the collaborative's functions. In light of this understanding, it is incumbent upon the COUNTY to see to it that appropriate arrangements are made and legal instruments executed with local partners to ensure the completion of the duties described in this contract.

Section 1.3. *Reporting requirements.* The COUNTY together with its collaborative partners shall submit reports as reasonably requested by the STATE. The reports will provide information on such matters as anticipated and actual use of LCTS funds, outcome-based indicators used to determine whether the collaborative is meeting its goals, or such other items needed by the STATE to properly administer the LCTS and comply with all appropriate federal and state laws, rules and regulations.

Section 1.4. *LCTS training.* The COUNTY working with its collaborative partners shall ensure that staff sampled by the LCTS and LCTS Coordinators have completed training in the LCTS.

Section 1.5. *Compliance with federal regulations.* (a) The COUNTY shall administer the federal funds claimed through the LCTS consistent with Code of Federal Regulations, Title 45, Parts 74 and 92.

(b) The COUNTY shall comply with the requirements for claiming administrative services under Title IV-E of the Social Security Act in accordance with Code of Federal Regulations, Title 45, Section 1356.60. In addition, the COUNTY shall comply with the requirements for claiming expenditures as training costs in accordance with Code of Federal Regulations, Title 45, Sections 235.63 to 235.66.

(c) The COUNTY shall ensure that costs claimed for reimbursement through the LCTS shall be the actual costs, to be determined in accordance with cost principles outlined in OMB Circulars A-21, A-87 and A-122, as appropriate. Properly constructed time studies shall be the basis for separating allowable from unallowable costs and for establishing appropriate costs. In the event the benefits of the activities to be claimed extend beyond the federal program, then either individual program eligibility shall be applied with the time study process, or eligibility ratios shall be applied to the final results in order to determine the proper share of each allowable activity's costs to be charged to the federal program.

Section 1.6. *Use of LCTS funds.* The COUNTY agrees that all revenue resulting from the LCTS shall be deposited in the integrated fund under the operating authority of each collaborative's governing body. It is understood that the authority to decide how LCTS funds are spent shall reside with each local collaborative. It is further understood that LCTS funds shall be used to expand prevention and early intervention services to families and children and be consistent with the following paragraphs:

(i) For children's mental health collaboratives, LCTS funds shall be used to expand the initial target population or to develop or provide mental health services through the local integrated service system to children in the target population pursuant to Minnesota Statutes, Section 245.495(a).

(ii) For family services collaboratives, LCTS funds shall be used to expand expenditures for education, social, health, or health-related services to families and children pursuant to Minnesota Statutes, Section 256F.13(1)(b)(4).

(iii) LCTS funds shall not be used to pay for out-of-home placements.

Section 1.7. *Maintain accounting system.* The COUNTY and agencies participating in the LCTS shall maintain an accounting and financial management system adequate to support all claims for federal reimbursement through the LCTS. The STATE, COUNTY and other agencies participating in the LCTS shall work together to ensure the implementation of an adequate accounting and financial management system.

Section 1.8. *Nonfederal share of expenditures.* The COUNTY and other agencies participating in the LCTS shall provide the nonfederal share of all expenditures for which federal revenue is claimed through the LCTS. In addition, the COUNTY and other agencies shall ensure that expenditures submitted for federal reimbursement shall be paid from public sources other than federal funds or funds used to match other federal funds.

## **ARTICLE 2**

### **STATE'S DUTIES**

Section 2.1. *Training.* The STATE shall provide training to the COUNTY and other collaborative partners regarding the administration of the LCTS.

Section 2.2. *Payment of LCTS funds.* The STATE shall pay the federal reimbursement earned under this Contract to the COUNTY based on their earnings pursuant to the terms of payment in Article 3.

Section 2.3. *Relationship to other funding.* The STATE shall ensure that federal reimbursement earned pursuant to this contract shall not be used in determining the allocation or distribution of other funds to counties or collaboratives.

## **ARTICLE 3**

### **TERMS OF PAYMENT**

Section 3.1. *Payment schedule.* (a) Except as provided in this Article, the STATE shall forward to the COUNTY on a quarterly basis federal funds earned through the LCTS.

(b) For purposes of this contract, the term "quarter" shall mean a period of three months ending on the last day of March, June, September and December.

Section 3.2. *Basis of payments.* Payments to the COUNTY shall be based upon activities and costs eligible for reimbursement through Titles IV-E and XIX of the Social Security Act. If at any time such federal funds become unavailable, the COUNTY shall be paid on a pro rata basis, for services satisfactorily performed and for which federal reimbursement was received.



