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Director

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**County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

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Board of Supervisors

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January 13, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO APPROVE AN AMENDMENT TO INCREASE THE MAXIMUM ANNUAL
CONTRACT AMOUNT FOR THE CAREGIVER AND YOUTH SUPPORT SERVICES
SOLE SOURCE CONTRACT WITH FOSTERING UNITY
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

SUBJECT

The Department of Children and Family Services (DCFS) seeks delegated authority to amend the Caregiver and Youth Support Services Sole Source Contract Number 23-0069 with Fostering UNITY to update the Statement of Work (SOW) and increase the Maximum Annual Contract amount exceeding 10 percent to accommodate the support for the Therapeutic Foster Home (TFH) program for county-wide expansion.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DCFS, or designee, to execute Caregiver and Youth Support Services Contract Amendment Three, substantially similar to Attachment A, to amend the contract to update the SOW and increase the Maximum Annual Contract amount by \$329,750.00, from \$297,500.00 to \$627,250.00, effective upon the amendment execution date through May 31, 2026. The funding increase is financed using 100 percent state funds.
2. Delegate authority to the Director of DCFS, or designee, to execute amendments to increase or decrease the Maximum Annual Contract Amount by over 10 percent per year during the term of the Contract to accept additional fund and accommodate any increase or decrease in service, provided that: (a) sufficient funding is available; (b) County Counsel approval is obtained prior to execution of such amendment(s); and (c) the Director of DCFS notifies the Board and the Chief Executive Office (CEO), in writing, within 10 business days of executing such amendment(s).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the Caregiver and Youth Support Services is to provide Los Angeles County DCFS a unique, multi-faceted support and retention model designed to provide relative and foster caregivers with mentoring services, continuing education, in-the-moment support, family strengthening for successful reunification and/or permanency, and improved outcomes for children and youth experiencing foster care. In addition, this program will provide real-time ongoing support as needed and will provide a 30-day, 60-day and 90-day follow-up engagement to assess additional support needs.

The recommended funding increase will enable the program to expand the support for Therapeutic Shelter Home (TSH) program county-wide up to 48 homes. The increase will allow the program to support the TSH program by preparing Resource Family Approval homes that meet TSH criteria and thus meeting full capacity to transition from congregate care Temporary Shelter Care Facility Program to TSH.

In addition, the budget increase will support the expansion of the program support services to the TFH program's caregivers and youth. The TFH program provides high complex needs' foster youth with individualized, therapeutic long-term placements. This program aims at cultivating compassionate, professional level caregivers who share the vision of keeping the highest level of care youth out of congregate care and in a nurturing, supporting home setting.

Finally, the budget increase will allow the program to continue to provide relative and foster caregivers with mentoring services, continuing education, in-the-moment support, family strengthening for successful reunification and/or permanency, and improved outcomes for children and youth experiencing foster care in the Family Urgent Response System Program and Placement Stability Team Program.

Without increasing the Maximum Annual Contract amount exceeding 10 percent, the County will not have sufficient services to strengthen connections, form positive relationships, increase reunification/promote permanency, increase caregiver retention and improve overall outcomes for children and youth in out-of-home care placements.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the Countywide Strategic Plan Goal North Star 1, Make Investments That Transform Lives, Focus Area Goal D, Support Vulnerable Populations and North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal F, Community Connections.

FISCAL IMPACT/FINANCING

The Maximum Annual Contract amount will increase by \$329,750.00, from \$297,500.00 to \$627,250.00, effective upon the amendment execution date through May 31, 2026. This funding increase will be financed using 100 percent state funds. The sufficient funding is included in the Department's Fiscal Year 2025-2026 Final Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 1, 2023, the California Department of Social Services (CDSS) issued an All County Letter 23-02 for Flexible Family Support (FFS) funding and DCFS submitted a proposal to access the FFS funds. Subsequently, on April 7, 2023, DCFS received from the CDSS to utilize the funds to contract with Fostering UNITY. In addition, CDSS' Contracts Section approved the multi-year sole source contract.

On January 1, 2024, DCFS executed the Caregiver and Youth Support Services contract with Fostering UNITY to provide caregivers and foster youth with direct support and services to establish connections, strengthen relationships and promote permanency.

On November 12, 2025, in accordance with Board Policy 5.100, Sole Source Contract and Amendments, and Board Policy 5.120, Authority to Approve Increases to Board Approved Contract Amounts, the Department notified the Board of its intent to request delegated authority to amend a sole source contract to update the SOW and increase the Maximum Annual Contract amount exceeding 10 percent.

This Board letter has been reviewed by County Counsel and the CEO. County Counsel has approved the amendment (Attachment A) as to form. The CEO has approved the Sole Source Checklist (Attachment B).

CONTRACTING PROCESS

This is a sole source contract based on approval from CDSS to utilize FFS funds to contract with Fostering UNITY.

CONTRACTOR PERFORMANCE

Fostering UNITY provides quality services as specified in the contract deliverables. They are timely, they meet contract requirements and submit required reports. Fostering UNITY sufficiently met the terms as stated in the contract's specifications and their staff conduct themselves in a professional manner. DCFS Program staff will continue to monitor the contractor's performance.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Caregiver and Youth Support Services contract provides critical support to caregivers and foster youth. The County will not have sufficient services to strengthen connections, form positive relationships, increase reunification/promote permanency, increase caregiver retention and improve overall outcomes for children and youth in out-of-home care placements. This program will continue to support and enhance the following DCFS programs:

Placement Stability Team: Current DCFS program that aims to stabilize youth in placement. Emphasizes relationship building and after hours support during behavioral and mental health crisis for difficult to place children/youth and high-risk behaviors.

Family Urgent Response System: Current DCFS program for current and former foster youth and their caregivers that aims at preventative placement disruption by preserving relationships and promoting stability.

Therapeutic Shelter Care Program: The Therapeutic Shelter Care Program aims to eliminate the need for group-setting shelter care by placing youth in individual foster homes that prioritize healing and resiliency skills. Fostering UNITY shall collaborate with contracted TSH Support Agencies to provide home recruitment, on demand intensive support, education, mentoring and service navigation to caregivers and youth participating in the program.

Therapeutic Foster Home Program: The TFH program is County approved Resources Family Homes (RFHs) that have been carefully selected and vetted by DCFS to provide permanent placements to youth 0-17 with significant and emotional challenges. These RFHs have further agreed to be part of the TFH program which provides high complex needs' foster youth with individualized, therapeutic long-term placements. This program aims at cultivating compassionate, professional level caregivers who share the vision of keeping the highest level of care youth out of congregate care and in a nurturing, supporting home setting.

CONCLUSION

Upon approval by the Board of Supervisors, it is requested that the Executive Officer/Clerk of the Board send an adopted stamped copy of this Board letter and attachments to the Department of Children and Family Services.

Respectfully submitted,



BRANDON T. NICHOLS

Director

BRANDON T.
NICHOLS
Director
BTN:LM:RT:KRLTI:J
S:MA:as

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES



AMENDMENT NUMBER THREE

TO

CAREGIVER AND YOUTH SUPPORT SERVICES

CONTRACT NUMBER 23-0069

WITH

FOSTERING UNITY

XXXX 2025

ASSISTANCE LISTING NUMBER (CFDA): N/A

**COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
AMENDMENT NUMBER THREE TO CAREGIVER AND YOUTH SUPPORT
SERVICES CONTRACT NUMBER 23-0069**

This Amendment Number Three ("Amendment") to the Caregiver and Youth Support Services Contract Number 23-0069, (hereinafter referred to as "Contract") is made and entered into by and between the County of Los Angeles ("County") and Fostering UNITY, ("Contractor"), located at 4649 Shannon View Road, Acton, CA 93510.

WHEREAS, the Contract was made and entered into by and between the County and Contractor on on January 1, 2024;

WHEREAS, this Amendment increases funding utilizing the Flexible Family Support funds, as authorized by California Department of Social Services All County Letter No. 23-02, to expand the support for the Therapeutic Foster Home Program for county-wide expansion. The funding increase is effective upon execution through May 31, 2026;

WHEREAS, this Amendment is prepared pursuant to the provisions set forth in Section 8.1 Changes and Amendments; and

NOW, THEREFORE, in consideration of the foregoing and mutual consent herein contained, County and Contractor hereby agree to amend the Contract as follows:

1. Section 5.0, CONTRACT SUM, Sub-section 5.1, Total Contract Sum, Sub-section 5.1.1 is revised as follows:

5.1.1 The Total Contract Sum for this Contract is \$1,222,250.

2. Section 5.0, CONTRACT SUM, Sub-section 5.1.1.2 is revised as follows:

5.1.1.2 The Maximum Annual Contract Amount, ~~effective for~~ June 1, 2025 through May 31, 2026, is ~~\$297,500~~ increased by \$329,750, from \$297,500 to \$627,250 (Exhibit C-2 C-3).

3. Section 8.0, STANDARD TERMS AND CONDITIONS, Sub-section 8.25.4 is revised as follows:

8.25.4 1) Sexual Misconduct Liability

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than ~~\$2 million~~ \$1 million per claim and ~~\$2 million~~ \$1 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of sexual nature.

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4. Exhibit A, Statement of Work is deleted in its entirety and replaced with Exhibit A-1 as attached to this Amendment.
5. Exhibit C-3, Line-Item Budget and Budget Narrative are incorporated into the Contract, as attached to this Amendment.
6. Exhibit M-1a, Auditor-Controller Contract Accounting and Administration Handbook is deleted in its entirety and replaced as attached to this Amendment.
7. Exhibit T-2, Contribution and Agent Declaration Form is added as attached to this Amendment.

**ALL OTHER TERMS AND CONDITIONS OF THE CONTRACT REMAIN
IN FULL FORCE AND EFFECT**

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SERVICES CONTRACT NUMBER 23-0069**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed on its behalf by the Director of the Department of Children and Family Services and the Contractor has caused this Amendment to be subscribed on its behalf by its duly authorized officer(s) as of the day, month and year first above written. The person(s) signing on behalf of the Contractor warrants under penalty of perjury that he or she is authorized to bind the Contractor in this Amendment. This Amendment may be executed in separate counterparts and may be delivered by electronic facsimile; each counterpart, when executed and delivered, shall constitute a duplicate original but all counterparts together shall constitute a single agreement.

COUNTY OF LOS ANGELES

CONTRACTOR

Fostering UNITY

By: _____
BRANDON T. NICHOLS, DIRECTOR
Department of Children and Family Services

By: _____ Date: _____

Name: _____

Title: _____

Tax Identification Number

APPROVED AS TO FORM:
BY THE OFFICE OF COUNTY COUNSEL
DAWYN R. HARRISON
County Counsel

By: _____
David Beaudet, Senior Deputy County Counsel

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EXHIBIT A-1

COUNTY OF LOS ANGELES

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

CAREGIVER AND YOUTH SUPPORT SERVICES

STATEMENT OF WORK AND EXHIBITS



Date of Execution 2025

**COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
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EXHIBITS:

EXHIBIT A-1: Performance Requirement Summary
EXHIBIT A-2: Corrective Action Plan
EXHIBIT A-3: Monthly Virtual Support Meeting Log
EXHIBIT A-4: Placement Stability Team (PST) Service Log
EXHIBIT A-5: Family Urgent Response System (FURS) Service Log
EXHIBIT A-6: Placement Stability Team (PST) Information Focus Meeting Log/
Recruitment Log
EXHIBIT A-7: Family Urgent Response System (FURS) Release of Information Form
EXHIBIT A-8: Therapeutic Shelter Home (TSH) Service Log
EXHIBIT A-9: Caregiver Advocacy and Resource Educator (C.A.R.E.) Call Log
EXHIBIT A-10: Therapeutic Foster Home (TFH) Service Log

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1 PREAMBLE

For nearly a decade, the County has collaborated with its community partners to enhance the capacity of the health and human services system to improve the lives of children and families. These efforts require, as a fundamental expectation, that the County's contracting partners share the County and community's commitment to provide health and human services that support achievement of the County's vision, goals, values, and adopted outcomes. Key to these efforts is the integration of service delivery systems and the adoption of the Customer Service and Satisfaction Standards.

The County of Los Angeles' Vision is to improve the quality of life in the County by providing responsive, efficient, and high quality public services that promote the self-sufficiency, well-being, and prosperity of individuals, families, businesses, and communities. This philosophy of teamwork and collaboration is anchored in the shared values of:

- | | |
|-------------------|-------------------------|
| ▶ Responsiveness | ▶ Integrity |
| ▶ Professionalism | ▶ Commitment |
| ▶ Accountability | ▶ A Can-Do Attitude |
| ▶ Compassion | ▶ Respect for Diversity |

These shared values are encompassed in the County's Strategic Plan, which includes the five following goals: 1) Service Excellence, 2) Workforce Excellence, 3) Organizational Effectiveness, 4) Fiscal Responsibility, and 5) Children and Families' Well-Being. Improving the well-being of children and families requires coordination, collaboration, and integration of services across functional and jurisdictional boundaries, by and between County departments/agencies, and community and contracting partners.

The basic conditions that represent the well-being we seek for all children and families in Los Angeles County are delineated in the following five outcomes, adopted by the Board of Supervisors in January 1993.

- Good Health;
- Economic Well-Being;
- Safety and Survival;
- Emotional and Social Well-Being; and
- Education and Workforce Readiness.

Recognizing no single strategy - in isolation - can achieve the County's outcomes of well-being for children and families, consensus has emerged among County and community leaders that making substantial improvements in integrating the County's health and human services system is necessary to significantly move toward achieving these outcomes. The County has also established the values and goals for guiding this effort to integrate the health and human services delivery system.

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- Families are treated with respect in every encounter they have with the health, educational, and social services systems.
- Families can easily access a broad range of services to address their needs, build on their strengths, and achieve their goals.
- There is no “wrong door”: wherever a family enters the system is the right place.
- Families receive culturally relevant services tailored to their unique situations and needs.
- Service providers and advocates involve families in the process of determining case plans, and proactively provide families with coordinated and comprehensive information, services, and resources.
- The County service system is flexible, able to respond to service demand for both the Countywide population and specific population groups.
- The County service system acts to strengthen communities, recognizing that just as individuals live in families, families live in communities.
- In supporting families in communities, County agencies work seamlessly with public and private service providers, community-based organizations, and other community partners.
- County agencies and their partners work together seamlessly to demonstrate substantial progress towards making the system more strength-based, family-focused, culturally sensitive, accessible, user-friendly, responsive, cohesive, efficient, professional, data-driven, and accountable.
- County agencies and their partners focus on administrative and operational enhancements to optimize the sharing of information, resources, and best practices while also protecting the privacy rights of families.
- County agencies and their partners pursue multi-disciplinary service delivery, a single service plan, staff development opportunities, infrastructure enhancements, customer service and satisfaction evaluation, and revenue maximization.
- County agencies and their partners create incentives to reinforce the direction toward service integration and a seamless service delivery system.
- The County human service system embraces a commitment to the disciplined pursuit of results accountability across systems. Specifically, any strategy designed to improve the County human services system for children and families should ultimately

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be judged by whether it helps achieve the County's five outcomes for children and families: good health, safety and survival, economic well-being, social and emotional well-being, and education and workforce readiness.

The County, its clients, contracting partners, and the community are working together to develop practical ways to make County services more accessible, customer friendly, better integrated, and outcome-focused. Several departments have identified shared themes in their strategic plans for achieving these goals including: making an effort to become more consumer/client-focused; valuing community partnerships and collaborations; emphasizing values and integrity; and using a strengths-based and multi-disciplinary team approach. County departments are also working to provide the Board of Supervisors and the community with a better understanding of how resources are being utilized, how well services are being provided, and what are the results of the services: is anyone better off?

The County of Los Angeles health and human service departments and their partners are working together to achieve the following ***Customer Service and Satisfaction Standards*** in support of improving outcomes for children and families.

Personal Service Delivery

The service delivery team – staff and volunteers – shall treat customers and each other with courtesy, dignity, and respect.

- Introduce themselves by name
- Listen carefully and patiently to customers
- Be responsive to cultural and linguistic needs
- Explain procedures clearly
- Build on the strengths of families and communities

Service Access

Service providers shall work proactively to facilitate customer access to services.

- Provide services as promptly as possible
- Provide clear directions and service information
- Outreach to the community and promote available services
- Involve families in service plan development
- Follow-up to ensure appropriate delivery of services

Service Environment

Service providers shall deliver services in a clean, safe, and welcoming environment, which supports the effective delivery of services.

- Ensure a safe environment
- Ensure a professional atmosphere
- Display vision, mission, and values statements
- Provide a clean and comfortable waiting area

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- Ensure privacy
- Post complaint and appeals procedures

The basis for all County health and human services contracts is the provision of the highest level of quality services that support improved outcomes for children and families. The County and its contracting partners must work together and share a commitment to achieve a common vision, goals, outcomes, and standards for providing services.

2 OVERVIEW

The County of Los Angeles Department of Children and Family Services (DCFS) shall utilize Flexible Family Supports (FFS) and Home-Based Foster Care funding as approved by California Department of Social Services (CDSS).

FOSTERING UNITY shall provide Los Angeles County DCFS a unique, multi-faceted support and retention model designed to provide post Resource Family Approval (RFA) approval kinship and foster caregivers with mentoring services, continued education, in-the-moment support, family strengthening for successful reunification and/or permanency, and improved outcomes for children and youth experiencing foster care.

2.1 Organizational Background

FOSTERING UNITY was officially established in May of 2020, and was created by executive leadership bringing over 30 years of combined professional experience to the organization. FOSTERING UNITY is a mission-driven nonprofit, which cultivates community relationships to improve relative and non-relative caregiver support and retention, and placement stability outcomes for youth in foster care.

Our team is comprised of individuals who reflect the diversity seen within our community of caregivers and youth. Our organization prioritizes hiring individuals who bring lived experience and a passion to serve others. This makes us relatable, trustworthy, and relevant to the needs of our community. We actively listen to the voice of caregivers and youth so that we can successfully provide real time support, effective advocacy, and intentional programming to meet the needs of caregivers and youth throughout their journey.

FOSTERING UNITY is strongly dedicated to enhancing the well-being of caregivers and youth through the integration of their viewpoints into our range of services. Our team is characterized by its diversity, comprised of individuals who possess firsthand insights as former foster youth, resource parents, as well as members from historically underserved and marginalized communities, encompassing both people of color and LGBTQ+ community members.

FOSTERING UNITY provides relative and non-relative resource parents, reunifying biological families, youth in out-of-home placement, and community service partners a unique, one-door service delivery model offering real-time

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caregiver support, enhanced education, and resource navigation. The resource families and reunifying families of the 20,000+ foster children in Los Angeles County feel uniquely supported and empowered to meet the daily challenges of parenting through the support of FOSTERING UNITY's specialized programs and service delivery model.

FOSTERING UNITY services include real-time support through our C.A.R.E. Line (213-269-0000), referral-based mentoring and caregiver support, resource navigation, youth mentoring, and a tailored educational and outreach model intended to improve youth outcomes and placement stability. Our direct support team includes highly trained Case Managers, who are overseen by a Licensed Clinical Psychologist.

3 SCOPE OF WORK

3.1 Placement Stability Team (PST) Recruitment Collaboration

FOSTERING UNITY shall collaborate with the PST to recruit, support, and educate qualified caregivers on placement resources for complex needs youth. Based on identified needs, the PST referred families shall be offered varying levels of program support, education, resources, and mentoring by a trained Case Manager to preserve placement and improve outcomes

- 3.1.1** FOSTERING UNITY shall actively engage and identify a minimum of 12-caregivers who express interest in the PST program to participate in informational focus group meetings. Caregiver recruitment shall be done countywide.
- 3.1.2** FOSTERING UNITY shall engage and connect with potential caregivers. Active outreach efforts shall be carried out through various channels. These channels include but are not limited to the private caregiver Facebook page, the monthly newsletter provided by FOSTERING UNITY, and a database list server.
- 3.1.3** FOSTERING UNITY shall schedule and co-host informational focus groups that provide caregivers with specific details and expectations regarding the Placement Stability Program.
- 3.1.4** FOSTERING UNITY, along with the DCFS PST Lead or designee, shall co-host a PST Informational Focus Group on a quarterly schedule or as requested by the DCFS PST Lead based on placement needs.
- 3.1.5** FOSTERING UNITY shall employ proactive measures and maintain timely communications with the DCFS PST Lead. Following the focus groups, the FOSTERING UNITY Project Manager shall share meeting data with the PST Lead. This data shall include registration information, recruiting modality, meeting recordings (if available), and additional virtual meeting data and content.

