

COPY - I.D.

Procurement

CONTRACT NUMBER:

4100079673

**PENNSYLVANIA  
DEPARTMENT OF HUMAN SERVICES**

**Grant Agreement**

To provide counseling, referral  
and other specified services for  
alternatives to abortion

**Real Alternatives**  
7810 Allentown Boulevard, Suite 304  
Harrisburg, PA 17112

**Kevin Bagata, President & CEO**  
717-541-1112  
[ra-president@comcast.net](mailto:ra-president@comcast.net)

**FEDERAL I.D. NUMBER:** [REDACTED]  
**SAP VENDOR NUMBER:** 135033

## GRANT AGREEMENT

This GRANT AGREEMENT between the COMMONWEALTH OF PENNSYLVANIA, Department of Human Services ("Department"), and **Real Alternatives**, a private, tax-exempt, non-profit corporation pursuant to Section 501(c)(3) of the Internal Revenue Code ("Grantee"), operating at **7810 Allentown Boulevard, Suite 304, Harrisburg, Pennsylvania 17112**.

WITNESSETH:

WHEREAS, the Department of Human Services, created by Act 390, approved July 13, 1957, P.L. 852, is responsible for the administration of public assistance programs in the Commonwealth (62 P.S. §403);

WHEREAS, Section 205 of the Human Services Code, 62 P.S. §205, authorizes the Department to make grants of appropriated funds to programs in fields in which the Department has responsibility;

WHEREAS, the Department expects to allocate \$12,710,250 from funds appropriated for alternative to abortion services;

WHEREAS, the Grantee will operate the program described in detail in Rider 2 to this grant, which program meets the Department's standards; and

WHEREAS, the Grantee was selected to receive this grant in accordance with the Department's established grant policy and procedure.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. The term of this grant shall be from October 1, 2017 through June 30, 2019. The Department may, in its discretion, extend this agreement for three (3) additional one year periods upon providing written notice to Grantee.
2. The Grantee shall use the funds granted hereunder to faithfully implement the conditions of this grant and operate the program described in Rider 2, subject to the terms and conditions contained herein.
3. The services described in Paragraph 2 above shall be provided in conformity with:

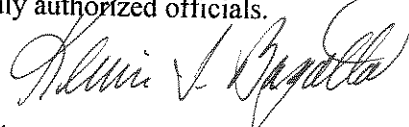
Rider 1	Payment Provisions
Rider 2	Work Statement
Rider 3	Budget

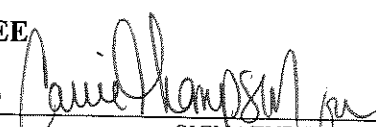
Rider 4	Standard Grant Terms and Conditions
Rider 5	DHS Addendum to Standard Contract Terms and Conditions
Rider 6	Additional Terms and Conditions

4. The Riders listed above, as they may be applicable to this grant, are hereby attached and made a part of this Grant Agreement.
5. Subject to the availability of State and Federal funds, the Department will pay the Grantee, in accordance with the terms of Rider 1, as soon as practical after the Grant Agreement has received final approval from all necessary parties. The total amount of this grant is \$12,710,250 and no payments shall be made under this agreement in excess of that amount. At its discretion, the Department may increase or decrease this total grant amount through a Funding Adjustment as a result of changes in applicable appropriations or allocations or certifications of available funds.
6. This Grant Agreement may be cancelled by the Department, in accordance with Paragraph 18 of Rider 4, upon thirty (30) days prior written notice.
7. This Grant Agreement contains all the terms and conditions agreed on by the parties. Any modifications or waivers of this agreement shall only be valid when they have been reduced to writing, duly signed, and attached to the original of this agreement. No other agreements, oral or otherwise, regarding the subject matter of this agreement, shall be deemed to exist or to bind any of the parties hereto.

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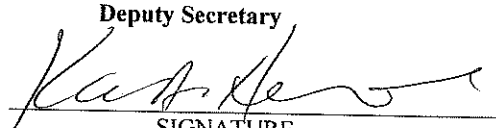
IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be executed by its duly authorized officials.

 1/19/18  
GRANTEE  
KEYVIN I. BAGATTA, PRESIDENT & CEO  
SIGNATURE  
PRINT OR TYPE NAME AND TITLE

  
SIGNATURE  
PRINT OR TYPE NAME AND TITLE

JAN 31 2018

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF HUMAN SERVICES

Deputy Secretary  
  
SIGNATURE

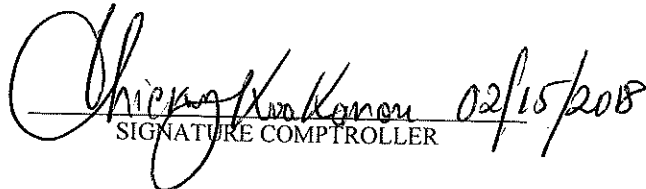
Secretary/designee

SIGNATURE

COMPTROLLER

I hereby certify that funds in the amount shown are available under the Appropriation Symbols shown