Section 3.3. *Submission of reports.* (a) The amount forwarded to the COUNTY shall be based on eligible activities identified through the LCTS and quarterly costs. The COUNTY shall submit LCTS cost reports within 20 days after the end of the quarter. Cost reports received by the STATE more than 20 days after the end of the quarter and amended cost reports shall be processed one year after the original cost report was due unless otherwise agreed to by the STATE. Cost reports submitted more than one year after the original due date will not be eligible for reimbursement.

(b) The COUNTY working with its collaborative partners shall submit LCTS response data to the STATE within seven days from the time the random moment was to be completed, unless otherwise agreed to by the STATE.

Section 3.4. *DHS Administrative fee.* The STATE will invoice the COUNTY on an annual basis, using a form approved by the STATE, for the STATE's total expenditures during the designated annual period in order to repay the special revenue maximization account for state expenses incurred exclusively in administering the LCTS. Payment in full is due to the STATE no more than thirty (30) days past the date of the invoice. If efforts to rectify payment issues with the COUNTY are unsuccessful, the STATE may suspend or terminate the COUNTY'S participation in the Local Collaborative Time Study (LCTS) until such time as the delinquent invoice is paid in full.

Section 3.5. *Disallowances.* The STATE shall recover from the COUNTY any federal fiscal disallowances or sanctions attributable to actions of the COUNTY, COUNTY'S subcontractors, agencies participating in the LCTS, or other members of the collaborative. If federal fiscal disallowances or sanctions are based on either a statewide sample or a categorical disallowance imposed across the State, the STATE shall recover the proportional share of the disallowance or sanction from the COUNTY.

Section 3.6. *Conditions of payment.* All services and reporting provided by the COUNTY or the members of the collaborative pursuant to this contract shall be performed to the satisfaction of the STATE, as determined in the sole discretion of its authorized agent, and in accord with all applicable federal, state and local laws, rules and regulations. The STATE reserves the right to suspend, reduce or terminate the distribution of LCTS funds to the COUNTY for services, LCTS reporting, or reporting provided pursuant to Section 1.3 of this contract found by the STATE to be unsatisfactory or in violation of federal or state laws and regulations.

Section 3.7. *Payment recoupment.* The COUNTY must reimburse the STATE upon demand or the STATE may deduct from future payments made pursuant to the contract, any amounts paid by the STATE under this contract, for which invoices and progress reports have not been received, or for which the COUNTY'S or collaborative's books, records or other documents are not sufficient to clearly substantiate that those amounts were used by the COUNTY or collaborative to perform the services described in this contract.

**ARTICLE 4**

**TERM OF CONTRACT**

Section 4.1. *Term of contract.* This contract shall be effective July 1, 2012, or upon the date that the final required signature is obtained by the STATE pursuant to Minnesota Statutes Section 16C.05, subdivision 2, whichever occurs later, and shall remain in effect until June 30, 2017 or until canceled according to the provisions set forth in Section 4.2.

Section 4.2. *Cancellation.* This contract may be canceled by the STATE, COUNTY or the Commissioner of the Department of Administration at any time, with or without cause, upon thirty (30) days' written notice to the parties of this contract. In the event of such cancellation, the COUNTY shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed.

**ARTICLE 5**

**GENERAL PROVISIONS**

Section 5.1. *State's authorized agent.* The STATE's authorized agent for the purposes of administration of this contract is Danna Reese, or her successor. Such agent shall have final authority for acceptance of services and reports provided by the COUNTY or members of the collaborative.

Section 5.2. *Amendments.* Any amendments to the contract shall be in writing, and shall be executed by the same parties who executed the original contract or their successors in office.

Section 5.3. *Assignment.* The COUNTY shall neither assign nor transfer any rights or obligations under this contract without the prior written consent of the STATE. However, in the event of a disallowance or sanction imposed by the federal government, the county may pass part or all of the disallowance or sanction risk to other members of the collaborative by incorporation of a risk sharing provision into the Collaborative's governance agreement.

Section 5.4. *Liability.* To the extent provided for in Minnesota Statutes, section 466.01 to 466.15, the COUNTY agrees to be responsible for any and all claims or causes of action arising from the performance of this grant by COUNTY, collaborative members, or any agents of the COUNTY or collaborative members. This clause shall not be construed to bar any legal remedies COUNTY may have for the STATE's failure to fulfill its obligations pursuant to this grant.

Section 5.5. *State and federal audits.* The books, records, documents, and accounting procedures, and practices of the COUNTY, collaborative and any collaborative members relevant to this contract shall be subject to examination by the STATE's contracting department, the legislative auditor, and appropriate federal auditors. Records shall be sufficient to reflect all costs incurred in performance of the contract, and shall be maintained for six years.



Section 5.6. *Ownership of materials and intellectual property rights.* (a) All materials conceived or originated by the COUNTY or collaborative members either individually or jointly with others arising out of the performance of this contract shall be brought to the attention of the STATE and the STATE shall have the right to reproduce, publish, or otherwise use, and to authorize others to use, the materials for collaborative-related purposes. Materials include any report, study, computer software, database, model, invention, photograph, negative, audio or video recording, or other item or document, in whatever form, created or prepared by the COUNTY or collaborative members in the performance of its obligations under this contract.