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- 3.1.6** FOSTERING UNITY's Project Manager shall provide this virtual meeting data within five business days after the focus group has taken place.
- 3.1.7** FOSTERING UNITY shall complete the PST Information Focus Meeting/Recruitment Log (Exhibit A-6) and submit it by the 15th of every month as part of the Monthly Service Report as indicated in Section 8.1 of this document.

3.2 PST Caregiver and Youth Support Collaboration

Active PST families shall receive ongoing support from FOSTERING UNITY, aimed at enhancing the well-being and stability of the placement. The PST/FOSTERING UNITY collaboration offers comprehensive family-strengthening support to improve placement stability and caregiver retention. FOSTERING UNITY shall provide PST families with the following enhanced services:

- 3.2.1** FOSTERING UNITY shall provide enhanced resource and program navigation. Caregivers shall receive guidance and assistance in identifying and accessing resources and programs that best meet the unique needs of youth. This service aims to alleviate the stress of navigating the system, enabling caregivers to provide the required support more effectively to youth.
- 3.2.2** FOSTERING UNITY shall hold a weekly support group with specialized topics. Caregivers enrolled in the PST Program shall have access to a weekly support group facilitated by a FOSTERING UNITY Case Manager who is overseen by a Licensed Clinical Psychologist with high-need placements (M.A., Psy.D.). These support group sessions focus on specialized topics relevant to the specific challenges and experiences caregivers face in such placements. The support group provides a safe and confidential space for caregivers to share their experiences, receive guidance, and learn from professionals and fellow caregivers, fostering a supportive community.
- 3.2.3** FOSTERING UNITY shall provide heightened assistance to the PST caregivers and youth. The PST Children's Social Worker (CSW) shall take on primary responsibility for delivering continuous support to families and youth. FOSTERING UNITY's services shall be supplementary in the form of caregiver support and youth mentoring. Assistance may involve quarterly scheduled check-ins to foster stability in placements and retain caregivers. These check-ins serve as valuable opportunities to assess the well-being of the youth, address any concerns or difficulties they may be encountering, and provide guidance and support as required. The program shall cultivate a secure and nurturing environment for the youth under their care.
- 3.2.4** FOSTERING UNITY shall include enhanced practices for all caregivers relating to best practices of working with LGBTQ+ youth and young adults.

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This includes knowledge and data related to LGBTQ+ youth who experience rejecting behaviors versus accepting and affirming behaviors.

- 3.2.5** FOSTERING UNITY shall complete the PST Service Log (Exhibit A4) and submit it by the 15th of every month as part of the Monthly Service Report as indicated in Section 8.1.

3.3 Family Urgent Response System (FURS) Engagement and Support Programs

- 3.3.1** FOSTERING UNITY shall provide family-strengthening services that include support, education, resource navigation, and peer mentoring designed to meet the unique needs of the family or youth referred through FURS.
- 3.3.2** FOSTERING UNITY shall provide support and resources to caregivers and youth referred by FURS. Any member of the DCFS FURS Team can make referrals to FOSTERING UNITY via E-Mail. Once the referral is received, FOSTERING UNITY shall make initial contact with the caregiver within 12 to 24 hours during regular business hours. However, the initial contact turnaround time is extended to 24 to 48 hours if the referral is received after normal business hours on a Friday.
- 3.3.3** FOSTERING UNITY shall ensure that the FURS Consent to Release Information (Exhibit A-7) is signed by the client and adequately filed before commencing services.
- 3.3.4** FOSTERING UNITY shall forward all FURS referrals to FOSTERING UNITY's designated staff lead or designee. The referral email should include specific details about the FURS assessment, the family's contact information (including primary phone number and email), and the contact information of the family and/or youth's social worker. The referring party should include all relevant information that can facilitate providing tailored services.
- 3.3.5** FOSTERING UNITY shall provide individualized support to the caregiver based on the family's unique needs. Services may include check-in calls to ensure placement stability and caregiver retention and to assess any additional needs of the youth and family. Check-in shall take place at a 30-day, 60-day, and 90-day intervals.
- 3.3.6** FOSTERING UNITY shall provide Youth Mentoring Services to FURS referred families. Youth Mentoring is a program intended to support relationship building and improve independent skills and academic success as youth participate in one-one and virtual support focused on life skills development and financial literacy training.
- 3.3.7** FOSTERING UNITY shall complete the FURS Service Log (Exhibit A5) and submit it by the 15th of every month as part of the Monthly Service Report

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as indicated in Section 8.1 of this document.

3.4 Therapeutic Shelter Care (TSH) Program

The Therapeutic Shelter Care Program aims to eliminate the need for group-setting shelter care by placing youth in individual foster homes that prioritize healing and resiliency skills. FOSTERING UNITY shall collaborate with contracted TSH service providers to provide recruitment, on-demand intensive support, education, mentoring, and service navigation to caregivers and youth participating in the program.

- 3.4.1** FOSTERING UNITY shall activate services immediately upon placement for caregivers participating in the TSH program. This innovative collaborative model ensures that intensive family support is available in real time to address any needs concerning the youth. The support team shall assist with tasks such as assisting with appropriate school placement, linking transportation needs, caregiver and youth mentor support, and any other necessary responsibilities to promote the well-being and success of the family.
- 3.4.2** FOSTERING UNITY aims to facilitate a quicker transition for youth into a home, thereby reducing the waiting time for placement in a DCFS office or similar location.
- 3.4.3** FOSTERING UNITY shall complete the TSH Service Log (Exhibit A-8) and submit it by the 15th of every month as part of the Monthly Service Report as indicated in Section 8.1 of this document.

3.5 Therapeutic Foster Home (TFH) Program

The TFH Program consists of County approved Resources Family Homes (RFH) that have been carefully selected and vetted by DCFS to provide permanent placements to youth ages 0-17 with significant and emotional challenges. These RFH homes have further agreed to be part of the TFH Program, which provides high complex needs foster youth with individualized, therapeutic long-term placements. This program aims at cultivating compassionate, professional level caregivers who share the vision of keeping the highest level of care youth out of congregate care and in a nurturing, supporting home setting.

- 3.5.1** FOSTERING UNITY shall collaborate with the County Program Manager (CPM) to recruit and identify potential TFH foster parents. Caregiver recruitment shall be countywide.
- 3.5.2** FOSTERING UNITY shall provide on-demand, intensive support, education, mentoring, and service navigation to caregivers and youth participating in the program.
- 3.5.3** FOSTERING UNITY shall activate services immediately upon placement for caregivers participating in the TFH Program. This innovative collaborative model ensures that intensive family support is available in real time to address any needs concerning the youth. The support team shall

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assist with tasks such as assisting with appropriate school placement, linking transportation needs, caregiver and youth mentor support, and any other necessary responsibilities to promote the well-being and success of the family.

- 3.5.4 FOSTERING UNITY shall facilitate a weekly caregiver support group specific to the TFH participants. Weekly meetings shall include but are not limited to, check-ins, providing essential training, peer support, and trauma-informed discussions
- 3.5.5 FOSTERING UNITY shall facilitate monthly caregiver trainings that include, but are not limited to, mental and behavioral health, de-escalation, and trauma.
- 3.5.6 FOSTERING UNITY shall complete the TFH Service Log (Exhibit A-10) and submit it by the 15th of every month as part of the Monthly Service Report as indicated in Section 8.1 of this document. The TFH Service Log should include, but is not limited to, the number of homes being serviced, the encounters per home, and data to support the effectiveness of services.
- 3.5.7 FOSTERING UNITY shall make available the C.A.R.E. Line to the caregivers and youth participating in the TFH Program and as detailed on section 3.6 of this SOW.
- 3.5.8 FOSTERING UNITY shall make available a Weekly Virtual Caregiver Support Meeting and a Weekly Virtual Youth Support Meeting to the caregivers and youth participating in the TSH program and as detailed on section 3.7 and 3.8 of this SOW.
- 3.5.9 FOSTERING UNITY shall assign a Case Manager to each TFH home for mentorship, on-call support, guidance on navigating DCFS systems.
- 3.5.10 FOSTERING UNITY shall make available mentoring services to the youth placed in a TFH. Mentoring services shall be intended to support relationship development, goal-setting, life skills, LGBTQ+ support, and access to resources.

3.6 C.A.R.E. Line: Caregiver Advocacy and Resource Educator

FOSTERING UNITY shall provide a real time C.A.R.E. Line specifically designed to provide real time support to the unique needs of relative and non-relative resource parents throughout LA County. The C.A.R.E. Line program offers peer-to-peer caregiver support, resource navigation, and de-escalation mentoring to support caregivers through difficult situations and ensure placement stability. This support system shall mitigate concerns before they reach a crisis point or become a placement disruption. FOSTERING UNITY promotes, encourages, and assists caretakers to also utilize the DCFS Warm Line when applicable. The FOSTERING UNITY C.A.R.E. Line number is 213-269-0000.

- 3.6.1 FOSTERING UNITY shall identify a Program Manager or designee to

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receive incoming calls.

- 3.6.2 During business hours, the designated staff shall answer all voicemails left on the same business day.
- 3.6.3 During non-business hours, voicemails shall be answered within 24-48 hours.
- 3.6.4 Business hours are identified as Monday-Friday from 8am-5pm. FOSTERING UNITY is closed during Federal and State holidays and weekends.
- 3.6.5 Calls shall be assessed and answered based on urgency, potential placement disruption, and caregiver retention risk.
- 3.6.6 FOSTERING UNITY shall maintain call back logs for all calls coming into the C.A.R.E. Line related to PSD, FURS, TSH, and TFH. Call logs shall be reported on EXHIBIT A9 as part of the Monthly Service Report as indicated in Section 8.1.

3.7 Weekly Virtual Caregiver Support Meetings

FOSTERING UNITY shall host weekly virtual support meetings for caregivers. The meetings shall be one hour in duration. Skilled facilitators shall host all virtual meetings, ensuring that conversations are redirected when necessary, maintaining a safe and respectful environment for all participants.

- 3.7.1 Weekly virtual meeting shall include Coffee with Caregivers. This meeting is open to all relative, non-relative, and adoptive families and serves as an additional layer of support for caregivers participating in the PST Program. These weekly virtual meetings offer caregiver support and resource sharing. Whether participants want to talk, listen, or just sip their coffee, listening and sharing with other shall be a bonus.
- 3.7.2 Weekly virtual meetings shall include Trauma-Informed, Healing, Resources, Inspiring, Validation, Empowering (T.H.R.I.V.E) meetings. This meeting is a dedicated support group designed for TFH caregivers.
- 3.7.3 Weekly virtual meetings shall include Empower Hour. This meeting is a dedicated support group designed for TSH caregivers
- 3.7.4 FOSTERING UNITY shall establish protocols to inform caregivers about any alterations to the usual meeting schedule during holiday closures.
- 3.7.5 FOSTERING UNITY shall notify the caregiver community about all virtual meetings by posting updates on their private caregiver Facebook page, sharing information through their database list server, and updating their website accordingly.
- 3.7.6 FOSTERING UNITY shall report on details of all support meetings on a monthly basis given the approved format on Monthly Virtual Support Meeting & Podcast Log (Exhibit A-3) as indicated in Section 8.1 of this

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document.

3.8 Weekly Virtual Youth Support Meetings (ages 12-21)

FOSTERING UNITY shall host a weekly virtual support-mentoring meeting specifically for youth ages 12-21 years old.

3.8.1 Tomorrow's About You (TAY) weekly meetings provide a safe and supportive environment where youth can acquire essential life skills, gain financial literacy, and proactively plan for their transition into adulthood, all while fostering lifelong connections.

3.8.2 TAY Weekly virtual support meetings primarily cater to youth participating in mentoring services, but youth not receiving those services that choose to participate in these meetings are welcome.

3.8.3 TAY weekly virtual meetings shall be led by the Case Manager, overseen by a Licensed Clinical Psychologist

3.8.4 FOSTERING UNITY shall evaluate the need of expansion of the existing TAY meeting to serve interested youth's wide age range best.

3.8.5 FOSTERING UNITY shall report on details of all support meetings monthly given the approved format on Monthly Virtual Support Meeting Log (Exhibit A-3) as indicated in Section 8.1 of this document.

3.9 Data Development

3.9.1 FOSTERING UNITY must track the demographics of involved caregivers, youth and families served, including race, ethnicity, sexual orientation, gender identity and other relevant factors.

3.9.2 FOSTERING UNITY must utilize specified and data-driven outcomes to measure program success and challenges, including number of placements, placement stay length, and participation in services, permanency and other measurable outcomes.

4 SERVICE DELIVERY SITES/HOURS/BUSINESS OPERATIONS

4.1 All CONTRACTOR services shall be virtual unless the caregiver specifies a preference for in-person services at which time a mutually agreed location shall be determined.

4.2 CONTRACTOR'S business hours are defined as Monday–Friday 8:00am-5:00pm, except Federal and State holidays and weekends.

4.3 The CONTRACTOR shall maintain a business address and phone contact number where the CONTRACTOR conducts business.

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5 QUALITY CONTROL

- 5.1** The Contractor shall develop a Quality Assurance Plan (QAP) within 90 days from the start of contract to assure the requirements of the contract are met. The original QAP and any revisions thereto shall include, but not be limited to, the following:
 - 5.1.1** Methods used to ensure that the quality of service performed fully meets the performance requirements set forth in the Statement of Work and Performance Requirements Summary (Attachment 1). Contractor shall include methods for identifying and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.
 - 5.1.2** CONTRACTOR shall not utilize any employee or subcontractor whose work has been deemed deficient and unacceptable by the County Program Manager (CPM).
- 5.2** The CPM, or other personnel authorized by the County, shall monitor Contractor's performance under this contract using the quality assurance procedures specified in this Statement of Work and the Performance Requirements Summary (Attachment 1).

6 COUNTY RESPONSIBILITIES

The County's and the Contractor's responsibilities are as follows:

6.1 Personnel

The County shall provide a Program Manager (CPM) to coordinate the delivery of the services of this contract with the Contractor's Director of Programs and Community Relations.

- 6.1.1** The CPM or designated alternate shall have full authority to monitor Contractor's performance in the day-to-day operation of this contract.
- 6.1.2** The CPM shall provide direction to Contractor in areas relating to DCFS policy, information and procedural requirements.
- 6.1.3** County's Program Manager, responsible for daily management of CONTRACT operation and overseeing monitoring activities.
- 6.1.4** The CPM is not authorized to make any changes in the terms and conditions of this contract and is not authorized to obligate the County in any way whatsoever beyond the terms of this contract.

7 CONTRACTOR RESPONSIBILITIES

Contractor's responsibilities are as follows:

7.1 General Responsibilities

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- 7.1.1** Contractor is required to attend a scheduled quarterly meeting with DCFS Program Manager(s) or designee.
- 7.1.2** Verbal notification of a Contract discrepancy shall be made to the Contract Project Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.
- 7.1.3** The County Contract Project Monitor shall determine whether a formal Contract Discrepancy Report (CDR) shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County Contract Project Monitor within 3 workdays, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the CDR shall be submitted to the County Contract Project Monitor within 3 workdays.
- 7.1.4** Contractor shall designate a Director of Programs and Community Relations responsible for daily management of Contract operation and overseeing the work to be performed by Contractor as defined in this Statement of Work.
- 7.1.5** Contractor's Director of Programs and Community Relations shall be responsible for Contractor's day-to-day activities as related to this contract and shall coordinate with County Program Manager on a regular basis.
- 7.1.6** The Director of Programs and Community Relations shall not schedule or conduct any meetings or negotiations under this contract on behalf of the County or DCFS.
- 7.1.7** Contractor shall ensure that criminal clearance and background checks are conducted and maintained for all of Contractor's staff and volunteers, in accordance with all applicable local, state, and federal laws and regulations. A criminal clearance waiver received from the California Department of Social Services Community Care Licensing Division (CCL) shall be accepted. The cost of such criminal clearances and background checks is the responsibility of Contractor, regardless of whether Contractor's staff/volunteers pass or fail the background and/or criminal clearance investigation.
- 7.1.8** Contractor shall obtain and maintain copies of professional licenses for applicable staff.
- 7.1.9** Contractor shall obtain and maintain evidence of entitlement to work in the United States in accordance with the provisions of the Immigration Reform and Control Act.
- 7.1.10** Contractor shall ensure that all personnel performing services under this contract are able to read, write, speak, and understand English. In addition to having competency in English, the Contractor shall ensure there is sufficient number of Spanish bi-lingual staff to meet the language needs of the community served.
- 7.1.11** Contractor shall ensure all professional staff providing services are committed

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to creating a space of accountability, where equity is the state of mind, biases are checked that effectively respond to differences within the community Contractor proposes to provide services.

- 7.1.12** Tuberculosis (TB) Screening Test Contractor shall ensure that all personnel performing services under this CONTRACT are administered a Mantoux PPD Test/chest x-ray not more than one year prior to commencing work under this contract, and annually thereafter for the duration of the contract. Contractor shall maintain copies of TB test results in each employee's personnel folder. Any employee who is skin test positive must be examined by a physician and found to be free of communicable tuberculosis (i.e., chest x-ray) prior to commencing work under this contract.
- 7.1.13** Contractor shall secure and maintain staff in adequate numbers with sufficient education, experience and expertise to successfully operate the program in compliance with the requirements of this SOW.
- 7.1.14** Contractor shall not discriminate on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability or HIV status is prohibited in the California Foster care system.
- 7.1.15** Contractor shall ensure their employees are appropriately identified with Contractor's Staff Identification.
- 7.1.16** The purchase of all materials/equipment to provide the needed services is the responsibility of the Contractor. Contractor shall use materials and equipment that are safe for the environment and safe for use by the employee
- 7.1.17** Contractor shall provide training programs for all new employees and continuing in-service training for all employees.
- 7.1.18** All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to OSHA standards.

7.2 Program Staff

Contractor program staff shall include but not be limited following positions and minimum qualifications:

7.2.1 Executive Director

Executive Director is responsible for the overall management and strategic direction of Contractor. This key role involves overseeing program operations, fundraising, financial management, and community engagement efforts to ensure the organization fulfills its mission of supporting and improving the lives of vulnerable children and families. The Executive Director works closely with the board of directors, leads a dedicated team, and collaborates with stakeholders to advocate for the rights and well-being of children, implement effective programs, and drive positive change in the field of child welfare. The executive Director should hold the following minimal qualifications:

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- A bachelor's degree in a relevant field such as social work, psychology, child development, non-profit management, or a related discipline (Master's degree preferred)
- Experience in non-profit management: Prior experience in a leadership role within a non-profit organization.
- Knowledge of child welfare: A deep understanding of child welfare issues, policies, and best practices is essential. This includes familiarity with child protection, foster care, adoption, family support services, and relevant laws and regulations.
- Fundraising and financial management: Fundraising and financial management experience to sustain operations. Experience in fundraising, grant writing, budgeting, and financial oversight.
- Leadership and management skills: Strong leadership qualities, including the ability to inspire and motivate staff, collaborate with stakeholders, and make strategic decisions. Effective communication, organizational skills, and the ability to manage resources and personnel.
- Advocacy and community engagement: skilled in advocating for the needs of children and families and engaging with the community. Experience in building partnerships, networking, and influencing public opinion.
- Ethical standards and cultural competence: A commitment to ethical practices, cultural competence, and sensitivity to diverse populations.
- Knowledge of legal and regulatory frameworks: Familiarity with relevant laws, regulations, and compliance requirements related to child welfare, non-profit governance, and human service.
- Board relations and governance: Experience working with a board of directors and understanding the principles of non-profit governance. The ability to collaborate with the board, provide regular reports and updates, and support strategic decision-making.
- Passion and dedication: A genuine passion for child welfare and a strong commitment to making a positive impact on the lives of children and families.