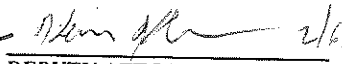
AMOUNT	SOURCE	APPROPRIATION SYMBOL	PROGRAM


 02/15/2018  
SIGNATURE COMPTROLLER

Approved as to Legality and Form:

  
OFFICE OF LEGAL COUNSEL  
DEPARTMENT OF HUMAN  
SERVICES

1/31/18

 2/16/18  
DEPUTY ATTORNEY GENERAL  
OFFICE OF ATTORNEY  
GENERAL  
(when required)

 2/1/18  
DEPUTY GENERAL COUNSEL  
OFFICE OF GENERAL  
COUNSEL  
(when required)

**PAYMENT PROVISIONS**  
**Real Alternatives**  
**October 1, 2017 through June 30, 2019**

The Department agrees to pay the Grantee for services rendered pursuant to this Grant Agreement as follows:

1. Subject to the availability of state and federal funds and the other terms and conditions of this Grant, the Department will reimburse the Grantee in accordance with Rider 3 for providing the services described in Rider 2, up to a maximum amount of \$12,710,250 as it may be adjusted pursuant to Paragraph 5 of the Grant Agreement, and no payments shall be made under this Grant in excess of that amount.
2. Payment to the Grantee in the amount stated in Paragraph 1, hereof, shall be made in accordance with the budget set forth in Rider 3 as follows:
  - A. The Grantee may invoice the Department on a quarterly basis. The grantee must indicate on each invoice submitted the Grant number, its Federal I.D. number, the period covered by the invoice, the name of the person preparing the invoice and the date submitted.
  - B. **Cash Needs Request:** Upon execution, the Grantee shall submit to the Department a cash needs request for the initial quarterly period. Thereafter, the cash needs request for each subsequent quarterly period shall be submitted to the Department sixty (60) days prior to the commencement of the quarter. All cash needs requests shall identify the estimated Administrative Costs and Services Costs, per funding source, for the quarterly period invoiced. The request must be justified by the Grantee and is subject to approval by the Department and the Department's Comptroller.
  - C. **Actual Expenditure Report:** Upon execution of this Grant, for each subsequent month of the Grant, an actual expenditure report will be submitted to the Department on or before the 20<sup>th</sup> of the following month. Each report shall cover the preceding monthly period and identify by line item, all Administrative and Services Costs, per funding source, as well as, all year-to-date expenditures. At termination of the Grant, the final monthly actual expenditure report will be submitted no later than the 75<sup>th</sup> day following the end of the Grant period. The report must be justified by the Grantee and is subject to approval by the Department and the Department's Comptroller.

- D. Submission of invoices for purposes of reimbursement shall be made in accordance with Amended Commonwealth Management Directive 310.30, issued May 22, 2009, relating to the Pennsylvania Electronic Payment Program and the establishment of the Automated Clearing House Network ("ACH") as the Commonwealth's preferred method of payment.
1. The Department will make payments to the Grantee through ACH. Within 10 days of the grant award, the Grantee must submit or must have already submitted its ACH and electronic addenda information (obtained at [www.vendorregistration.state.pa.us/cvmu/paper/Forms/ACH-EFTenrollmentform.pdf](http://www.vendorregistration.state.pa.us/cvmu/paper/Forms/ACH-EFTenrollmentform.pdf)) to the Commonwealth's Payable Service Center, Vendor Data Management Unit at 717-214-0140 (FAX) or by mail to the Office of Comptroller Operations, Bureau of Payable Services, Payable Service Center, Vendor Data Management Unit, 555 Walnut Street – 9<sup>th</sup> Floor, Harrisburg, PA 17101.
  2. The Grantee must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the Grantee to properly apply the state agency's payment to the respective invoice or program.
  3. It is the responsibility of the Grantee to ensure that the ACH information contained in the Commonwealth's central vendor master file is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.
3. The Grantee's budget as approved by the Department is attached to Rider 3 of this Agreement. For the purposes of this Agreement the term *line item* refers to each individual expense item in the budget. The term *Budget Category* refers to a grouping of similar line items. There are six Budget Categories: Administrative Personnel (which includes Salary/Wages, Other Personnel Costs, and Benefits), Administrative Operating, Administrative Equipment, Services Personnel (which includes Salary/Wages, Other Personnel Costs, and Benefits), Services Operating, and Services Equipment.

Reallocations of amounts within the Department's approved budget are subject to the following criteria:

- A. The Grantee may reallocate funds among line items within the budget categories of Administrative Operating and Services Operating up to ten (10) percent of the Department's approved budgeted line amount for the

grant period without prior written approval of the Program Manager.

- B. Except as otherwise provided in Section A above, Grantee may not reallocate funds within or between Budget Categories for any reason without prior written approval by the Program Office.

The Department will have the right to disapprove any expenditure made by the Grantee, which is not in accordance with this agreement, and adjust payment accordingly.