(b) If any copyrightable material is developed in the course of or under this contract, the STATE and the U.S. Department of Health and Human Services shall have a royalty free, non-exclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for government purposes.

Section 5.7. *Workers' compensation.* GRANTEE certified that it is in compliance with the workers' compensation insurance coverage requirements of Minnesota Statutes, Section 176.181, Subdivision 2. The GRANTEE'S employees and agents will not be considered employees of the STATE. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way the STATE'S obligation or responsibility.

Section 5.8. *Affirmative Action.* The COUNTY certifies that it has received a certificate of compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, Section 363.073. This section shall not apply if the amount of funds distributed pursuant to the contract is less than \$50,000 where the COUNTY has not employed more than twenty full-time employees at any time during the previous 12 months.

Section 5.9. *Purchase of equipment.* The COUNTY shall obtain the STATE'S approval before purchasing an information management system or any equipment to support an information management system using LCTS funds.

Section 5.10. *Ownership of equipment.* (When applicable) Disposition of all equipment purchased pursuant to this contract shall be in accordance with Title 45, Code of Federal Regulations, part 74, subpart C. For all equipment having a unit acquisition of \$5,000.00 or more, the STATE shall have the right to require transfer of the equipment (including title) to the Federal government or to an eligible non-Federal party named by the STATE. This right will normally be exercised by the STATE only if the project or program for which the equipment was acquired is transferred from one COUNTY to another.

Section 5.11. *Federal audit requirements and contractor debarment information.* COUNTY certifies it will comply with the Single Audit Act, OMB Circular A-128 and OMB Circular A-133, as applicable. Failure to comply with these requirements could result in forfeiture of federal funds.

**COUNTY DEBARMENT, SUSPENSION AND RESPONSIBILITY**

**CERTIFICATION.** Federal Regulation 45 CFR 92.35 prohibits the State from purchasing goods or services with federal money from vendors who have been suspended or debarred by the federal government. Similarly, Minn. Stat. 16C.03, subd. 2 provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with the State. Vendors may be suspended or debarred when it is determined, through a duly authorized hearing process, that they have abused the public trust in a serious manner.

**By signing this contract, COUNTY certifies that it and its principals:**

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from transacting business by or with any federal, state or local governmental department or agency; and
2. Have not within a three-year period preceding this Contract: a) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract; b) violated any federal or state antitrust statutes; or c) committed embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
3. Are not presently indicted or otherwise criminally or civilly charged by a governmental entity for: a) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction; b) violating any federal or state antitrust statutes; or c) committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
4. Are not aware of any information and possess no knowledge that any subcontractor(s) that will perform work pursuant to this contract are in violation of any of the certifications set forth above.
5. Shall immediately give written notice to the State should COUNTY come under investigation for allegations of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing; a public (federal, state or local government) transaction; violating any federal or state antitrust statutes; or committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

Section 5.12. *Data privacy.* It is expressly agreed that the COUNTY and the collaborative members shall abide by all applicable state and federal laws and regulations concerning the handling and disclosure of private and confidential data on individuals or other data made not public by such laws or regulations. The COUNTY agrees to indemnify and save and hold the STATE, its agents and employees, harmless from all claims arising out of, resulting from, or in any manner attributable to any violation of any state or federal laws and regulations governing the disclosure of data by the COUNTY or collaborative members, including legal fees and disbursements paid or incurred to enforce the provision of this contract.

It is expressly agreed that the COUNTY, COUNTY's subcontractors, agencies participating in the LCTS, and other collaborative members are not members of or included within the welfare system for purposes of the Minnesota Government Data Practices Act solely as a result of this contract.



IN WITNESS WHEREOF, the parties have caused this contract to be duly executed intending to be bound thereby.

APPROVED:

**1. COUNTY – AITKIN COUNTY  
HEALTH AND HUMAN SERVICES**

By: \_\_\_\_\_

Title: Director

Date: \_\_\_\_\_

**2. MINNESOTA DEPARTMENT OF  
HUMAN SERVICES**

By: \_\_\_\_\_

Title: Director,  
Financial Operations Division

Date: \_\_\_\_\_

**3. COUNTY – AITKIN COUNTY  
BOARD OF COMMISSIONERS**

By: \_\_\_\_\_

Title: Chairperson

Date: \_\_\_\_\_

**4. COUNTY – AITKIN COUNTY  
ATTORNEY**

I certify that the signatories for the COUNTY have the lawful authority to bind the COUNTY to the terms of this contract.

By: \_\_\_\_\_

Title: Aitkin County Attorney

Date: \_\_\_\_\_