7.2.2 Director of Operations

The Director of Operations plays a critical role in the effective and efficient functioning of a nonprofit organization. This position is responsible for overseeing the operational aspects of the organization, ensuring smooth day-to-day operations, and supporting the achievement of the organization's mission and goals. The Director of Operations collaborates closely with the executive team, providing strategic guidance and operational expertise to drive organizational success. Director of Operations should meet the following minimum qualifications:

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- Bachelor's degree in business administration, operations management, or a related field (Master's degree preferred).
- Minimum of 8 years of experience in operations management, preferably in the nonprofit sector or a related field.
- Proven track record of successfully leading and managing operations, including strategic planning, budgeting, and resource management.
- Strong analytical and problem-solving skills, with the ability to make data-driven decisions.
- Excellent leadership and team management abilities, with a demonstrated commitment to staff development and empowerment.
- Exceptional interpersonal and communication skills, with the ability to build and maintain relationships with diverse stakeholders.
- Knowledge of nonprofit operations, fundraising, and grant management is highly desirable.
- Passion for social impact, youth development, and community engagement.

7.2.3 Licensed Clinical Project Manager

The Clinical Program Manager is responsible for managing all aspects of specialized partner programs and overseeing education, support and resource navigation for relative and non-relative families and the children/youth in placement who have been identified as at risk for placement disruption. Licensed Clinical Project Manager should hold the following minimum qualifications:

- Master's degree or higher in psychology, mental or behavioral health, or similar discipline required
- Completion of professional training, including professional licensure or license eligible preferred (LMFT/LCSW/LPCC/PsyD)
- Minimum four years' experience providing community based individualized support and services to families.
- Minimum two years' experience in program development and management
- Excellent written and verbal communication skills.
- Ability to stay organized while multi-tasking in a fast-paced environment.
- Exceptional attention to detail and focus on quality.
- Eagerness to work with a passionate, mission-focused team

7.2.4 Program Manager

The Project Manager plays a vital role in overseeing and coordinating projects

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focused on promoting unity and support within the foster care system. This position involves managing project timelines, resources, and stakeholders to ensure successful implementation and achievement of project objectives. The Project Manager collaborates with a diverse range of stakeholders, including foster families, child welfare agencies, community organizations, and government entities, to facilitate effective communication, collaboration, and the delivery of high-quality services. Licensed Clinical Project Manager should hold the following minimal qualifications:

- Bachelor's degree required.
- Two to five years of full-time experience in program and/or project management, and/or donor development, or a related field.
- Commitment to the values of public service; the mission of CONTRACTOR; and diversity, equity, and inclusion.

7.2.5 CONTRACTOR's Case Managers

Under the supervision of the Clinical Director, Case Managers will be a crucial part of our team, providing case management and support services to families and youth experiencing foster care at all stages of their journey. This role requires ongoing communication and collaboration with the Clinical Director and other Fostering UNITY program staff to provide comprehensive care and coverage. This position requires a dedicated, organized, and proactive individual who can effectively manage caseloads, referrals, and services to promote caregiver retention and placement stability. Delivery of services will be individualized to family needs, using trauma-informed practices, cultural sensitivity, and an understanding of the unique needs of our child welfare community

Case Managers have the preferred qualifications of a BA/BS degree, preferably in a human service-related field.

Case Managers have the following - Qualifications:

- Extend acceptance to all, despite previous experiences, personal judgements, and bias
- Must comply with all data and reporting timelines with accuracy and consistency
- Experience in social services in community settings with caregiver and foster youth preferred
- Ability to work with diverse populations and serve youth with diverse economic, social, racial, and cultural backgrounds
- Knowledgeable about local community resources
- Ability to establish and maintain personal and programmatic boundaries while providing supportive services.
- Strong interpersonal skills and the ability to relate to individuals who may

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not share basic commonality, including value systems and behavior norms

- Experience in working with culturally diverse communities and families, with the ability to be culturally sensitive and appropriate
- Skill to maintain a professional and confidential work environment and professionally participate in team meetings
- Knowledge of child abuse issues, substance abuse and/or child development and behavior.

8 REPORTS AND RECORD KEEPING

8.1 The contractor shall provide the County with a monthly service report for the previous month but the 15th of the month indicating the work and activities performed. This report should include the following reports and/or information included within these reports:

8.1.1 EXHIBIT A-2: Corrective Action Plan, if applicable

8.1.2 EXHIBIT A-3: Monthly Virtual Support Meeting Log

8.1.3 EXHIBIT A-4: Placement Stability Team (PST) Service Log

8.1.4 EXHIBIT A-5: Family Urgent Response System (FURS) Service Log

8.1.5 EXHIBIT A-6: Placement Stability Team (PST) Information Focus Meeting/ Recruitment Log

8.1.6 EXHIBIT A-8: Therapeutic Shelter Home (TSH) Service Log

8.1.7 EXHIBIT A-9: Caregiver Advocacy and Resource Educator (C.A.R.E) Call Log

8.1.8 EXHIBIT A-10: Therapeutic Foster Home (TFH) Service Log

8.2 Contractor shall keep records of services that were provided, as well as the dates, agendas, sign-in sheets, and minutes of all meetings.

8.3 Contractor shall be available for technical reviews as requested by the COUNTY Program Manager.

8.4 Contractor shall resolve grievances and appeals by families within five (5) working days of receipt.

8.5 Contractor shall utilize involvement of children/youth, caretakers and community stakeholders in the evaluation and monitoring of the quality and effectiveness of the program on a monthly basis

8.6 The contractor shall cooperate with County in the collection of data by DCFS related to the program goals specified herein. The data to be collected should evaluate the link between Contractor's services delivered, caregiver retention and

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placement stability. The data analysis should include consideration of barriers that may have interfered with the performance and outcome goals that would have otherwise improved them.

9 DEFINITIONS

The following words as used herein shall be construed to have the following meanings, unless otherwise apparent from the context in which they are used:

- 9.1** Caregivers shall be defined as anyone caring for a child or youth, in their home, on a consistent basis.
- 9.2** Children's Social Worker (CSW) – The Representative who works with the family who is receiving services from the Department of Children and Family Services. Means an employee of Department of Children and Family Services (DCFS) who performs a wide range of professional casework services for children and families receiving services from DCFS.
- 9.3** CONTRACTOR – Means fully passed all DCFS requirements to meet the need of the TSCF Children placed in their TSCF.
- 9.4** Contractor Program Director (CPD) – Means the Contractor's designated staff person who shall be responsible for daily management of Contract operations and overseeing the work to be performed by Contractor as defined in this TSCF SOW.
- 9.5** Corrective Action Plan (CAP) – Means a written commitment by Contractor to remedy its performance deficiencies under the Contract.
- 9.6** County Program Manager (CPM) – Means the County's designated staff person who shall be responsible for administering this contract and the daily management of this Contract's operations, and for the oversight of monitoring activities, compliance with the requirements of the Contract, and the delivery of services.
- 9.7** Designee – Means staff who acts on behalf of the Contractor Program Director (CPD) or County Program Manager (CPM), in their absence.

10 PERFORMANCE REQUIREMENTS SUMMARY

A Performance Requirements Summary (PRS) chart, Attachment 1 of this Exhibit A, listing required services that shall be monitored by the County during the term of this Contract is an important monitoring tool for the County.

11 EXHIBITS ATTACHED:

11.1 EXHIBIT A-1: Performance Requirement Summary

11.2 EXHIBIT A-2: Corrective Action Plan

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- 11.3 EXHIBIT A-3:** Monthly Virtual Support Meeting Log
- 11.4 EXHIBIT A-4:** Placement Stability Team (PST) Service Log
- 11.5 EXHIBIT A-5:** Family Urgent Response System (FURS) Service Log
- 11.6 EXHIBIT A-6:** Placement Stability Team (PST) Information Focus Meeting
Log/ Recruitment Log
- 11.7 EXHIBIT A-7:** Family Urgent Response system (FURS) Release of Information Form
- 11.8 EXHIBIT A-8:** Therapeutic Shelter Home (TSH) Service Log
- 11.9 EXHIBIT A-9:** Caregiver Advocacy and Resource Educator (C.A.R.E.) Call Log
- 11.10 EXHIBIT A-10:** Therapeutic Foster Home (TFH) Service Log

Organization Name: Fostering UNITY
Program Name: Caregiver and Youth Support Services
Contract Number: 23-0069
Agency Name: Fostering UNITY
Agency Address: 4649 Shannon View Road, Acton CA 93510
TIN: 84-482076

Contract Term: June 1, 2025-May 31, 2026		Project Totals
1 FTE Clinical Director		\$90,412.00
1 FTE Program Supervisor		\$68,640.00
2 FTE Case Managers		\$95,680.00
1 FTE Case Manager / Parent Educator		\$47,840.00
1 FTE Youth Case Manager		\$43,680.00
0.50 FTE Executive Director		\$46,000.00
0.50 FTE Director of Operations		\$34,320.00
Benefits (25% of total salaries)		\$106,643.00
Occupancy and Utilities		\$2,500.00
Equipment		\$6,500.00
Supplies and Materials (HIPPA compliant CRM)		\$6,500.00
Printing and Copying		\$200.00
Telecommunications and CARE Line		\$1,500.00
Travel and Meetings		\$312.00
Marketing and Advertising		\$300.00
Clinical Malpractice Insurance		\$4,000.00
Umbrella Liability Insurance		\$7,000.00
Professional Services		\$8,200.00
Subtotal		\$570,227.00
Indirect Costs	10%%	\$57,023.00
Total Expenses		\$627,250.00

Fostering UNITY: Comprehensive Program

Organization Name: Fostering UNITY

Contracted Term: June 1, 2025 – May 31, 2026

Total Contract Amount: \$627,250

Fostering UNITY- Organizational Background

Fostering UNITY was officially established in May of 2020 and was created by experienced executive leadership bringing over 30 years of combined professional experience to the organization. Fostering UNITY is a mission-driven nonprofit, which cultivates community relationships to improve relative and non-relative caregiver support, retention and placement stability outcomes for youth in foster care. Our team is composed of individuals who reflect the diversity seen within our community of caregivers and youth. Our organization prioritizes hiring individuals who bring lived experience and a passion to serve others. This makes us relatable, authentic and dependable and relevant to the needs of our community. By actively listening to the voice of caregivers and youth we can successfully provide real time support, effective advocacy, and intentional programming to meet the needs of caregivers and youth throughout their journey.

Fostering UNITY provides relative and non-relative resource parents, adoptive parents, reunifying biological families, youth in out-of-home placement, and community service partners a unique, one-door service delivery model offering real-time caregiver support, enhanced education, and resource navigation. The resource families and reunifying families of the foster children in Los Angeles County feel uniquely supported and empowered to meet the daily challenges of parenting through the support of Fostering UNITY's specialized programs and service delivery model.

- Fostering UNITY services include real-time support through our C.A.R.E Line (213-269-0000), referral-based mentoring and caregiver support, resource navigation, youth mentoring, and a tailored psychoeducational and outreach model intended to improve youth outcomes and placement stability. Our direct support team includes highly trained Case Managers who are individuals with passion fueled by lived experience.

Introduction: Pioneering a New Era in Foster Care

Part I: Comprehensive Caregiver Support & Mentoring Services

Our comprehensive network of trauma-informed services offers practical, socioemotional, and psychoeducational support to foster, adoptive, kinship, and non relative caregivers across Los Angeles County. All programming is grounded in lived experience, cultural competence, and equity.

Key Services & Initiatives:

- **C.A.R.E. Line:** Caregivers can receive real time support in a moment of need, personalized peer mentorship, and resource navigation.
- **Program Support Staff (Mentoring):** Provide direct trauma-informed support, mentorship, reunification guidance, case coordination, and advocacy.
- **Weekly Virtual Support Groups:**
 - *Empower Hour Sessions:* TSH caregivers
 - *THRIVE Session:* TFH Caregivers
 - THRIVE: Trauma-Informed, Healing, Resources, Inspiring, Validation, Empowering
 - *Coffee with Caregivers:* All Foster & Kinship caregivers
 - *Punch Bowl:* Youth support group
- **Purposeful Placements:** A confidential, peer-supported platform for assisting DCFS with matching children and youth to available homes, helping reduce mismatches and placement disruptions.
- **TAY (Tomorrow's About You):** A youth leadership and mentoring program that empowers foster youth to set and meet goals, advocate for themselves, and build confidence.
- **Fostering Parenthood Podcast:** Culturally responsive, accessible training available 24/7 to address parenting topics including attachment, LGBTQIA+ support, CSEC, healthy sexual development, mental health, and more.

Expected Outcomes:

1. Enhanced Caregiver Retention

Foster a supportive environment that encourages caregivers to stay longer, ensuring continuity and stability for the youth.

2. Improved Placement Stability

Achieve consistent living arrangements for youth, minimizing transitions and providing them with a sense of security.

3. Strengthened Caregiver Networks and Trauma-Informed Confidence

Build robust connections among caregivers while equipping them with the skills and knowledge to confidently address trauma-related challenges.

4. Reduction in Youth Disruptions and Crises

Decrease the frequency and intensity of disruptions by implementing proactive strategies that enhance emotional and behavioral support.

5. Increased Youth Readiness, Independence, and Well-Being

Empower youth to develop essential life skills, promoting independence and overall well-being as they transition into adulthood.

Equity & Lived Experience:

Fostering UNITY prioritizes hiring staff with personal experience in foster care, ensuring culturally competent, empathetic services. Youth in our program are encouraged to continue their journey through a variety of internship opportunities with Fostering UNITY.

Sustainability Plan:

In addition to county partnerships, Fostering UNITY actively secures private grants, unrestricted funds, and community support. Our hybrid public-private model ensures services can continue even during funding gaps.

Part II: Placement Stability Team Support

Our robust county-wide recruitment effort focuses on identifying, training, supporting, and providing resource navigation for PST caregivers, ensuring we have the right people in place to support the youth effectively. Our collaboration with the Placement Stability Team has been incredibly rewarding as we support the PST Child Social Workers in their important roles. Each youth within PST has the opportunity to participate in a weekly youth Support Group facilitated by an individual specializing in LGBTQIA+ issues, ensuring that their unique needs and experiences are understood and addressed. Furthermore, youth mentors stand ready to serve PST youth, providing guidance and companionship throughout their journey. Together, we focus on enhancing placement stability for children by providing tailored resources to the CSWs. By fostering open communication and sharing best practices, we empower these dedicated individuals to navigate challenges and create a positive environment. It's a team effort that truly makes a difference in the lives of those we serve!

Part III: Family Urgent Response System (FURS) & Post-Crisis Stabilization

FURS serves to stabilize individuals and families, providing them with the support they need during times of need. Mental health staff play a critical role in triaging the needs of families post FURS (Family Urgent Response System) support. This process begins with close collaboration with FURS Clinical Social Workers (CSW's) to ensure a comprehensive understanding of each family's unique situation. By working together, they can better assess immediate needs and develop a tailored support plan that addresses both urgent concerns and longer-term wellbeing.

After the initial intervention by the FURS mobile response team, families can receive continuous support that is pivotal to their recovery journey. This post-crisis assistance includes clinical follow-ups, where trained staff check in with the families to evaluate their emotional and psychological state, ensuring they have access to any additional resources they might need.

Moreover, each family is matched with dedicated mentors who provide ongoing guidance and support. These mentors are not just a point of contact; they become a source of reassurance and stability during a tumultuous time. The check-in schedule—set at 30, 60, and 90 days—ensures that families receive the attention and encouragement they need as they navigate the path forward. This structured approach allows mental health staff to monitor progress, address any emerging concerns, and celebrate the small victories along the way.

Ultimately, this supportive framework fosters a sense of community and belonging for FURS families, reinforcing the idea that they are not alone in their journey towards healing and stability. By combining the expertise of mental health staff with the compassionate care of mentors and the collaborative support of CSWs, families are empowered to envision a brighter future, equipped with the tools and resources necessary to thrive.

Based on this initial call, we develop an individualized support plan that includes:

- 30/60/90 Day Support Protocol: Families receive regular check-ins at each milestone with specific follow-up tasks. This includes safety planning, resource referrals, psychoeducational support, de-escalation techniques, and trauma-informed parenting interventions.
- Warm Hand-Offs to DCFS, MH Services, and Education Advocates: Our team coordinates with county departments, mental health providers, and school liaisons to ensure families are not left navigating complex systems alone.
- Mentorship & Peer Support Access: Families gain entry into our larger County-wide Caregiver Support Network, including virtual support groups, C.A.R.E. Line access, secure social media platform and specialized training webinars.
- Clinical Oversight & Stability Tracking: Each case is reviewed bi-weekly by our clinical director to assess family progress and youth outcomes. Ongoing coordination ensures crisis patterns are identified and future incidents minimized.

We believe FURS follow-up is more than a referral—it's an opportunity to rebuild trust in the system and deepen family resilience. By combining clinical insight, lived experience mentorship, and culturally competent supports, we ensure each family exits our support stronger than when they entered.

This program also supports youth experiencing repeated crises by offering trauma-specific youth mentoring services that continue beyond the 90-day period, promoting long-term healing and stability.

Part IV: Therapeutic Shelter Home (TSH) Program

Launched: July 2023

Purpose: FURS aims to provide short-term, therapeutic shelter placements in therapeutic home-based settings for youth facing a range of challenges, not limited to crises. The program's primary goal is to stabilize these young individuals while equipping them with the necessary tools and support to transition smoothly into long-term placements. By creating a nurturing environment that focuses on their unique needs, TSH ensures that each youth receives the guidance and resources essential for their growth and wellbeing.

Fostering UNITY's Therapeutic Shelter Home (TSH) Program was created to address the urgent need for safe, trauma-informed shelter placements by eliminating reliance on group shelter care. TSH homes provide nurturing and highly structured family environments, housing one youth at a time (or two if siblings), supported by trained caregivers and a wraparound team.

TSH homes are staffed by caregivers who have undergone trauma-informed training and who receive weekly mentorship, peer support, and hands-on assistance. The program has shown measurable success, including a 74% reduction in iTracks incidents. Youth entering TSH homes often have multiple failed placements and are in emotional crisis, but through intensive support and individualized care, they are able to stabilize and transition to long-term placements more successfully.

Caregiver Expectations & Supports:

- Must be RFA-approved and certified to receive Special Care Increment.
- No other open-case youth may be in the home during TSH service.
- Caregivers must have an available, youth-friendly bedroom equipped with two beds, a port-a-crib, hygiene kits, and welcome items (including a snack basket, journal, and comfort items).
- Caregivers must be available 24/7 to accept emergency placements.
- Caregivers receive a flat monthly stipend of \$6,600 as a bed-hold and a prorated \$1,400 per youth placed.

Services & Structure:

- All caregivers receive support from the C.A.R.E. Line and mandatory weekly virtual Empower Hour meetings with a clinical facilitator and peer cohort.
- Behavioral incidents are managed by TSCF-trained staff, utilizing Fostering UNITY support staff when needed.
- Fostering UNITY staff conduct check-ins and help facilitate connections with long-term placement options.

- TSH youth may also participate in youth-led engagement programs like TAY (Tomorrow's About You).

This model demonstrates a scalable and humane solution for high-needs youth in crisis while promoting caregiver readiness and placement sustainability.

Part V: Therapeutic Foster Home (TFH) Program

Purpose: Long-term, therapeutic care for complex youth with significant behavioral and emotional challenges.

The Department of Children and Family Services, Los Angeles County, in partnership with Fostering UNITY, has launched the Therapeutic Foster Home (TFH) Program—a transformative initiative designed to address the long-term needs of some of the most complex youth in Los Angeles County. Our primary goal is to cultivate compassionate, professional-level foster parents who are equipped to provide nurturing and stable environments for these young individuals, ensuring they find the permanence they desperately need.

At the heart of our program is a commitment to building a community of exceptional caregivers who genuinely understand the complexities of trauma. We actively reach out to caregivers across the county, seeking the very best talent. Through a comprehensive multi-stage selection process, we meticulously identify caregivers who demonstrate remarkable skills in behavioral management and possess a deep understanding of trauma's effects on youth. This careful selection ensures that our young people are supported by the highest-quality caregivers, creating a nurturing and informed environment for their growth and healing.

Central to the success of the TFH Program is our dedication to empowering caregivers through the guidance and training of a seasoned Licensed Clinical Psychologist. While Fostering UNITY does not provide mental health treatment, we are deeply committed to developing a robust family support system that leaves a lasting impact. Our comprehensive training equips caregivers with essential skills in behavioral management and trauma-informed practices, while ongoing psychoeducation and mandatory weekly support groups enhance their development and foster a strong community of support.

Additionally, we recognize the importance of mentorship in this process. Caregivers will have the opportunity to connect with experienced mentors who provide insights, share strategies, and offer emotional support as they navigate the challenges of fostering. Simultaneously, youth in the program will be paired with mentors who serve as positive role models and advocates for their journeys, helping them develop resilience and essential life skills.

Together, we are addressing not just the immediate needs of our youth, but also laying the groundwork for their long-term success. By fostering a collaborative, supportive

environment for both caregivers and youth, we are guiding them toward brighter futures filled with hope and opportunity.

Core Program Supports:

- Clinical Director Oversight: Attends initial DCFS placement staff meetings to effectively prepare caregivers for successful placements, provides real time supervision to all TFH mentors and case managers, leads caregiver training, and monitors youth stability and well-being.
- Facilitates weekly Caregiver Support Group (T.H.R.I.V.E.): Mandatory for TFH all caregivers and includes check-ins, essential training, peer support, and trauma-informed parenting discussions.
- Monthly Psychoeducational Caregiver Trainings: Includes strategies on mental and behavioral health, de-escalation, trauma, and relevant youth-care topics.
- Caregiver Mentors (Case Managers): Each TFH caregiver is assigned a mentor for weekly check-ins, on-call support, and guidance navigating community resources and DCFS systems.
- Youth Mentorship: Youth are paired with individualized mentors focused on developing relationships, goal-setting, life skills, LGBTQ support and resource access.

Services & Structure:

- All caregivers receive support from the C.A.R.E. Line and mandatory weekly virtual Empower Hour meetings with a clinical facilitator and peer cohort.
- TFH youth are assigned trained mentors who help facilitate transition, stabilization, and personal goal setting.
- Behavioral incidents are managed by FURS to help maintain placement stabilization, utilizing Fostering UNITY support staff when needed.
- Fostering UNITY staff conduct weekly check-ins and help facilitate connections with long-term placement options.
- TFH youth may also participate in youth-led engagement programs like TAY (Tomorrow's About You).

Community Partnerships:

Alliance for Children's Rights, CARE Portal, AmeriCorps, Baby2Baby, FKCE, iFoster, RHEP, Harbor UCLA Trauma Recovery Center, Gentle Barn, Change Reaction, Children NOW, UCLA TIES, National Center for Youth Law and more.

Conclusion: A United Path Forward

In closing, Fostering UNITY, in collaboration with the Los Angeles County Department of Children and Family Services (DCFS), represents not just an idea but a bold vision for transforming the foster care landscape in Los Angeles County. Our comprehensive and transformative model addresses the complex needs of youth in foster care through a multi-tiered approach that includes the Therapeutic Shelter Home (TSH) Program, the Therapeutic Foster Home (TFH) Program, and a wide-ranging Caregiver Support Initiative. These initiatives are additionally supported by extensive community partnerships and the strategic use of unrestricted and grant funds, ensuring long-term success.

By linking critical services, we are creating a comprehensive framework aimed at fostering resilience, stability, and healing for both youth and caregivers. At the heart of this initiative is our commitment to building a vibrant community of caregivers who are equipped to tackle the challenges of this hard work. Our private social media group, composed of over 3,000 caregivers from Los Angeles County, serves as a dynamic platform for connection and support. Through Purposeful Placements, we take an intentional approach to help find the right home for each child and youth. Social workers and TA's are freed from spending hours on the phone searching for an open bed; instead, they can share the need for placements in real time with our community of caregivers. Caregivers can then self-select if they have the open heart and capacity to help a particular child, reaching out directly to the CSW or TA for potential placement.

Additionally, our weekly virtual support groups, the CARE Line for urgent needs, and one-on-one mentoring for both caregivers and youth reinforce this community, enhancing the retention of quality caregivers who are passionate about making a difference.

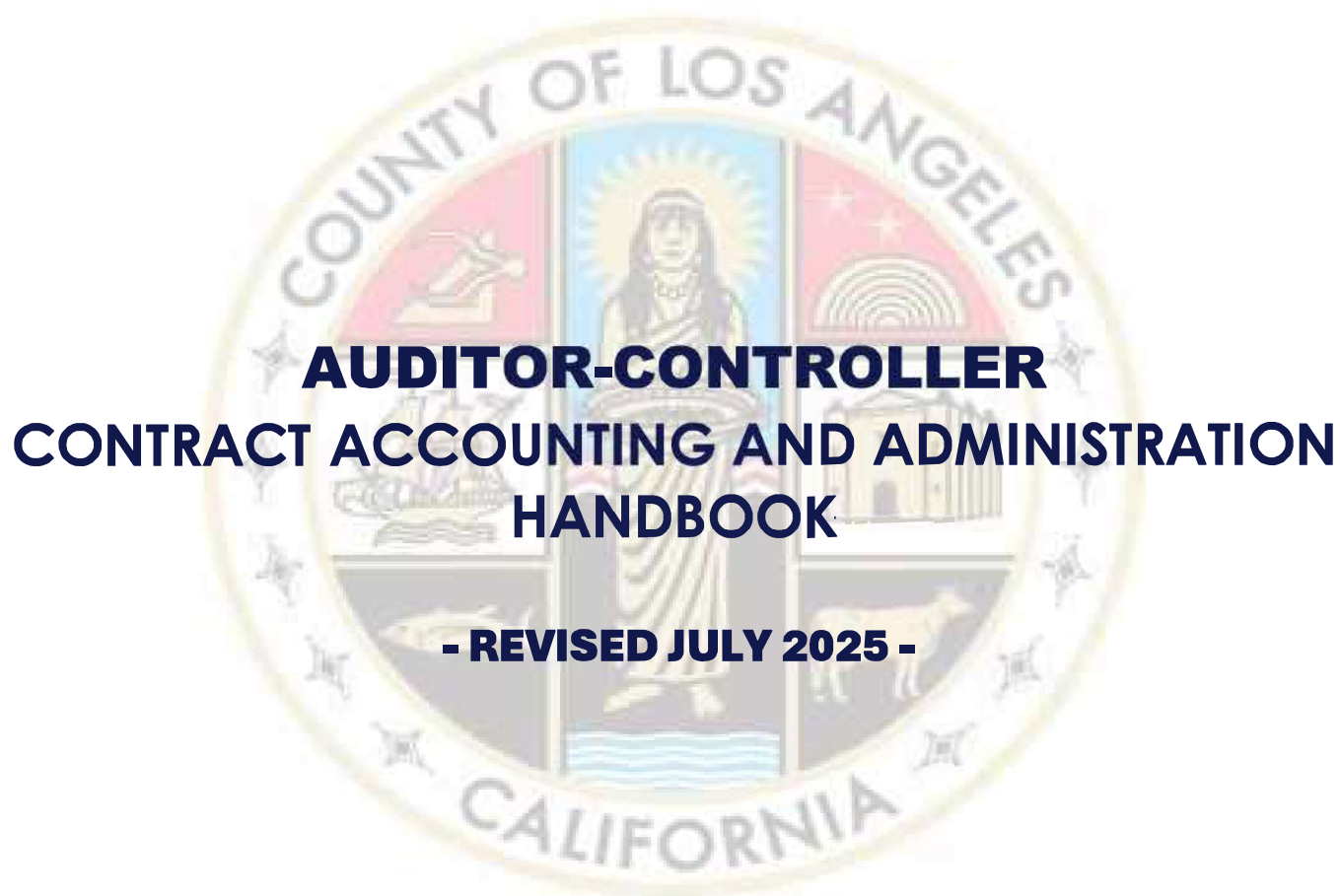
We have successfully demonstrated that a large government agency, DCFS, can seamlessly partner with a Community-Based Organization, Fostering UNITY, to effectively improve the lives of children experiencing out-of-home care. This collaboration showcases our commitment to trauma-informed, individualized, and sustainable care, proving that together, we can create meaningful change.

Your investment holds the potential to change lives. Let us embark on this journey together, championing a future where every foster child is given not just a place to stay, but a place to belong. Together, we can pave the way for a more equitable, compassionate, and effective foster care system—one that truly nurtures and uplifts every individual. With your continued support, we can make this vision a reality. Join us in fostering a brighter tomorrow, because every child deserves the chance to flourish.

Contact:

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Cindi Bertrand – Director of Operations – cindi@fosteringunity.org



**AUDITOR-CONTROLLER
CONTRACT ACCOUNTING AND ADMINISTRATION
HANDBOOK**

- REVISED JULY 2025 -

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AUDITOR-CONTROLLER

CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK

The purpose of the Auditor-Controller Contract Accounting and Administration Handbook (Handbook) is to provide organizations (CONTRACTORS) that contract with the County of Los Angeles (COUNTY) with guidance on key accounting, financial reporting, internal control, and contract administration standards, along with best practices and recommended approaches that will help to promote accountability, protect the integrity of assets and financial information, and minimize the risk of fraud.

The accounting, financial reporting, and internal control standards presented in this Handbook are fundamental and derived from applicable federal, State, and COUNTY regulations and guidelines (see [Section F](#)). These standards are not intended to be all inclusive or replace acceptable existing procedures, preclude the use of more sophisticated methods, or supersede any laws or requirements imposed by the applicable funding source(s) (i.e., federal, State, and COUNTY agencies) that may be more restrictive and/or stringent. Instead, this Handbook includes the minimum federal, State, and COUNTY required procedures and controls that must be incorporated into a CONTRACTOR'S accounting and financial reporting system to ensure compliance, as well as guidance on other recommended procedures and controls. The internal control standards described apply to organizations with adequate staffing. Organizations with insufficient staff to implement the internal controls as described herein must adopt alternative controls (e.g., use of appropriate alternative staff and/or board members) to comply with the intent of the standards to ensure effective internal control systems are in place within the organization. The CONTRACTOR'S subcontractors must also follow these standards unless otherwise stated in the COUNTY Agreement.

For additional resources, please see [Section F](#), and for any inquiries, please see [Section G](#).

A. ACCOUNTING AND FINANCIAL RECORDS

1.0 Basis of Accounting

Unless otherwise specified by the applicable funding source(s), CONTRACTORS may elect to use either the accrual or cash basis of accounting during the year for recording financial transactions. CONTRACTOR must ensure their basis of accounting is adequately documented in their accounting policies. Monthly invoices must be prepared on the same basis used for recording financial transactions.

The COUNTY generally recommends the use of the accrual basis for recording financial transactions when appropriate.

1.1 Accrual Basis

Under the accrual basis for recording financial transactions, revenues are recorded in the accounting period earned (rather than when cash is received). Expenditures



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are recorded in the accounting period incurred (rather than when cash is disbursed).

Recorded accruals (e.g., to estimate expenditures) should be reversed in the subsequent accounting period or when deemed appropriate and/or necessary to ensure revenues and expenditures are not double counted, and are in compliance with Generally Accepted Accounting Principles (GAAP).

1.2 Cash Basis

If a CONTRACTOR elects to use the cash basis for recording financial transactions during the year:

- Necessary adjustments must be made to record the accruals at the beginning and the end of each year of the COUNTY Agreement, and at the end of the COUNTY Agreement.
- All computations, supporting records, and explanatory notes used in converting from the cash basis to the accrual basis must be retained.

1.3 Prepaid Expenditures

Prepaid expenditures (e.g., insurance, service agreements, lease agreements) must be expensed during the appropriate COUNTY Agreement year to the extent goods and services are received, or are applicable to that COUNTY Agreement year.

2.0 Accounting System

Each CONTRACTOR must maintain a ***double entry accounting system*** (utilizing debits and credits) and adequate, accurate, and reliable financial records in accordance with GAAP. The financial records must provide a comprehensive audit trail, and typically include, but may not be limited to a General Journal, a Cash Receipts Journal, a General Ledger, a Cash Disbursements Journal, and a Payroll Register or equivalent records as described in this Handbook. Postings to the General Ledger and Journals must be made timely, at least on a monthly basis. The CONTRACTOR must maintain separate cost centers, which clearly identify funds received and expended on services provided under the COUNTY Agreement.

2.1 General Journal

A General Journal (or equivalent records) must be maintained to ensure transactions are recorded accurately and timely in the order they occur, and for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal (or their equivalent records). Entries in the General



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Journal (or equivalent record) must be adequately documented and entered in chronological order with sufficient explanatory notations to support the transaction.

Example:

	<u>Debit</u>	<u>Credit</u>
Rent Expenditure	100	
Rent Payable		100

To record accrued rent to March 31, 20XX

2.2 Cash Receipts Journal

A Cash Receipts Journal (or equivalent records) must be maintained for recording and identifying all cash inflows and sources of income (e.g., COUNTY warrants, contributions, interest income), and should, at a minimum, contain the following information:

- Date
- Invoice, Reference and/or Receipt Number (if applicable)
- Amount of Cash or Income Received
- Names of Accounts Debited (e.g., Cash) and Credited (e.g., Income) for the following:
 - COUNTY payments
 - Contributions/Donations
 - Other Income (e.g., grants, sales of supplies/services, rental income, miscellaneous revenue, fees)
- Description to clearly specify the source of cash receipts

2.3 Cash Disbursements Journal

A Cash Disbursements Journal (or equivalent records) must be maintained for recording all cash outflows or disbursements (e.g., rent, utilities, maintenance) to manage and track outgoing funds, and should, at a minimum, contain the following information:

- Date
- Invoice, Reference, and/or Check Number (if applicable)
- Amount of Cash Disbursed
- Names of Accounts Debited or Credited
- Payment Method (e.g., cash, check, electronic transfer)
- Description to clearly specify the nature of the cost and the corresponding cost classification, if not included in the column heading.

Checks should not be written to employees (other than payroll, reimbursements for small incidental out-of-pocket costs, mileage reimbursements, travel reimbursements, and petty cash fund custodian checks).



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A ***Check Register*** may be substituted for the Cash Disbursements Journal (or equivalent records), but this is not recommended. If used, the Check Register (or equivalent records) must contain the same cost classifications and description information required when a Cash Disbursements Journal (or equivalent records) is used.

2.4 General Ledger

A General Ledger (or equivalent records) must be maintained with accounts for all assets, liabilities, fund balances/net assets, revenues, and expenditures to ensure the accuracy, consistency, and transparency of all financial transactions in accordance with GAAP. Separate accounts or cost centers must be maintained for the revenues (e.g., donations, grants, rental income, miscellaneous revenue) and expenditures of each of the CONTRACTOR'S programs and activities (both COUNTY and non-COUNTY).

2.5 Chart of Accounts

A Chart of Accounts (or equivalent records) must be maintained to organize and classify financial transactions accurately and consistently in accordance with GAAP:

- The COUNTY recommends that CONTRACTORS use the same expenditure account titles on the monthly invoice submitted to the COUNTY.
- If the CONTRACTOR uses account titles which differ from the account titles on the monthly invoice, each account title should clearly identify the nature of the transaction(s) posted to the account.
- CONTRACTOR must consistently post transactions that are of a similar nature to the same account. For example, all expenditures for travel can be posted to an account titled "travel," but must not be intermixed with other expenditure accounts.

2.6 Payroll Register

A Payroll Register (or equivalent records) must be maintained to manage payroll activities, detail the necessary payroll information, and ensure payroll transactions and payments are accurate. The Payroll Register (or equivalent records) should contain the following information for each employee:

- Name
- Position
- Unique code identifying each employee (e.g., employee number/ID)
- Salary or hourly wage
- Payment Record including:



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- Accrual Period
- Gross Pay
- Itemized Payroll Deductions
- Net Pay Amount
- Check/Payment Number

CONTRACTOR must ensure compliance with:

- All applicable federal and State requirements for withholding payroll taxes (e.g., FIT, FICA, FUTA, SIT, SIU), reporting, filing (e.g., 941, DE-7, W-2, W-4, 1099), and all applicable tax deposits.
- Internal Revenue Service and State guidelines to properly classify employees and independent contractors.

3.0 Information and Supporting Documentation Requirements

CONTRACTOR must retain the original source document for inspection by COUNTY. All revenues and expenditures charged to the COUNTY must be supported by original vouchers, invoices, receipts, or other documentation to clearly establish the nature and the reasonableness of the expenditure and its relevance to the COUNTY program, and evidence of actual payment (e.g., canceled checks, proof of electronic funds transfer). Internally generated documents (e.g., vouchers, request for check forms, requisitions), and bank and credit card account statements alone do not constitute supporting documentation for revenues and expenditures.

If the CONTRACTOR is unclear as to the appropriate documentation that must be maintained to support an expenditure, CONTRACTOR should consult with the COUNTY **before** the expenditure is charged to the COUNTY. Unsupported or inadequately supported expenditures will be disallowed upon audit. CONTRACTOR will be required to repay COUNTY for all disallowed costs.

Electronic documentation is permitted when the source documentation originated electronically (e.g., electronic bills and bank statements). To the extent the source for electronic documentation is an original hardcopy document (e.g., PDF scans of original vendor invoices), COUNTY at its sole discretion may accept photocopies (including scanned images) of supporting documentation in preference to the original documents subject to any limitations imposed by the applicable funding source(s) (i.e., federal, State, and COUNTY agencies), and if the CONTRACTOR maintains adequate internal controls over their information technology systems and data (e.g., electronically stored information, records, or documentation) as required by the standards described in this Handbook (e.g., see [Sections A.3.5](#) and [B.7.0](#) through [B.7.3](#)) and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement). Failure to provide original hardcopy documents and/or maintain an adequate system of



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internal controls over electronic documentation to support expenditures charged to the COUNTY will result in inadequately supported expenditures and will be disallowed upon audit.

For the following categories of expenditures, adequate supporting documentation may include, but not be limited to:

Payroll

- Timecards and attendance records signed and dated by the employee and the employee's supervisor (in ink or electronically) certifying the accuracy and approval of the reported time.
- Time distribution records by program, accounting for total work time on a daily basis for each employee.
- Records showing actual expenditures for payroll, Social Security and unemployment insurance.
- State and federal quarterly tax returns, federal W-2 forms, federal W-4 forms, and any other records to support payroll tax payments.

Personnel Files

- Documentation supporting approved employee pay rates.
- Proof of employees having the required education, practical experience, and license(s)/certification(s) for their position.
- Criminal record clearances as required.

Contracted/Consultant Services

- Contracts detailing the nature and scope of services to be provided, and the method and rate of compensation (e.g., cost reimbursement, fixed fee, fee for service, rate per hour) for each service.
- Itemized invoices or other documentation detailing specific service(s) provided and rate(s) of compensation applied to support total amounts charged.
- Time and attendance records or other documentation detailing when services were provided.
- Travel vouchers detailing purpose, time, and location of travel reimbursed by CONTRACTOR.
- Purchase orders, itemized invoices, and proof of receipt of good/services for amount reimbursed by CONTRACTOR.
- Copies of all completed federal Form 1099s, establishing that all payments to contractors/consultants were reported timely to federal and State taxing agencies.



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Payments to Affiliated Organizations or Persons (i.e., Related Party/Less-Than-Arm's-Length Transactions)

- Financial records (e.g., general ledgers, payroll registers, labor distributions, invoices/receipts) of the affiliated or related organizations/persons
- Price and rate quotations for the same services/goods from an adequate number of independent and qualified sources
- Cost and price analysis
- Vendor selection analysis
- Other documentation to support payments to affiliated organizations or persons did not exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs for services rendered or items purchased (see [Section C.1.2](#) for additional guidance)

Loans (including, but not limited to, loans to the CONTRACTOR from employees and/or related parties)

- Written loan agreement approved by the CONTRACTOR'S board of directors.
- Documentation showing that loaned funds were deposited into a CONTRACTOR bank account.
- Documentation showing that loan proceeds were actually used for COUNTY programs.

To the extent that the loan agreement provides for the payment of interest, the interest may not be an allowable expenditure under the Agreement. If the payment of interest is allowable, interest must not be accrued at a rate which exceeds the COUNTY Treasury Rate plus one percent.

Travel

- Travel policies (written) of the CONTRACTOR
- Travel expenditure vouchers
- For travel related to conferences, meetings, seminars, symposiums, workshops, and other similar events, CONTRACTOR must at a minimum, retain literature, such as agendas and handouts, or other documentation detailing the purpose of the event, as part of the CONTRACTOR'S documentation of the propriety of the travel expenditure
- Itemized receipts for all travel expenditures (e.g., lodging for approved out-of-town travel, airfare, car rentals, meals, ground transportation, parking).

Note: Reimbursement for actual receipts or per diem rates for lodging and meal expenditures must not exceed the COUNTY'S maximum reimbursement rate for employees. CONTRACTOR should obtain the COUNTY'S maximum reimbursement rate for each fiscal year from the COUNTY before travel expenditures are charged.



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Vehicle Expenditures

- Invoices/receipts for repairs, maintenance, fuel, etc.
- Vehicle registration card
- Vehicle title
- Insurance policy
- Purchase or financing agreement
- Vehicle lease or rental agreement
- For vehicles owned/leased by the CONTRACTOR and personal vehicles that are primarily used for business purposes, a vehicle mileage log (or equivalent record) must be maintained establishing the extent to which the vehicles are used for business versus non-business purposes. The mileage log (or equivalent record) must identify:
 - Trip dates
 - Origin and destination addresses of the trip
 - Purpose of the trip and how it relates to the Agreement services
 - Beginning and ending odometer readings and the resulting mileage for all trips (including non-business trips) to account for 100% use of the vehicle
- For personal vehicles that are not primarily used for business purposes, documentation to support reimbursements to employees for mileage and parking must include:
 - Date and time of travel
 - Origin and destination addresses of the trip and the resulting mileage
 - Purpose of the trip and how it relates to the Agreement services
 - Rates claimed (**Note:** Reimbursement rates for mileage must not exceed applicable federal guidelines.)
 - Itemized receipts for reimbursed parking and toll charges

All supporting documentation must include sufficient information to identify the vehicle the expenditures are related to, which should include, but not be limited to, vehicle make and model, vehicle license number, and vehicle identification number.

CONTRACTOR must only charge the COUNTY for vehicle expenditures (e.g., gasoline, repairs/maintenance, insurance, depreciation) to provide COUNTY Agreement services. CONTRACTOR must pro-rate vehicle expenditures based on vehicle usage to exclude the portion of expenditures related to non-COUNTY and non-business use (i.e., non-COUNTY program services, personal use, employee transportation to and from work).

Operating Expenditures (e.g., utilities, office supplies, equipment rentals)

- Bona fide contracts or lease agreements, if applicable
- Invoices and receipts detailing the cost and items purchased
- Documentation acknowledging the receipt of purchased goods and services (e.g., itemized delivery confirmations, stock received reports, packing slips, or



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other documentation) signed by the employee(s) who verified the good/services were approved and received

Outside Meals

- Itemized receipts and/or invoices for all meals
- Documentation detailing the nature and business purpose of each meal
- Documentation identifying the participants of each meal

3.1 Filing

All relevant supporting documentation for reported revenues and program expenditures must be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- Checks/Payments – Numerically
- Invoices – Vendor name and date
- Vouchers – Numerically
- Receipts – Chronologically
- Timecards – Pay period and alphabetically

3.2 Referencing

Accounting transactions posted to the CONTRACTOR'S books must be appropriately cross-referenced to supporting documentation. When applicable, it is recommended that expenditure transactions on the CONTRACTOR'S books be cross-referenced to the supporting documentation as follows:

- Invoices – Vendor name and date
- Checks – Number
- Vouchers – Number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the evidence of actual payment (e.g., corresponding check issued for payment, bank statement). If multiple invoices are paid with one check or transaction, all related invoices should be cross-referenced to the evidence of actual payment.

3.3 Security Over Documentation

Adequate care must be exercised to safeguard the financial records, including accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR'S financial records must be immediately reported to the COUNTY. CONTRACTOR must report, to the local law enforcement agency having jurisdiction, any act(s), which may reasonably constitute a crime and appear to have resulted in the destruction, damage, or alteration of any record subject to the



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provisions of this Handbook. CONTRACTOR must make their report to the local law enforcement agency within twenty-four hours of becoming aware of the acts which resulted in the destruction, damage, or alteration of the record.

A copy of the resulting crime/incident report must be retained by the CONTRACTOR for the same period of time the underlying records that were destroyed/damaged were required to be retained (see [Section A.3.4](#)), and must be retained for a longer period in the case of unresolved litigation or audit.

3.4 Retention

All financial records, including accounting records (e.g., journals, ledgers) and supporting documentation, must be retained for a minimum of three years after the termination of the CONTRACTOR'S Agreement or the date of submission of the final invoice, billing, or expenditure report, unless a longer retention period is prescribed by the Agreement or applicable laws and regulations, in which case the CONTRACTOR must comply with the longer retention period and all other retention requirements set forth in the Agreement or the applicable laws and regulations.

3.5 Protection of Electronically Stored Information

CONTRACTOR must employ sufficient security measures to safeguard all COUNTY non-public information (e.g., confidential information including, but not limited to, the names and addresses of individuals, Social Security numbers, credit card information) that is electronically stored and used. CONTRACTOR is also responsible for the security of any COUNTY non-public information that is transmitted, exchanged, or shared with other authorized individuals and/or organizations including, but not limited to, third-party vendors/providers, subcontractors, contractors/consultants, or other external parties.

Information security and privacy safeguards (e.g., policies, access restrictions, employee background checks, training programs, cyber liability insurance, encryption) and standards must be developed, implemented, and maintained in accordance with applicable standards described in this Handbook (e.g., see [Sections B.7.0](#) through [B.7.3](#)), the [COUNTY Board of Supervisors \(Board\) Policy 5.200](#), and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement, applicable sections of the [Board Policy Manual](#)).

4.0 Donations and Other Sources of Revenue

For CONTRACTORS that use donations and/or other sources of revenue (e.g., grants, sales of supplies/services, rental income, miscellaneous revenue, fees) to pay for expenditures related to a COUNTY service, the CONTRACTOR must maintain accounting and other financial records that clearly identify the specific expenditures that were paid for with the other source(s) of revenue. Restricted donations and other sources of revenue, earmarked specifically for the



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COUNTY program, must be utilized on allowable COUNTY Agreement expenditures. Similarly, income from investments (e.g., interest, dividends), where the source of the amount invested is COUNTY program funds, must be deemed restricted revenue that must be utilized on allowable COUNTY program expenditures, or returned to the COUNTY as specified under the COUNTY Agreement.

5.0 Audits

For routine audits and inspections, CONTRACTOR will make available to COUNTY representatives, upon request, during working hours, during the duration of the COUNTY Agreement and for a period of three years thereafter (unless a longer period is specified under the Agreement, or by applicable laws and regulations), all of its books and records, including, but not limited to, those which relate to its operation of each project or business activity, which is funded in whole or part with governmental monies, whether or not such monies are received through the COUNTY. All such books and records must be made available upon request at a location within or near Los Angeles County.

In general, audits will normally be performed during normal business hours, Monday through Friday. However, COUNTY retains the right to inspect and conduct investigations of CONTRACTOR'S program/fiscal operations and compliance with the COUNTY Agreement at any time, without prior notice to CONTRACTOR seven days a week, when the COUNTY has information which it, in its sole discretion, justifies such an unannounced visit, inspection, audit or investigation.

6.0 Single Audit Requirements

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) "[Audit Requirements](#)" requires organizations that expend the applicable threshold (e.g., \$750,000 (prior to October 1, 2024), \$1,000,000) or more in federal awards during their fiscal year (including pass-through awards) to have a single audit conducted in accordance with Generally Accepted Government Auditing Standards for that year. Additional details regarding single audit requirements are included in [Uniform Guidance](#).

A copy of any single audit report must be filed with the COUNTY upon request or within the timeframes prescribed by the COUNTY Agreement, or any extended timeframes granted by the federal Office of Management and Budget (OMB).

7.0 Unique Entity Identifier and System for Award Management Requirements

Title 2 United States Code of Federal Regulations "[Unique Entity Identifier and System for Award Management](#)" requires organizations receiving federal funds to have a "Unique Entity Identifier (UEI)" and register with the System for Award Management (SAM.gov), unless exempted by federal statute. CONTRACTOR



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must maintain documentation to demonstrate they have a current and active UEI and registration in SAM.gov, if applicable. Additional details regarding UEI requirements are included in the [Electronic Code of Federal Regulations \(eCFR\)](#) and [SAM.gov](#).

B. INTERNAL CONTROLS

1.0 Internal Controls Overview

Internal controls are processes designed to provide reasonable assurance regarding the achievement of the CONTRACTOR'S objectives relating to operations, reporting, and compliance, and should safeguard the CONTRACTOR'S assets from misappropriations and misuse. Each CONTRACTOR must prepare necessary written procedures establishing internal controls for its personnel's use. The CONTRACTOR must instruct all personnel in these procedures and continuously monitor operations to ensure compliance with their own policies and procedures, and any other applicable funding source requirements (e.g., [Uniform Guidance](#)).

2.0 Cash and Revenues

Cash or cash equivalents (e.g., checks, money orders, other liquid assets such as prepaid/EBT/gift cards) and revenue must be adequately monitored to ensure they are properly accounted for, safeguarded, and accurately reported.

2.1 Separate Fund or Cost Center

All COUNTY Agreement revenues must be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable in the accounting records through the use of cost centers or separate accounts.

2.2 Manual Deposits

When cash or cash equivalents are received by mail, two employees should be assigned to open the mail and list all collections received on a receipts/check remittance log.

All COUNTY checks should be restrictively endorsed upon receipt.

Cash and cash equivalents received should be recorded on pre-numbered receipts and the receipts/check remittance log should be reconciled to the amount being deposited.

Voided receipts must be retained and the sequence of receipts issued/voided must be periodically accounted for.



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Cash and cash equivalents totaling \$500 or more must be deposited within one day of receipt, or as soon as reasonably possible. Collections of less than \$500 may be held and must be secured and deposited weekly or when the total reaches \$500, whichever occurs first. If CONTRACTOR can establish that a larger limit is warranted, CONTRACTOR may request authorization from COUNTY to increase the limit to an amount greater than \$500.

Deposit slips should be retained in an organized manner, and must contain sufficient reference information for comparison to the Cash Receipts Journal (or equivalent records) and individual receipts, if applicable. A recommended best practice is to retain a photocopy of the deposit slip and the COUNTY warrants reflected on each deposit slip, or record the individual warrant numbers on the deposit slip.

2.3 Separation of Duties Over Deposits and Cash

Employees' duties must be separated to ensure that one individual does not control all key aspects (e.g., receiving, receipting, depositing, disbursing, reconciling, recording) of a transaction. For example, an employee who does not handle cash or cash equivalents should record all receipts in the CONTRACTOR'S accounting records.

2.4 Bank Reconciliations

Bank statements should be received and reconciled by someone with no cash handling or check writing/preparation responsibilities. The person reconciling the bank account(s) should receive the bank statement(s) directly from the bank.

Monthly bank reconciliations should be prepared and reviewed by management for appropriateness and accuracy within 30 days of the bank statement date. The bank reconciliations should be signed and dated by both the preparer and the reviewer. See [Exhibit A](#) for a suggested bank reconciliation format.

Reconciling items should be reviewed, researched, and resolved immediately. If an item cannot be resolved within the next bank statement period, the CONTRACTOR should monitor the reconciling item to ensure the reconciling item is resolved timely.

2.5 Bonding

All officers, employees, and contractors who handle cash or have access to the CONTRACTOR'S funds (e.g., prepare checks) must be bonded.

3.0 Disbursements

All disbursements (other than those made for petty cash purchases), must be made using a CONTRACTOR check, electronic funds transfer, or debit/credit card.



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Blank check stock must be secured and accounted for to preclude unauthorized use.

Checks must NOT be payable to "cash" or signed in advance. Similarly, electronic debits to "cash" or withdrawals of cash must not be made. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

Voided checks must be marked void. If paper checks are used, the signature block must be cut out. Voided checks must be maintained with the canceled checks.

Returned or undelivered checks must be canceled regularly, but no less frequent than monthly.

Unclaimed checks must be canceled periodically, but no less frequent than every six months.

All supporting documentation should reference the payment made for the expenditure (e.g., check number, transaction number for an electronic funds transfer, credit card payment) and marked "paid" or otherwise canceled to prevent duplicate payments or reuse.

Disbursements without adequate supporting documentation and/or without adequate controls over electronic documentation (See [Section A.3.0](#) regarding the use of electronic documentation) will be disallowed upon audit.

A second signature is also recommended on all checks over \$500, unless otherwise specified in the COUNTY Agreement.

3.1 Approvals and Separation of Duties Over Disbursements

Employees responsible for approving cash disbursements and/or signing checks should examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, should be approved by persons independent of check preparation and bookkeeping activities.

In instances where the payee is also a signor on the check, the disbursement must be reviewed and approved by a higher-level employee or board member who must also sign the check. If the bookkeeper signs checks, a second signature must be required on the checks, regardless of limits specified in the COUNTY Agreement.

3.2 Credit Cards

Credit cards issued in the CONTRACTOR'S name must be adequately safeguarded and usage monitored to ensure that only authorized and necessary



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items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

The use of an employee's personal credit card on behalf of the CONTRACTOR for authorized and necessary items must be limited to purchases where established purchasing and disbursement practices are not suitable.

All credit card disbursements must be supported by original invoices, store receipts, or other external authenticating documents indicating each item purchased, the employee making the purchase, and the justification for the purchase. ***Credit card statements alone are not sufficient support for credit card purchases.*** See [Section A.3.0](#) regarding the use of electronic documentation.

Employee duties must be separated so that the same person cannot approve purchases, reconcile credit card statements, approve reconciliations, or approve payments. Cardholders should not perform any of these duties.

Monthly credit card statements should be reconciled to the source documentation for the expenditure and reviewed by management in a timely manner for appropriateness and accuracy. Any discrepancies must be reviewed, researched, and resolved immediately. The credit card reconciliations should be signed and dated by the reconciler and reviewer.

3.3 Petty Cash

Petty cash must NOT be used as a substitute for normal purchasing and disbursement practices (i.e., payment by check).

A CONTRACTOR may establish a petty cash fund up to \$500 to pay for **small** incidental expenditures incurred (e.g., postage due, parking meters, small purchases of office supplies), and may establish multiple petty cash funds when appropriate (i.e., petty cash fund for each location where services are rendered). CONTRACTOR must obtain written approval from the COUNTY to establish a single petty cash fund greater than \$500. Applicable policies and procedures must be established to ensure accountability and restrict the usage of petty cash to the intended purpose of the fund.

Petty cash disbursements must be supported by original invoices, store receipts, or other external authenticating documents indicating each item purchased and the employee making the purchase. If external supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, fees, etc., then some written documentation should be maintained and approved by a supervisory employee not associated with the transaction. See [Section A.3.0](#) regarding the use of electronic documentation.



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The petty cash fund should be maintained on an imprest (fixed) basis. A check should be drawn to set up the fund and to periodically replenish the fund up to the imprest amount. Receipts, vouchers, etc., supporting each fund replenishment should be cross referenced to the reimbursement check.

A petty cash log (or equivalent record) must be maintained for each petty cash fund to track the usage and replenishment of petty cash. Petty cash logs should be reviewed monthly by a higher-level employee not having responsibilities over the respective petty cash fund to ensure petty cash funds are being used for their intended purposes. See [Exhibit B](#) for a suggested petty cash log format.

There should be a separate petty cash fund custodian assigned for each petty cash fund established. The petty cash fund custodian should:

- Not have any other cash handling responsibilities (e.g., sign checks).
- Be responsible for maintaining and disbursing the petty cash funds and requesting replenishment of the fund up to its imprest amount, when necessary.
- Reconcile the petty cash fund amount to the cash-on-hand, receipts/invoices for which replenishment has not yet been requested, and replenishment requests in process, but not yet received, each day the petty cash fund is used.

Petty cash must be secured at all times in a locked safe, file cabinet, or cash drawer. Access to the petty cash fund should be limited to the petty cash fund custodian and one other employee in case of absence or emergency.

Surprise cash counts of each petty cash fund should be conducted periodically, but no less than quarterly, to ensure the petty cash fund is being maintained as required. The cash counts should be conducted by a higher-level employee not having cash handling responsibilities over the specific fund being counted. Documentation should be maintained to support each cash count conducted and should be signed and dated by the employee conducting the cash count.

3.4 Other Liquid Assets

Liquid assets must NOT be used as a substitute for normal purchasing and disbursement practices (e.g., payment by check).

CONTRACTOR must centrally monitor any liquid assets that can easily be converted to personal use (e.g., bus tokens/passes, prepaid/EBT/gift cards, tickets, vouchers). Applicable policies and procedures must be established to ensure accountability and restrict the usage of liquid assets to their intended purposes.

The distribution and usage of liquid assets must be supported by a log and/or external authenticating documents. The documents must clearly identify each item distributed/used, amounts issued, the date of distribution/usage, and the name and signature of the recipient/user. If the liquid assets (e.g., gift cards, prepaid cards)



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are used to pay for other expenditures, additional documentation must be maintained to support the expenditures as required by [Section A.3.0](#). See [Exhibit C](#) for a suggested liquid assets log format.

Logs and/or other external authenticating documents should be reviewed monthly by a higher-level employee not having responsibilities over the respective liquid asset to ensure liquid assets are being used for their intended purposes.

A custodian should be assigned to monitor liquid assets, and should:

- Not have any other cash handling responsibilities (e.g., sign checks).
- Be responsible for maintaining and distributing the liquid assets and requesting replenishment when necessary.
- Reconcile the log to the liquid assets-on-hand and the documentation supporting the distribution and usage of the liquid assets to-date, each day liquid assets are distributed and used.

Liquid assets must be safely secured at all times (e.g., in a locked safe, file cabinet, or drawer). Access to liquid assets should be limited to the custodian and one other employee in case of absence or emergency.

Surprise counts of each liquid asset should be conducted periodically, but no less than quarterly, to ensure liquid assets are being maintained as required. The counts should be conducted by a higher-level employee not having responsibilities over the liquid asset being counted. Documentation should be maintained to support each count conducted and should be signed and dated by the employee conducting the count.

4.0 Payroll and Personnel Records

Adequate payroll and personnel records must be maintained to support payroll transactions. Payroll and/or personnel records should include, but not be limited to, the following:

- Employee's authorized salary rate
- Employee information sheet (e.g., employee contact information, emergency contact information)
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., job description, notarized copy or original diploma, academic transcripts, license(s))
- Hiring and termination (if applicable) documents
- Employment history and performance evaluations
- Criminal record clearance (if required)
- Citizenship Status
- Benefit balances (e.g., paid time off, sick time, vacation)
- Health Clearances (if required)



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In addition, personnel records should also include disclosures of any relationships with other CONTRACTOR employees or associates.

4.1 Timecards

Timecards or time reports must be prepared for each employee each pay period. If an employee works on multiple COUNTY/non-COUNTY programs and/or activities, the total hours charged to each of the programs and/or activities must be based on actual conditions (e.g., total hours worked each day by program and the total hours charged to each of the CONTRACTOR'S programs, time studies, full-time equivalents).

Time or budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for payroll expenditures and will be disallowed upon audit. Time or budget estimates may be used for interim accounting purposes, unless prohibited by the COUNTY Agreement or applicable funding source(s), provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. Significant changes in work activity must be identified and adjusted in the financial records in a timely manner. The CONTRACTOR'S system of internal controls must include processes to review after-the-fact interim charges made using time or budget estimates, and be adequately documented. All necessary adjustments must be made such that the final amount charged to the COUNTY is accurate, allowable, appropriately allocated, and based on actual conditions.

All timecards and time reports must be signed and dated by the employee and the employee's supervisor (in ink or electronically) to certify the accuracy and approval of the reported time.

To the extent the CONTRACTOR utilizes electronic timecards and time reports, the CONTRACTOR'S electronic time reporting system must be designed to comply with the internal control standards described in this Handbook (e.g., see [Sections A.3.5](#) and [B.7.0](#) through [B.7.3](#)), and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement), and support the reporting of accurate and reliable financial information.

4.2 Benefit Balances

Employee benefit balances (e.g., paid time off, sick time, vacation) should be maintained on at least a monthly basis. Benefit balances must be increased when benefit hours are earned and decreased as hours are used.

4.3 Incentive Compensation

Incentive compensation paid to employees should be reasonable, based on a measurable performance metric (e.g., cost reduction, efficient performance, suggestion awards, safety awards), and in accordance with the CONTRACTOR'S



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established policy or agreement with employees. The CONTRACTOR must maintain documentation to support any incentive compensation payments to employees.

Any bonuses, gifts, or other payments provided to employees that are solely intended to improve employee morale will be disallowed upon audit, unless expressly allowed by the COUNTY Agreement and/or the applicable funding source(s).

4.4 Limitations on Positions and Salaries

The CONTRACTOR should not pay any salaries higher than those authorized in the COUNTY Agreement or by the applicable funding source(s) (i.e., federal, State, and COUNTY agencies).

Payroll expenditures for employees working on more than one agreement, program, or activity must be equitably allocated in accordance with the applicable sections of [Uniform Guidance](#) and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement). If an employee serves in the same or dual capacities under more than one agreement or program, time charged to the agreements or programs taken as a whole may not exceed 100% of the employee's actual time worked.

Salaried employees should be paid a salary that corresponds with the employee's work schedule. For example, a half-time salaried employee performing the same or similar work should be paid proportionately less than a full-time salaried employee.

4.5 Retroactive Payroll Adjustments and Payments

The CONTRACTOR must not charge the COUNTY for any retroactive adjustments to an employee's authorized hourly/salary rate or benefits that result in additional compensation to an individual or group of employees without written approval from the COUNTY.

Retroactive payments to employees to correct underpayment errors may be charged to the COUNTY provided that adequate documentation is maintained to support an employee was underpaid in a prior pay period and the retroactive payment is necessary.

4.6 Separation of Duties Over Payroll and Personnel

Payroll checks should be distributed by persons not involved in timekeeping (e.g., preparing/recording, approving, processing, and reporting of payroll transactions), or reconciling bank accounts.



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All employee hires and terminations, or pay rate changes, must be approved in writing by authorized persons independent of payroll responsibilities.

4.7 Security Over Payroll and Personnel Records

Adequate security must be maintained over payroll and personnel records with access restricted to authorized individuals. Any automated payroll and personnel records which contain confidential information, such as, but not limited to, employee addresses and medical information, must be adequately safeguarded using the information security and privacy standards discussed in Section A.3.6 to prevent unauthorized access and use.

5.0 Procurement

Written policies and procedures must be established to ensure goods and services are procured in a manner providing full and open competition and in accordance with the requirements of [Uniform Guidance](#) and any other applicable funding source(s) (i.e., federal, State, and COUNTY agencies). The written policies and procedures must also cover conflicts of interest where the CONTRACTOR and/or its directors, officers, or key employees are unable (or appear to be unable) to be impartial in conducting a procurement action.

CONTRACTOR must maintain sufficient records to support the history of procurement. At a minimum, the records should detail the rationale for the procurement method, the selection of the contract type (e.g., cost reimbursement, fixed-price), reasoning/justification for contractor or vendor selection or rejection, and the basis for the contract price/rate.

The procurement of any goods and/or services with an aggregate value that exceeds the lesser of \$5,000 or the amount required by the CONTRACTOR'S policy must be approved by the CONTRACTOR'S board of directors.

Failure to procure goods and services as required and maintain adequate documentation to support expenditures charged to the COUNTY may result in inadequately supported expenditures and may be disallowed upon audit.

5.1 Methods of Procurement

[Uniform Guidance](#) describes the following methods for procuring goods and services:

- Informal Procurement
- Formal Procurement
- Noncompetitive Procurement



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Informal Procurement

When the aggregate value of the goods and/or services being procured is less than \$10,000, the CONTRACTOR must ensure the price is reasonable based on research, experience, purchase history, and/or other relevant information.

Where the aggregate value of the goods and/or services being procured is between \$10,000 and \$249,999, the CONTRACTOR must ensure the price is reasonable by obtaining price or rate quotations from an adequate number of qualified sources. CONTRACTOR should consider obtaining price or rate quotations from at least three qualified sources.

Formal Procurement

When the aggregate value of the goods and/or services being procured is \$250,000 or more, the CONTRACTOR must ensure the price is reasonable by formally and publicly advertising and soliciting sealed bids or competitive proposals from an adequate number of qualified sources.

Sealed bids are generally solicited for firm-fixed price contracts (lump sum or unit price). The contract should be awarded to a responsible bidder whose bid conforms with all material terms and conditions of the invitation for bids and is the lowest price.

Competitive proposals are generally solicited when conditions are not appropriate for the use of sealed bids and can be used for either cost reimbursement or fixed price type contracts. The contract should be awarded to the offeror whose proposal is most advantageous to the CONTRACTOR and should be based on price and other relevant factors.

Noncompetitive Procurement

Noncompetitive procurements should only be used when the aggregate value of the goods or services is less than \$10,000, the goods or services can only be obtained from a single source, there is an immediate need for the goods or services and delays from publicizing a competitive solicitation are not permitted, or a competitive solicitation was conducted and competition was determined to be inadequate.

The CONTRACTOR must obtain written approval from the COUNTY and/or the applicable funding source(s) prior to using a noncompetitive procurement that does not meet one of the conditions described above.

6.0 Capital and Non-Capital Assets

Controls over capital and non-capital assets are necessary to safeguard investments, establish responsibility for the custody of each asset, provide



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necessary data for financial reporting, and provide required information and documentation for depreciation, insurance, audit, and other purposes.

6.1 Capital Assets

Capital assets are tangible or intangible assets of significant value having a useful life that extends beyond the current year and include land, buildings and improvements, equipment, and intellectual property (including software). All applicable assets with an acquisition cost of \$5,000 or more must be capitalized in accordance with GAAP.

Acquisition cost means the net invoice unit price of an item, including shipping costs and sales taxes, the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Acquisition costs for software include those development costs capitalized in accordance with GAAP.

Capital asset purchases must be approved by the CONTRACTOR'S board of directors or their authorized representative.

Capital assets should not be ordered or purchased and charged to the COUNTY during the last three months of the term of the Agreement, unless the acquisition is pre-approved by the COUNTY or the CONTRACTOR'S Agreement with the COUNTY is renewed or extended.

6.2 Acquisition

CONTRACTOR must submit a purchase versus lease analysis to COUNTY and obtain written authorization before making a capital asset purchase where the acquisition cost is \$25,000 or more, and all, or a portion of the cost of the capital asset will be charged to the COUNTY Agreement. If the cost of the capital asset will be charged to multiple COUNTY Agreements, the CONTRACTOR only needs to obtain written authorization from the COUNTY department(s) where the CONTRACTOR anticipates expenditures charged will exceed the lesser of 10% of the acquisition cost of the capital asset or \$5,000, unless more restrictive and/or stringent requirements over acquisitions are required by the COUNTY Agreement and/or the applicable funding source(s).

6.3 Non-Capital Asset Equipment

Non-capital asset equipment is defined as equipment containing COUNTY non-public information, or equipment with a unit cost of more than \$250 but less than \$5,000, a useful life over one year, and can generally be easily carried or moved; especially by hand (e.g., personal computers, scanners, other portable assets).



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6.4 Asset Identification and Inventory

All capital assets and non-capital asset equipment (assets) purchased in full, or in part, with COUNTY Agreement funds are to be used for the benefit of the COUNTY Agreement and should be appropriately tagged.

CONTRACTOR must maintain an accurate, complete, and current listing of assets. The listing should include the item description, serial number, date of purchase, acquisition cost, source(s) of funding, location, and the specific employee(s) the asset is assigned to or controlled by, when applicable. Unassigned assets must also be identified on the listing.

An inventory of all assets must be conducted at least once every two years to ensure that all assets are accounted for, used, maintained in proper working order, and needed. Documentation must be maintained to support the inventory conducted, and any depreciation charges in accordance with [Uniform Guidance](#).

6.5 Security Over Assets

Physical security must be adequately maintained over all assets to prevent the misuse, theft, or destruction of COUNTY property and non-public information. To the extent necessary, physical security controls over assets should include the use of badges/identification cards, locks, security cables, and/or assorted barriers to prevent physical tampering, damage, theft, or unauthorized physical access.

6.6 Asset Management

The CONTRACTOR must assume responsibility and accountability for the maintenance of all assets purchased, leased, or rented with COUNTY Agreement funds, or any other assets containing COUNTY non-public information.

The CONTRACTOR must maintain documentation to support all cases of theft, loss, damage, or destruction of assets purchased with COUNTY Agreement funds or containing COUNTY non-public information. The documentation should, at a minimum, contain item identification, recorded value, facts relating to loss, and, where appropriate, a copy of the law enforcement report. In cases where the loss resulted from suspected criminal activity (e.g., theft, vandalism, arson), the incident must be reported to the local law enforcement agency with jurisdiction over the location of the suspected crime.

The supporting documentation, including a copy of any related crime/incident reports, must be retained by the CONTRACTOR for a period of time under which the underlying records were destroyed or damaged were required to be retained and must be retained for a longer period in the case of unresolved litigation or audit.



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The CONTRACTOR must promptly report in writing to the COUNTY, and provide copies of all relevant supporting documentation described above, all cases of theft, loss, damage, or destruction of:

- Any capital assets purchased with COUNTY Agreement funds.
- Any non-capital asset equipment purchased with COUNTY Agreement funds with an acquisition cost or aggregate costs of \$950 or more.
- Any capital or non-capital assets that electronically stored, used, and/or transmitted COUNTY non-public information.

CONTRACTOR must safely and securely dispose of or return to the COUNTY all capital and non-capital assets in accordance with the Agreement.

7.0 Information Technology

Information technology (IT) controls are necessary to protect the security, integrity, and availability of COUNTY non-public information, Protected Health Information (PHI), IT resources (e.g., systems and networks, accounting management software/applications, electronic time reporting systems), and data (e.g., electronically stored information, records, or documentation).

7.1 Information Technology Controls

It is the CONTRACTOR'S sole obligation to design and implement appropriate and reasonable IT controls to, at a minimum:

- Secure and protect its IT resources and data against internal/external threats and risks.
- Help ensure the accuracy and integrity of CONTRACTOR'S electronic records and data is not compromised.
- Ensure adequate safety mechanisms (e.g., unique log-on identifications, computer access codes, account codes, passwords, multi-factor authentication tokens, transaction approval/authorization controls) are in place to limit user (e.g., employees, subcontractors, contractors/consultants) access privileges to protect COUNTY non-public information, PHI, IT resources, and data related to the COUNTY Agreement from unauthorized or unlawful access, use, disclosure, alteration or destruction.
 - Users must only receive access to non-public information that is necessary to perform their assigned job duties, and must not be given an access authorization level that is higher than needed.



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- CONTRACTOR must review, and update, if necessary, user access rights/permissions at least annually, or when a user's job assignment and/or responsibilities change, to ensure access capabilities are consistent with the user's job duties. In addition, guest user access and inactive users, including terminated employees, contractors/consultants, and other unnecessary access should be reviewed and removed or disabled timely.
- Ensure adequate and ongoing IT and cyber security awareness training is provided to applicable CONTRACTOR employees.
- Capture sufficient audit trail information to identify the individual user(s) who performed key components (e.g., entry, approval) of critical or high risk (e.g., disbursement, payroll) transactions.
- Ensure all data/transactions entered into an information system are processed completely and accurately, duplicate transactions are prevented and/or detected timely, inputs and modifications to data are authorized, and all data is protected from improper or unauthorized deletion and alteration. For example, procedures for reviewing and approving source documents for reasonableness and proper authorization prior to entering information should be established, when applicable.
- Ensure any output (e.g., paper printouts, digital information, electronic records) containing non-public information or regulated data and transactions is adequately protected and clear individual accountability is maintained, when applicable.

7.2 Information Technology Security Management

CONTRACTOR must establish and implement IT policies and procedures that align with the applicable IT standards described in this Handbook, [COUNTY Board Policy 5.200](#), and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement, applicable sections of the [Board Policy Manual](#)). A good IT policy should address, at a minimum, such issues as:

- Security management
- Security awareness training
- Security and privacy violations/breaches, incident reporting, and response protocols
- Cyber security (e.g., encryption, malware/ransomware protection, vulnerability testing and monitoring)
- Separation of duties
- User access (including remote access) to system(s) data
- Authorization of transactions
- Exception/error resolution
- Back-up recovery and restart protocols (e.g., disaster recovery and business



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- contingency planning)
- Change controls (e.g., for maintenance, enhancements, or modifications to application systems, networks, and software), if applicable

CONTRACTOR must also ensure their IT policies are periodically reviewed and updated/modified when changes are necessary (e.g., to implement new systems or changes in procedures, adopt new security protocols, address new risks or circumstances).

To the extent CONTRACTOR exchanges or shares information with other authorized external parties (e.g., third-party vendors/providers, subcontractors, contractors/consultants), CONTRACTOR must also establish policies and procedures to ensure the security, reliability, and integrity of such information.

Any applicable security incidents (e.g., loss of COUNTY non-public information, breach of confidentiality, non-permitted use or disclosure of PHI) must be reported in accordance with the standards described in this Handbook, and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement).

7.3 Separation of Duties Over Systems

CONTRACTOR must ensure sufficient checks and balances exist, and adequate separation of duties are maintained over IT systems to help minimize the risk of fraudulent activity and user error, and ensure transactions (e.g., accounting, payroll, time reporting, disbursements) are properly initiated approved, processed, reported, and reconciled.

Work should be divided among two or more employees so that one employee does not have control over multiple key aspects of an IT system, and the functions performed by one employee may be checked by functions performed by other employees. For example, employees who have access to add or change vendor information (e.g., vendor and contact names, addresses, phone numbers) must not have access to process invoices.

8.0 Electronic Signatures

Electronic signatures (e-Signatures) may be used to represent an individual's acknowledgment, acceptance, or approval of an agreement, transaction, report, record, or form, unless otherwise prohibited by the COUNTY Agreement and/or applicable funding source(s). Various types of e-Signatures exist. The most secure forms of e-Signatures will provide a digital audit trail that confirms when a document was signed, provides assurance that the individual claiming to be the signor is the signor through effective authentication methods (e.g., unique log-on identifications, account codes, passwords), and can safeguard documents from being altered after they have been signed. When determining which type of e-Signature to use, CONTRACTOR should consider the associated risks and level of assurance needed for the signature or document, and any other applicable



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federal, State, and COUNTY requirements (e.g., COUNTY Agreement).

9.0 Subcontracts

CONTRACTOR must not subcontract services without the prior written consent of the COUNTY. Payments for subcontracted services without the prior written consent of the COUNTY may be disallowed upon audit.

CONTRACTOR must provide the COUNTY with copies of all executed subcontracts and must be responsible for the performance of their subcontractors. CONTRACTOR may submit an electronic copy of executed subcontracts in preference to a hardcopy, unless original signed subcontracts are required by the COUNTY Agreement or the applicable funding source(s).

9.1 Subcontractor Monitoring

CONTRACTOR must monitor the activities of their subcontractors as necessary, but no less than annually, to ensure governmental monies are used for their intended purposes, compliance with applicable federal, State, and COUNTY requirements, and performance goals are achieved. For example, the monitoring must include, but not be limited to:

- Performing reviews of the subcontractor's fiscal and program operations (e.g., verifying expenditures charged to the subaward are adequately supported, allowable, and appropriately allocated; verifying internal controls are maintained as required; and verifying subcontracted services are meeting required performance standards).
- Performing reviews of required financial and performance reports.
- Verifying all subcontractors are audited as required.
- Following-up and ensuring appropriate corrective action is taken on all deficiencies pertaining to the subcontract.

C. COST PRINCIPLES

1.0 Purpose of Program Funds

It is the intent of the COUNTY to provide funds for the purpose of the CONTRACTOR to provide the services required by the Agreement. CONTRACTOR must use these funds on actual expenditures in an economical and efficient manner, and ensure they are reasonable, proper, and necessary costs of providing services and allowable in accordance with the applicable sections of [Uniform Guidance](#), and any other applicable funding source(s) (i.e., federal, State, and COUNTY agencies) requirements.



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1.1 Limitations and Requirements for Program Expenditures

CONTRACTOR must comply with all limitations and requirements for COUNTY Program expenditures in the Agreement, the applicable sections of [Uniform Guidance](#), and/or any other applicable funding source(s) (i.e., federal, State, and COUNTY agencies). If a CONTRACTOR is unsure of the allowability of any particular type of expenditure, the CONTRACTOR should request advance written approval from the COUNTY and/or applicable funding source(s) prior to incurring the expenditure.

1.2 Limitations on Payments to Affiliated Organizations or Persons (i.e., Related Party/Less-Than-Arm's-Length Transactions)

For purposes of the COUNTY Agreement, COUNTY must be solely responsible for determining affiliation unless otherwise allowed and approved by federal, State, or COUNTY agencies. Organizations or persons will be considered affiliated when one party is able to control or substantially influence the actions of the other. Affiliation includes, but is not limited to, a relationship between the CONTRACTOR and:

- An organization related through legal organization (i.e., corporation, partnership, parent company, subsidiary organization, association).
- An organization under common control through its common officers, directors, or members.
- A director, trustee, officer, or key employee, or an individual related by blood, marriage, or affinity, either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest.

Prior to making payments to affiliated organizations or persons (i.e., related party/less-than-arm's-length transactions), CONTRACTOR must complete and submit to the COUNTY a disclosure statement identifying the nature of the relationship with the affiliated or related organizations/persons.

CONTRACTOR must not make payments to affiliated organizations or persons for program expenditures (e.g., salaries, services, rent) that exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs for services rendered and/or items purchased. A reasonable cost is the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Payments to affiliated organizations or persons will be disallowed upon audit to the extent the payments exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs (fair market value) for services rendered or items purchased.



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1.3 Unallowable Expenditures

[Uniform Guidance](#) addresses the allowability of a variety of costs. For all costs, there are certain restrictions and limitations; however, the following are examples of costs that are generally unallowable, unless expressly allowed by the COUNTY Agreement and/or the applicable funding source(s):

- Bad debts
- Bonuses, gifts, and other expenditures solely intended to improve employee morale
- Contingency provisions
- Contributions and donations
- Entertainment, social activities, and other similar expenditures (unless there is a programmatic purpose)
- Fines and penalties (e.g., Non-sufficient Funds Check Fees, Traffic Citation Fees)
- Fundraising activities
- Interest
- Losses on other awards

1.4 Depreciation

Unless otherwise approved by the COUNTY, compensation for the use of buildings, capital improvements, equipment, and software projects may be made through depreciation in accordance with the applicable sections of [Uniform Guidance](#):

- The computation of depreciation is based on the acquisition cost of the asset(s).
- The computation should exclude the cost of:
 - Land
 - Buildings and equipment donated by governmental agencies
 - Buildings and equipment contributed by the CONTRACTOR to satisfy funding matching requirements
 - Any asset acquired solely for the performance of a non-Federal award.
- For depreciation, an appropriate useful life must be established for the asset(s), which considers factors such as the type of construction, nature of the asset used, susceptibility to technological obsolescence or technological developments in the particular area, historical data, and the renewal and replacement policies followed for the assets involved, etc.
- [Appendix B to IRS Publication 946](#), "How to Depreciate Property," contains guidelines for establishing an asset's useful life.



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1.5 Rental Costs of Buildings and Equipment

Rental costs are allowable to the extent that the rates are reasonable considering rental costs of comparable property, market conditions in the area, condition of the property being leased, etc.

- Under a “sale and leaseback” arrangement, rental costs would be allowable up to the amount that would be allowed if the CONTRACTOR had continued to own the property. This amount generally includes expenditures such as depreciation, maintenance, taxes, and insurance.
- Under a “less-than-arms-length” lease, costs are only allowable up to the amount that would be allowable had title to the property vested in the CONTRACTOR. This amount generally includes expenditures such as depreciation, maintenance, taxes, and insurance.

1.6 Budget Limitation

Expenditures must not exceed the maximum limits in the COUNTY Agreement budget.

1.7 Expenditures Incurred Outside the Agreement Period

Expenditures charged against program funds may not be incurred prior to the effective date of the COUNTY Agreement or subsequent to the COUNTY Agreement termination, or expiration date. Similarly, current period expenditures related to events or activities that occurred prior to the effective date of the COUNTY Agreement may not be allowable. For example, legal costs incurred prosecuting or defending a lawsuit stemming from events which occurred during a period not covered by a valid COUNTY Agreement between CONTRACTOR and COUNTY are not allowable.

1.8 Unallowable Activities

COUNTY program funds, materials, property, or services must not be used for investments where there is a risk of loss or for the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.

1.9 Unspent Program Funds

CONTRACTOR must return any unspent program funds to the COUNTY, unless otherwise permitted by the COUNTY Agreement. In addition, the COUNTY will determine the disposition of unspent program funds upon termination of the COUNTY Agreement.



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2.0 Allocable Expenditures

For CONTRACTORS that operate programs or provide services in addition to the services required under the COUNTY Agreement, the CONTRACTOR must allocate expenditures to all benefiting programs, activities (including unallowable activities, such as fundraising and investment activities), and funding sources using an equitable basis.

In accordance with the applicable sections of [Uniform Guidance](#), CONTRACTORS must define their allocable expenditures as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible. ***Actual conditions must be taken into account when selecting the method and/or base to be used to allocate expenditures to ensure expenditures are allocated equitably to each benefiting program, activity, and funding source.***

The CONTRACTOR must maintain documentation for allocated expenditures (e.g., timecards, time studies, calculation of full-time equivalents, square footage measurements).

Under no circumstances can allocated expenditures be charged to an extent greater than 100% of actual expenditures or the same expenditure be charged both directly and indirectly.

2.1 Direct Costs

Unless otherwise set forth in the COUNTY Agreement, or required by the applicable funding source(s), direct costs are defined as those costs that can be identified specifically with a particular final cost objective (e.g., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on the employees' timecards and the payroll expenditures should be treated as direct charges and distributed on the basis of the actual recorded hours spent on each program or using another equitable basis based on actual conditions.

Shared costs (i.e., costs that benefit more than one program or activity) that can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating shared costs as direct costs:

- Number of direct hours spent on each program



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- Full-time equivalents for each program
- Square footage occupied by each program
- Other relevant and equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or shared purposes and cannot be readily identified with a particular final cost objective. Examples of indirect costs include the salaries and benefits of executive officers and administrative personnel (e.g., accounting, human resources, information technology), depreciation and use allowances for administrative buildings, and other costs related to the general administration of the organization. Only expenditures that are allowable in accordance with the applicable sections of [Uniform Guidance](#) and any other applicable funding source(s) (i.e., federal, State, and COUNTY agencies) can be included as indirect costs and allocated to the COUNTY program(s).

Examples of bases for allocating indirect costs:

- Total direct salaries and wages.
- Total direct costs, excluding unallowable costs that do not represent an activity of the CONTRACTOR (e.g., fines, penalties, bad debts), capital expenditures, and other distorting items such as significant one-time expenditures, or subcontractor payments.
- Modified total direct costs, including all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the applicable threshold (e.g., \$25,000 (prior to October 1, 2024), \$50,000) of each subaward (regardless of the period of performance of the subawards under the award). It excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of the applicable threshold (e.g., \$25,000 (prior to October 1, 2024), \$50,000) as required by [Uniform Guidance](#).

2.3 Acceptable Indirect Cost Allocation Methods

[Uniform Guidance](#) describes the following allowable methods for allocating and charging indirect costs:

- Simplified allocation method
- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate
- De minimis rate



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CONTRACTOR must ensure the indirect cost allocation methodology chosen is clearly described in their Cost Allocation Plan and is used consistently to allocate indirect costs. See [Exhibit D](#) for examples of how to allocate indirect costs using these methods.

Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base (see [Exhibit D.1](#) for example).

Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenditures are treated as direct costs. Shared costs, such as depreciation, facility and equipment rentals, facilities maintenance, telephone, and other similar expenditures, are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenditures, are then allocated using the simplified allocation method previously discussed (see [Exhibit D.2](#) for example).

Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated (see [Exhibit D.3](#) for example).

Negotiated Indirect Cost Rates

CONTRACTORS have the option of negotiating an indirect cost rate or rates for use on all their federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency with the largest dollar value of federal awards funded to the organization. The approved indirect cost rate is then applied to the total approved direct cost base (see [Exhibit D.4](#) for example).

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR must submit a copy of the approval letter to COUNTY upon request.



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De Minimis Rate

A CONTRACTOR that does not have a current negotiated (including provisional) federally approved indirect cost rate may elect to charge indirect costs based on the applicable de minimis rate (e.g., 10% (prior to October 1, 2024), up to 15%) of modified total direct costs. If elected, this rate may be used indefinitely, but must be used consistently to charge indirect costs to all programs and activities (see [Exhibit D.5](#) for example).

2.4 Indirect Cost Limitations

CONTRACTOR must ensure indirect costs charged to the COUNTY program(s) are within any maximum limitations established by statutory requirements. Any amounts charged in excess of maximum limitations will be disallowed upon audit unless otherwise allowed and approved by the applicable federal, State, or COUNTY agency.

2.5 Cost Allocation Plan

CONTRACTOR must maintain an annual Agency-wide Cost Allocation Plan (Plan), and submit the Plan to the County if required by the COUNTY Agreement, and/or when requested by the COUNTY. The Cost Allocation Plan must be prepared in accordance with the applicable sections of [Uniform Guidance](#), and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement, COUNTY instructions) and include the following information:

- CONTRACTOR's general accounting policies:
 - Fiscal year
 - Method for allocating indirect costs (e.g., simplified, direct, multiple, negotiated rate, de minimis rate)
 - Indirect cost rate allocation base (e.g., direct salaries and wages, direct costs).
- Identify the CONTRACTOR'S direct, shared, and indirect costs (by category) and describe the cost allocation methodology for each category.
- Signature of CONTRACTOR management certifying the accuracy of the plan.

3.0 Overpayments

If upon audit, or at any time during the Agreement year, it is determined that cost reports or invoices submitted to the COUNTY which were used as a basis for payments to the CONTRACTOR were inaccurate, the COUNTY may determine the total overpayment and require the CONTRACTOR to repay the COUNTY. The COUNTY may withhold payments from CONTRACTOR'S future payments unless otherwise prohibited by federal and/or State regulations.



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D. GOVERNANCE

1.0 Governance Overview

Large numbers of nonprofit corporations, organized for public benefit, receive public funds through contracts with the COUNTY. Many COUNTY service contracts support key public initiatives, including protecting children, providing health care, fostering employment, and reducing the effects of mental impairments and substance abuse.

Nonprofit organizations doing business with the COUNTY must conduct their work in a manner consistent with their charitable mission and the public purposes embodied in the COUNTY Agreement. This demands that nonprofit agency governing boards be conscious of their fiduciary responsibilities in providing proper oversight and direction, and making decisions.

1.1 Board of Directors' Requirements

Nonprofit agencies doing business with the COUNTY must have a governing board of at least three (3) directors in accordance with State law (e.g., [Sections 12331](#) and [5227](#) of [California Corporations Code](#)). At no time should more than 49% of the persons serving on the board of directors (board or directors) be "interested persons." An "interested person" includes:

- Any person currently being compensated by the CONTRACTOR for services rendered within the previous 12 months, whether as a full-or part -time employee, independent contractor, or otherwise.
- Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in law, daughter-in-law, mother-in law, or father-in law of any such person (e.g., directors, CONTRACTOR or subcontractor employees).

The majority of the directors should not have a direct or indirect material financial interest in the organization, or any other relationship that could create a conflict of interest on the part of the director(s). A financial interest may exist for reasons of business, investment, or family relationship. "Financial interest" means an actual or potential ownership, investment, or compensation arrangement in or with any entity or individual with which the organization has, or is negotiating, a transaction or arrangement.

Directors, officers, and employees of nonprofit corporations with which the COUNTY contracts must not:

- Permit or benefit from self-dealing transactions (unless permitted by law), or unreasonable compensation.
- Misuse or dissipate scarce public resources.



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Additional details regarding governance and directors' requirements are included in State Law (e.g., [California Corporations Code](#), [Section 12586 of California Government Code](#)).

1.2 Board of Directors' Fiduciary Responsibilities

All members of a nonprofit organization's governing board must perform their duties in good faith and in a manner they believe to be in the best interests of the CONTRACTOR and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. Although directors may delegate management of CONTRACTOR operations, activities, and affairs, to officers, employees, management companies, or committees, the directors are ultimately responsible for the direction and oversight of the organization. Directors' fiduciary responsibilities include, but are not limited to, the following:

- Monitoring the organization's fiscal and programmatic performance.
- Overseeing the organization's risk management, control processes, usage of funds, and protection of the organization's assets.
- Ensuring the organization's compliance with applicable federal, State, and COUNTY regulations.
- Making, reviewing, and/or approving decisions that are in the best interest of the organization (not in the best interest of any individual or other organization). For example, the board should review and approve all significant transactions (e.g., less-than-arm's length transactions, purchases of capital assets, loans, incentive compensation to the organization's management and employees).
- Recognizing and disclosing conflicts of interest.

1.3 Oversight Mechanisms

An organization's governing board must provide for its governance by:

- Adopting and disclosing the organization's governance standards, including director qualifications, responsibilities, and compensation. The standards may provide for "just and reasonable" compensation and benefits consistent with the compensation amount or guidelines established in the organization's contract(s) with the COUNTY. Compensation and benefits of directors, officers, and employees should be comparable to agencies of similar size and function (see [Section B.4.4](#), "Limitations on Positions and Salaries"). No employee may receive compensation or benefits for more than one organization job. For example, the Chief Executive Officer (CEO) cannot receive compensation or benefits for the job of CEO and another job such as program manager, etc.



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- Adopting and disclosing a code of business conduct and ethics for directors, officers, and employees, and promptly disclosing to the County any waivers (e.g., authorized exemptions, exceptions) of the code affecting organization directors, officers, or employees.
- Reviewing, no less than annually, the CONTRACTOR'S compliance with COUNTY Agreement terms and conditions/provisions (e.g., insurance, internal controls, federal and State reporting, payment requirements for payroll withholding) and report any applicable deviations to the COUNTY .

An organization's governance guidelines and code of ethics must:

- Provide for an annual process to distribute to and obtain from directors, officers and employees written acknowledgments of their adherence to the CONTRACTOR'S governing standards.
- Incorporate a mechanism for disclosing and addressing possible conflicts of interest.
- Provide appropriate record-keeping, particularly of transactions and arrangements required to be reviewed by the governing board and where significant organization resources are expended by or for officers, directors and employees.

1.4 Board Meetings

A CONTRACTOR'S board must meet periodically to ensure the directors' fiduciary responsibilities (see [Section D.1.2](#)) are carried out as required. It is recommended a CONTRACTOR'S board meet at least four times a year. Board members may participate in meetings using conference telephone or electronic communication. Additional details are included in State Law (e.g., [Section 5211 of California Corporations Code](#)).

Board meeting minutes must be written (or in any form capable of being converted into clearly legible tangible form), maintained for each meeting, and certified by the board secretary (or an assistant secretary/alternate) in accordance with State Law (e.g., [Sections 5215 and 6320 of California Corporations Code](#)). In addition, the meeting minutes should include:

- The names of the board members who are present and absent.
- The date and time the meeting begins and ends.
- A summary of all discussions, deliberations, and actions taken by the board.
- The names of board members making and seconding motions, and a breakdown of the votes on the motions.
- A summary of future action items/steps and who is responsible for them.



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1.5 Audit Committee

The board must establish an audit committee when applicable in accordance and compliance with the Nonprofit Integrity Act of 2004 ([SB 1262 Chapter 919](#)) and State law (e.g., [Section 12586 of California Government Code](#)).

Annual Audit Duties

The Audit Committee:

- Is responsible for making recommendations to the board on the hiring and firing of the CONTRACTOR'S independent auditor to perform annual audits.
- Must confer with the CONTRACTOR'S independent auditor to satisfy audit committee members that the financial affairs of the CONTRACTOR are in order, review each audit and decide whether to accept it, and ensure that the COUNTY receives a copy of the annual audit report and all other audits, reviews, and other third-party reports.

Additional Audit Committee Duties

The audit committee must:

- Establish procedures for receiving and addressing complaints regarding accounting, internal controls, and auditing matters.
- Monitor and take steps to ensure proper management response to major performance or fiscal deficits, such as any material weaknesses and/or significant deficiencies identified during an audit.
- Pre-approve all audit and non-audit services provided by the auditor. Non-audit services are defined as any professional services provided other than those provided in connection with an audit or review of the financial statements of the CONTRACTOR. The following is a list of non-audit services for which the independent auditor cannot perform unless the firm follows the independence standard in the Yellow Book issued by the U.S. Comptroller General:
 - ✓ Bookkeeping or other services related to the accounting records or financial statements of the audit client
 - ✓ Financial information systems design and implementation
 - ✓ Internal audit outsourcing services
 - ✓ Management functions or human resources
 - ✓ Investment adviser or investment banking services
 - ✓ Legal services and expert services unrelated to the audit



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E. REPORTING FRAUD/MISCONDUCT

CONTRACTORS are required to report suspected fraud, waste, or misuse of public monies, as well as misconduct involving COUNTY personnel to the Los Angeles County Fraud Hotline (Hotline). CONTRACTORS are also required to report suspected fraud committed by their employees and subcontractors when that fraud affects their Agreement with the COUNTY. Reportable conditions include, but are not limited to:

- Requests for bribes/kickbacks/gratuities.
- Favoritism/nepotism in the awarding of COUNTY Agreements, or selection of vendors.
- Embezzlement, theft, or misuse of any COUNTY funds, resources, time, equipment, or information.
- CONTRACTOR or vendor improprieties (e.g., inappropriate or unethical actions/behaviors such as unfair business practices, disregard for laws, abuse of power, corruption, etc.)

Reportable conditions must be reported to the Hotline upon their discovery by CONTRACTOR. Failure to report the types of fraud/misconduct discussed above may be grounds for contract termination.

The reporting party may remain anonymous. Reports can be made via telephone, mail, e-mail, or online to:

Online: <https://fraud.lacounty.gov/>
E-mail: fraud@auditor.lacounty.gov
Call: (213) 89-FRAUD or (213) 893-7283
Toll Free: (800) 544-6861
Fax: (213) 947-5809
U.S. Mail: County of Los Angeles
Department of Auditor-Controller
Office of County Investigations
500 West Temple Street, Suite 514
Los Angeles, CA 90012

F. RESOURCES

As noted in the introduction of this Handbook, the accounting, financial reporting, and internal control standards described in this Handbook are compiled from various federal, State, and COUNTY regulations and guidelines. The sources cited in this Handbook include, but are not limited to, those listed below. CONTRACTORS can refer to these sources for additional information and guidance on the federal, State, and COUNTY regulations and guidelines applicable to their organization (since some regulations and guidelines may not apply to every CONTRACTOR).

- Electronic Code of Federal Regulations - www.ecfr.gov
 - Uniform Guidance - <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>
- Internal Revenue Service - www.irs.gov



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- United States Department of Labor - www.dol.gov
 - Health Insurance Portability and Accountability Act (HIPAA) - <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/hipaa>
- The System for Award Management (SAM.gov) - <https://sam.gov>
- The Sarbanes-Oxley Act of 2002 - <https://www.govinfo.gov/content/pkg/COMPS-1883/pdf/COMPS-1883.pdf>
- Financial Accounting Standards Board - <https://fasb.org>
 - Accounting Standards Codification (including Generally Accepted Accounting Principles) - <https://asc.fasb.org>
- State of California
 - Laws (including Corporations, Government, Labor, Civil, and Welfare and Institutions Codes) - www.leginfo.ca.gov
 - Department of Justice Office of the Attorney General - www.oag.ca.gov
 - Guide for Charities - <https://oag.ca.gov/charities/guide-live>
 - Franchise Tax Board - www.ftb.ca.gov
 - Secretary of the State - www.sos.ca.gov
- COUNTY Board Policy Manual - https://library.municode.com/ca/la_county_bos/codes/board_policy
- The Committee of Sponsoring Organizations of the Treadway Commission (COSO) - www.coso.org
 - COSO sponsoring organizations:
 - The American Accounting Association - www.aaahq.org
 - The American Institute of Certified Public Accountants - www.aicpa.org
 - The Government Finance Officers Association - <https://www.gfoa.org>
 - The Financial Executives International - www.financialexecutives.org
 - The Institute of Internal Auditors - www.theiia.org
 - The Association of Accountants and Financial Professionals in Business - www.imanet.org
 - COSO's Guidance on Internal Control Integrated Framework - <https://www.coso.org/guidance-on-ic>

G. HANDBOOK ADMINISTRATION AND INQUIRIES

This Handbook is intended to be a continual work in progress. Changes are made by Auditor-Controller staff on an ongoing basis. As conditions and the accumulation of changes warrant, the online version that is available to COUNTY departments and CONTRACTORS is replaced with the latest version.

COUNTY departments and CONTRACTORS may make inquiries regarding the standards and guidance described in this Handbook by completing the inquiry form linked below. All inquiry forms will be submitted to the Auditor Controller's Countywide Contract Monitoring Division. When submitting an inquiry form, please provide as much information as possible to assist in ensuring all inquiries are properly addressed.

Inquiry Form: <https://forms.office.com/q/HNDS8DL8VX>

Bank Reconciliation Example

Agency Name
Bank and Account #
For the Month Ended June 30, 202X

Balance Per Bank Statement			\$ 35,000.00	
Add:	Deposit(s) in Transit		\$ 4,000.00	
	Bank Service Charge (erroneously posted -- to be reversed next month)		\$ 20.00	[1]
Less:	Outstanding Checks			
	#100	\$ 1,000.00		
	#101	\$ 500.00		
	#102	\$ 500.00	\$ (2,000.00)	
	Bank Posting Error (to be reversed next month)		\$ (120.00)	[1]
Adjusted Bank Balance			<u>\$ 36,900.00</u>	
<hr/>				
Balance Per Book			\$ 36,950.00	
Less:	Bank Charges	\$ 40.00		
	Post Error	\$ 10.00	\$ (50.00)	[1]
Adjusted Book Balance			<u>\$ 36,900.00</u>	

Prepared by: _____ Date _____

Reviewed by: _____ Date _____

[1] Reconciling items.

Petty Cash Log Example

Petty Cash Log

January 202X

Program/Location: _____

Approved Petty Cash Fund Amount: _____

Date of Transaction	Description of Transaction	Account Code	Cash Out	Amount of Transaction	Cash Received	Balance
Beginning Petty Cash on Hand						\$ 500.00
1/1/202X	Parking	XX-XXX	\$ 10.00	\$ 10.00		\$ 490.00
1/5/202X	Postage	XX-XXX	\$ 10.00	\$ 10.00		\$ 480.00
1/8/202X	Supplies (Posterboard)	XX-XXX	\$ 5.00	\$ 5.00		\$ 475.00
1/12/202X	Replenishment Check #101	XX-XXX			\$ 25.00	\$ 500.00
Total			\$ 25.00	\$ 25.00	\$ 25.00	
Ending Petty Cash on Hand						\$ 500.00

Petty Cash Custodian Signature

Date _____

Petty Cash Log Reviewer Signature

Date _____

Liquid Assets Log Example

Liquid Asset Disbursement/Usage Log

Type: Gift Cards to ABC, Inc. Grocery Store

January 202X

Data Issued	Liquid Asset No.	Purpose/ Description	Quantity	Amount	Authorized by	Recipient	Recipient Signature
Beginning Liquid Assets on Hand			25	\$ 500			
1/1/202X	XX-XXXX-X1	Gift card for client	1	\$ 20	John Smith	Jane Doe	<i>Jane Doe</i>
1/10/202X	XX-XXXX-X2	Gift card for client	1	\$ 20	John Smith	Robert Jones	<i>Robert Jones</i>
1/25/202X	XX-XXXX-X3	Gift card for client	2	\$ 40	John Smith	Jane Doe	<i>Jane Doe</i>
1/26/202X	XX-XXXX-X4	Gift card for client	1	\$ 20	John Smith	Robert Jones	<i>Robert Jones</i>
Total Disbursed/Used			5	\$ 100			
Ending Liquid Assets on Hand			20	\$ 400			

Liquid Asset Custodian Signature

Date _____

Liquid Asset Log Reviewer Signature

Date _____

Indirect Cost Allocation Methods Examples

D.1 - Simplified Allocation Method Example

ABC, Inc. operates two programs, uses direct salaries as their distribution base for indirect costs, and reported the following costs:

Agency-wide Indirect Costs	\$250,000
Program A Direct Salaries	\$100,000
Program B Direct Salaries	\$900,000

Step 1: Classify all costs as either direct or indirect (as indicated above).

Step 2: Calculate the indirect cost rate by dividing the total indirect costs by total direct salaries.

Indirect Costs	\$250,000	
Total Direct Salaries	\$1,000,000	= \$100,000 + \$900,000
Indirect Cost Rate	25%	= $\frac{\$250,000}{\$1,000,000}$

Step 3: Allocate indirect costs to each program by multiplying the indirect cost rate by the direct salaries for each respective program.

Indirect Costs Allocated to Program A	\$25,000	= \$100,000 x 25%
Indirect Costs Allocated to Program B	\$225,000	= \$900,000 x 25%

D.2 - Direct Allocation Method Example

ABC, Inc. operates two programs and conducts fundraising activities. The Agency uses square footage as their distribution base for shared facility rent and maintenance costs and direct costs as their distribution base for indirect costs. ABC, Inc. reported the following costs:

General Administration and General Expenses (Indirect Costs)	\$250,000
Shared Costs: Facility Rent and Maintenance	\$150,000
Program A Direct Costs	\$100,000
Program B Direct Costs	\$850,000
Fundraising Direct Costs	\$50,000

Step 1: Separate costs into three basic categories:

- General Administration and General Expenses (Indirect Costs)
- Direct Programs and Activities
- Fundraising

Step 2: Calculate the percentage of square footage occupied by each program and activity. ABC, Inc.'s facilities have a total of 4,000 square feet and the Agency determined Program A occupies 2,800 square feet, Program B occupies 1,000 square feet, and fundraising activities occupies 200 square feet, respectively.

Program A Square Footage	2,800	70%
Program B Square Footage	1,000	25%
Fundraising Square Footage	200	5%
Total Square Footage	4,000	100%

Step 3: Allocate the shared facility rent and maintenance costs based on the percentage of square footage used by each program and activity.

Shared Costs: Facility Rent and Maintenance	\$150,000	
Shared Costs Allocable to Program A	\$105,000	= \$150,000 x 70%
Shared Costs Allocable to Program B	\$37,500	= \$150,000 x 25%
Shared Costs Allocable to Fundraising	\$7,500	= \$150,000 x 5%

Step 4: Calculate the total direct costs for each program and activity by adding the direct costs to the shared costs allocated to each respective program.

Program A Direct Costs	\$100,000
+ Program A Shared Costs	\$105,000
Total Program A Direct Costs	\$205,000
 Program B Direct Costs	 \$850,000
+ Program B Shared Costs	\$37,500
Total Program B Direct Costs	\$887,500
 Fundraising Direct Costs	 \$50,000
+ Fundraising Shared Costs	\$7,500
Total Fundraising Direct Costs	\$57,500

Step 5: Calculate the indirect cost rate by dividing the total indirect costs by total direct costs.

Total Indirect Costs	\$250,000	
Total Direct Costs	\$1,150,000	= \$205,000 + \$887,500 + \$57,500
Indirect Cost Rate	21.74%	= $\frac{\$250,000}{\$1,150,000}$

Step 6: Allocate indirect costs to each program and activity by multiplying the indirect cost rate by the total direct costs for each respective program and activity.

Indirect Costs Allocable to Program A	\$44,565	= \$205,000 x 21.74%
Indirect Costs Allocable to Program B	\$192,935	= \$887,500 x 21.74%
Indirect Costs Allocable to Fundraising	\$12,500	= \$57,500 x 21.74%

D.3 - Multiple Allocation Base Method Example

ABC, Inc. operates two programs and conducts fundraising activities. The Agency uses square footage as their distribution base for indirect facilities costs and modified total costs⁽¹⁾ as their distribution base for indirect administration costs. ABC, Inc. reported the following costs:

- (1) *Modified total costs (MTC) are the modified total direct costs (MTDC) plus allocated indirect costs. MTDC includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$50,000 (effective October 1, 2024) of each subaward (regardless of the period of performance of the subawards under the award). It excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$50,000 (effective October 1, 2024).*

Indirect Depreciation	\$100,000
Indirect Interest	\$150,000
Indirect Operation and Maintenance Expenses	\$550,000
Indirect General Administration	\$700,000
Indirect General Expenses	\$500,000
Program A Modified Total Direct Costs	\$7,250,000
Program B Modified Total Direct Costs	\$1,500,000
Fundraising Modified Total Direct Costs	\$250,000

Step 1: Establish separate indirect cost groupings based on the benefits provided to the programs and activities. The cost groupings are classified within two broad categories, “Facilities” and “Administration”, and should include the following indirect cost pools:

Facilities

- Depreciation
- Interest
- Operation and Maintenance Expenses

Administration

- General Administration and General Expenses

Indirect Facilities Costs

Indirect Depreciation	\$100,000
Indirect Interest	\$150,000
Indirect Operation and Maintenance Expenses	\$550,000
Total Indirect Facilities Costs	\$800,000

Indirect Administration Costs

Indirect General Administration	\$700,000
Indirect General Expenses	\$500,000
Total Indirect Administration Costs	\$1,200,000

Step 2: Calculate the percentage of square footage occupied by each program and activity. ABC, Inc.’s facilities have a total of 10,000 square feet and the Agency determined Program A occupies 5,000 square feet, Program B occupies 2,000 square feet, fundraising activities occupies 500 square feet, and administration occupies 2,500 square feet, respectively.

Program A Square Footage	5,000	50%
Program B Square Footage	2,000	20%
Fundraising Square Footage	500	5%
Administration Square Footage	2,500	25%
Total Square Footage	10,000	100%

Step 3: Allocate "Facilities" costs to all benefiting programs and activities based on the percentage of square footage used by each program and activity.

Indirect Facilities Costs Allocated to Program A	\$400,000	= \$800,000 x 50%
Indirect Facilities Costs Allocated to Program B	\$160,000	= \$800,000 x 20%
Indirect Facilities Costs Allocated to Fundraising	\$40,000	= \$800,000 x 5%
Indirect Facilities Costs Allocated to Administration	\$200,000	= \$800,000 x 25%

Step 4: Calculate the modified total costs for each program and activity to allocate indirect administration costs by adding the MTDC to the allocated indirect costs calculated above.

Program A - MTDC	\$7,250,000
+ Indirect Facilities Costs Allocated to Program A	\$400,000
Program A - MTC	\$7,650,000
Program B - MTDC	\$1,500,000
+ Indirect Facilities Costs Allocated to Program B	\$160,000
Program B - MTC	\$1,660,000
Fundraising - MTDC	\$250,000
+ Indirect Facilities Costs Allocated to Fundraising	\$40,000
Fundraising - MTC	\$290,000
Program A - MTC	\$7,650,000
Program B - MTC	\$1,660,000
Fundraising - MTC	\$290,000
Total MTC	\$9,600,000
Program A - MTC	\$7,650,000
Program B - MTC	\$1,660,000
Fundraising - MTC	\$290,000
Total MTC	\$9,600,000

Step 5: Calculate the total indirect administration costs.

Indirect Administration Costs	\$1,200,000
+ Indirect Facilities Costs Allocated to Administration	\$200,000
Total Indirect Administration Costs	\$1,400,000

Step 6: Calculate the indirect cost rate by dividing the total administration costs by the total modified costs.

Total Administration Costs	\$1,400,000
÷ Total MTC	\$9,600,000
Indirect Cost Rate	14.58%

Step 7: Allocate "Administration" costs to all benefiting programs and activities based on modified total costs.

Indirect Administration Costs Allocated to Program A	\$1,115,625	= \$7,650,000 x 14.58%
Indirect Administration Costs Allocated to Program B	\$242,083	= \$1,660,000 x 14.58%
Indirect Administration Costs Allocated to Fundraising	\$42,292	= \$290,000 x 14.58%

D.4 - Negotiated Indirect Cost Rate Example

ABC, Inc. operates two programs and has a negotiated indirect cost rate. The negotiated indirect cost rate agreement indicates the Agency's indirect cost rate is 15% and the distribution base is total direct costs excluding capital expenditures and equipment. ABC, Inc. reported the following costs:

	Program A	Program B
Salaries	\$ 2,000,000	\$ 1,250,000
Benefits	\$ 1,100,000	\$ 400,000
Capital Expenditures	\$ -	\$ 200,000
Equipment	\$ 60,000	\$ 15,000
Travel	\$ 40,000	\$ 25,000
Materials and Supplies	\$ 60,000	\$ 35,000
Total Direct Costs	\$ 3,260,000	\$ 1,925,000

Step 1: Calculate the direct costs distribution base for each program as required by the negotiated indirect cost rate agreement.

	Program A	Program B
Salaries	\$ 2,000,000	\$ 1,250,000
Benefits	\$ 1,100,000	\$ 400,000
Travel	\$ 40,000	\$ 25,000
Materials and Supplies	\$ 60,000	\$ 35,000
Direct Costs Base ⁽¹⁾	\$ 3,200,000	\$ 1,710,000

⁽¹⁾ Direct cost base does not include capital expenditures and equipment.

Step 2: Calculate the indirect costs charged to each program by multiplying the direct costs base for each respective program by the negotiated indirect cost rate.

	Program A	Program B
Direct Cost Base	\$ 3,200,000	\$ 1,710,000
x Indirect Cost Rate	15%	15%
Indirect Costs Charged	\$ 480,000	\$ 256,500

D.5 - De Minimis Rate Example

ABC, Inc. operates two programs and reported the following direct costs:

	Program A	Program B
Salaries	\$ 750,000	\$ 100,000
Benefits	\$ 250,000	\$ 20,000
Equipment	\$ 50,000	\$ 5,500
Travel	\$ 20,000	\$ 7,000
Materials and Supplies	\$ 40,000	\$ 4,000
Rent	\$ 60,000	\$ 12,000
Total Direct Costs	\$ 1,170,000	\$ 148,500

Step 1: Calculate the modified total direct costs (MTDC)⁽¹⁾ for each program.

- ⁽¹⁾ MTDC includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$50,000 (effective October 1, 2024) of each subaward (regardless of the period of performance of the subawards under the award). It excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$50,000 (effective October 1, 2024).

	Program A	Program B
Salaries	\$ 750,000	\$ 100,000
Benefits	\$ 250,000	\$ 20,000
Travel	\$ 20,000	\$ 7,000
Materials and Supplies	\$ 40,000	\$ 4,000
MTDC⁽¹⁾	\$ 1,060,000	\$ 131,000

- ⁽¹⁾ MTDC does not include the costs of equipment and rent.

Step 2: Calculate the indirect costs charged to each program by multiplying the MTDC for each respective program by the 15% de minimis rate (effective October 1, 2024)

	Program A	Program B
MTDC	\$ 1,060,000	\$ 131,000
x De Minimis Rate	15%	15%
Indirect Costs Charged	\$ 159,000	\$ 19,650



Contribution and Agent Declaration Form

This form must be completed separately by all bidders/proposers, including all prime contractors and subcontractors, and by all applicants for licenses, permits, and other entitlements for use issued by the County of Los Angeles ("County").

Pursuant to the Levine Act (Government Code section 84308), a member of the Board of Supervisors, other elected County officials (the Sheriff, Assessor, and the District Attorney), and other County employees and/or officers ("County Officers") are disqualified and not able to participate in a proceeding involving contracts, franchises, licenses, permits and other entitlements for use if the County Officer received more than \$250 in contributions in the past 12 months from the bidder, proposer or applicant, any paid agent of the bidder, proposer, or applicant, or any financially interested participant who actively supports or opposes a particular decision in the proceeding.

State law requires you to disclose information about contributions made by you, your company, and lobbyists and agents paid to represent you. Failure to complete the form in its entirety may result in significant delays in the processing of your application and potential disqualification from the procurement or application process.

You must fully answer the applicable questions below. You ("Declarant"), or your company, if applicable, including all entities identified below (collectively, "Declarant Company") must also answer the questions below. The term "employee(s)" shall be defined as employees, officers, partners, owners, or directors of Declarant Company.

An affirmative response to any questions will not automatically cause the disqualification of your bid/proposal, or the denial of your application for a license, permit or other entitlement. However, failure to answer questions completely, in good faith, or providing materially false answers may subject a bidder/proposer to disqualification from the procurement.

This material is intended for use by bidders/proposers, including all prime contractors and subcontractors, and by all applicants for licenses, permits, and other entitlements for use issued by the County of Los Angeles and does not constitute legal advice. If you have questions about the Levine Act and how it applies to you, you should call your lawyer or contact the Fair Political Practices Commission for further guidance.



Contribution and Agent Declaration Form

Complete each section below. State "none" if applicable.

A. COMPANY OR APPLICANT INFORMATION

1) Declarant Company or Applicant Name:

Fostering UNITY

a) If applicable, identify all subcontractors that have been or will be named in your bid or proposal:

N/A

b) If applicable, variations and acronyms of Declarant Company's name used within the past 12 months:

N/A

c) Identify all entities or individuals who have the authority to make decisions for you or Declarant Company about making contributions to a County Officer, regardless of whether you or Declarant Company have actually made a contribution:

Pamela Perez & Dorothy Daniels

[IF A COMPANY, ANSWER QUESTIONS 2 - 3]

2) Identify only the Parent(s), Subsidiaries and Related Business Entities that Declarant Company has controlled or directed, or been controlled or directed by. "Controlled or directed" means shared ownership, 50% or greater ownership, or shared management and control between the entities.

a) Parent(s):

N/A

b) Subsidiaries:

N/A

c) Related Business Entities:

N/A

3) If Declarant Company is a closed corporation (non-public, with under 35 shareholders), identify the majority shareholder.



Contribution and Agent Declaration Form

- 4) Identify all entities (proprietorships, firms, partnerships, joint ventures, syndicates, business trusts, companies, corporations, limited liability companies, associations, committees, and any other organization or group of persons acting in concert) whose contributions you or Declarant Company have the authority to direct or control.

N/A

- 5) Identify any individuals such as employees, agents, attorneys, law firms, lobbyists, and lobbying firms who are or who will act on behalf of you or Declarant Company and who will receive compensation to communicate with a County Officer regarding the award or approval of **this** contract or project, license, permit, or other entitlement for use.

*(Do **not** list individuals and/or firms who, as part of their profession, either (1) submit to the County drawings or submissions of an architectural, engineering, or similar nature, **or** (2) provide purely technical data or analysis, **and** who will not have any other type of communication with a County agency, employee, or officer.)*

Dorothy Daniels - Executive Director

Cindi Bertrand - Board President

- 6) If you or Declarant Company are a 501(c)(3) non-profit organization, identify the compensated officers of your organization and the compensated members of your board.

All board members are volunteers and not compensated.

B. CONTRIBUTIONS

- 1) Have you or the Declarant Company solicited or directed your employee(s) or agent(s) to make contributions, whether through fundraising events, communications, or any other means, to a County Officer in the past 12 months? If so, provide details of each occurrence, including the date.

Date (contribution solicited, or directed)	Recipient Name (elected official)	Amount

*Please attach an additional page, if necessary.



Contribution and Agent Declaration Form

- 2) Disclose all contributions made by you or any of the entities and individuals identified in Section A to a County officer in the past 12 months.

Date (contribution made)	Name (of the contributor)	Recipient Name (elected official)	Amount

*Please attach an additional page, if necessary.

C. DECLARATION

By signing this Contribution and Agent Declaration form, you (Declarant), or you and the Declarant Company, if applicable, attest that you have read the entirety of the Contribution Declaration and the statements made herein are true and correct to the best of your knowledge and belief. (Only complete the one section that applies.)

There are 0 additional pages attached to this Contribution Declaration Form.

COMPANY BIDDERS OR APPLICANTS

I, Dorothy Daniels (Authorized Representative), on behalf of Fostering UNITY (Declarant Company), at which I am employed as Executive Director (Title), attest that after having made or caused to be made a reasonably diligent investigation regarding the Declarant Company, the foregoing responses, and the explanation on the attached page(s), if any, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing materially false answers may subject Declarant Company to consequences, including disqualification of its bid/proposal or delays in the processing of the requested contract, license, permit, or other entitlement.

IMPORTANT NOTICE REGARDING FUTURE AGENTS AND FUTURE CONTRIBUTIONS:

By signing this Contribution and Agent Declaration form, you also agree that, if Declarant Company hires an agent, such as, but not limited to, an attorney or lobbyist during the course of these proceedings and will compensate them for communicating with the County about this contract, project, permit, license, or other entitlement for use, you agree to inform the County of the identity of the agent or lobbyist and the date of their hire. You also agree to disclose to the County any future contributions made to members of the County Board of Supervisors, another elected County officer (the Sheriff, Assessor, and the District Attorney), or any other County officer or employee by the Declarant Company, or, if applicable, any of the Declarant Company's proposed subcontractors, agents, lobbyists, and employees who have communicated or will communicate with the County about this contract, license, permit, or other entitlement after



Contribution and Agent Declaration Form

the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested contract, license, permit, or entitlement for use.

Dorothy Daniels
Signature

21 Oct 2025
Date

INDIVIDUAL BIDDERS OR APPLICANTS

I, _____, declare that the foregoing responses and the explanation on the attached sheet(s), if any, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing materially false answers may subject me to consequences, including disqualification of my bid/proposal or delays in the processing of the requested license, permit, or other entitlement.

IMPORTANT NOTICE REGARDING FUTURE AGENTS AND FUTURE CONTRIBUTIONS:

If I hire an agent or lobbyist during the course of these proceedings and will compensate them for communicating with the County about this contract, project, permit, license, or other entitlement for use, I agree to inform the County of the identity of the agent or lobbyist and the date of their hire. I also agree to disclose to the County any future contributions made to members of the County Board of Supervisors, another elected County official (the Sheriff, Assessor, and the District Attorney), or any other County officer or employee by me, or an agent such as, but not limited to, a lobbyist or attorney representing me, that are made after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested contract, license, permit, or entitlement for use.

Signature

Date

SOLE SOURCE CHECKLIST

Department Name: Department of Children and Family Services (DCFS)

☐

New Sole Source Contract

☒

Sole Source Amendment to Existing Contract

Date Existing Contract First Approved:

December 5, 2023

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input checked="" type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Michael J. Martinez Digitally signed by Michael J. Martinez
Date: 2025.12.17 14:12:07 -08'00'

Chief Executive Office

Date