4. Grantee must make a written request for budget revisions to the Program Office no later than September 15th of every year in the grant period. The Program Office shall grant prior written approval in accordance with Paragraph 3 (above).
5. The Department shall have the right to disapprove any cash needs request and expenditures made by the Grantee which are not in accordance with the terms of this Grant Agreement and adjust the cash needs request and payment to the Grantee accordingly. Any duplication of payment requests for services rendered under this grant may result in termination of this Grant Agreement by the Department.
6. Payment for services will be made in accordance with Rider 3. Living and travel expenses may be reimbursed, but shall not exceed the agreed upon rates as set forth in Commonwealth Travel Rates, as provided in Management Directive 230.10, as revised and updated and is located at:  
  
[http://www.portal.state.pa.us/portal/server.pt?open=512&objID=711&PageID=228891&mode=2&contentid=http://pubcontent.state.pa.us/publishedcontent/public/cop\\_general\\_government\\_operations/oa/oa\\_portal/omd/p\\_and\\_p/management\\_directives/management\\_administrative\\_support/items/md230\\_10.html](http://www.portal.state.pa.us/portal/server.pt?open=512&objID=711&PageID=228891&mode=2&contentid=http://pubcontent.state.pa.us/publishedcontent/public/cop_general_government_operations/oa/oa_portal/omd/p_and_p/management_directives/management_administrative_support/items/md230_10.html)
7. Grantee shall account for all interest earned on the payments made under this Grant and use it for expenditures in accordance with the terms of this Grant Agreement. Interest income earned only may be used to increase services provided under this Grant, and may not be used for Administrative costs.
8. Seventy-five (75) days after the end of each State Fiscal Year included in the term of this Grant, the Grantee agrees to provide the Department with a final financial report and invoice of actual revenue and expenditures for the State Fiscal Year, per funding source. This invoice will be used to effect a State Fiscal Year financial settlement of this Grant. The Department will not compensate any expenditure not claimed by the final invoice.
9. In the event of earlier termination or cancellation, the Grantee shall submit the last actual invoice no later than sixty (60) days after notice to the Grantee of such

termination or cancellation.

10. All unused funds and unused interest income earned on payments for expenditures to the Grantee or its subgrantees revert to the Department within seventy-five (75) days of termination of this Grant.
11. This Grant is subject to audit in accordance with Audit Clause A, which is incorporated into this Rider. Regardless of the level of audit conducted in accordance with Audit Clause A, the audit report shall include a Supplementary Schedule that consists of a Budget to Actual presentation in the same format and level of detail as Rider 3, Budget, including all updates and budget revisions/reallocations. This Schedule will be used for reconciliation and settlement purposes and should reflect all allowable and reimbursable costs associated with this Grant. The Supplementary Schedule, any Corrective Action Plan, and the Management Letter, if one was issued, shall be included in the audit report.

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Rider 2

## WORK STATEMENT

Real Alternatives, Inc.

*The term of this Grant shall be from October 1, 2017 through June 30, 2019.*

1. The Grantee must arrange for the provision of direct alternatives to abortion services, statewide, to clients requiring alternatives to abortion services. The Grantee shall serve an estimated total 17,500 eligible persons who will make an estimated total 65,000 visits **each of the State Fiscal Years noted above.** The grantee shall provide estimates for the forthcoming State Fiscal Year to the Department by March 30<sup>th</sup> for each State Fiscal Year during the term of this Grant. The following shows the funding source for these clients

General Fund (State):	14,500	Eligible Persons
	55,500	Visits
Temporary Assistance for Needy Families (TANF):	3,000	Eligible Persons
	9,500	Visits

2. To ensure compliance with Title VI of the Civil Rights Act of 1964, 42 U.S.C., §2000d, the Grantee must take reasonable steps to ensure that persons with Limited English Proficiency have meaningful access to the services described in the Work Plan.
3. Eligibility for Services Funded by TANF:  
  
In accordance with the Pennsylvania Fiscal Code and Annual Appropriations Act, services are available to supplement the alternatives to abortion services provided through the State General Fund for women with monthly incomes less than 185 percent of the Federal Poverty Income Guidelines.
4. Eligibility for Services Funded by the State General Fund:  
  
Persons are eligible for Alternative to Abortion Services without regard to their income as long as they are residing in Pennsylvania. Eligibility must be assessed at each visit, and the client must affirm residency in writing, to confirm

eligibility.

6. The Grantee shall preserve all books, records and documents relating to this Agreement as specified in this Agreement, including Audit Clause A attached to Rider 5 of the Agreement. Grantee shall require its subgrantees to comply with these same record-keeping requirements. The Department's right to access Grantee's books, records and documents does not transfer ownership of Grantee's books, records and documents to the Department.
7. The Grantee agrees to cooperate and participate with the Department in periodic monitoring activities for the purpose of verifying that all Grant requirements are met. This includes, but is not limited to, verification of client eligibility, sound fiscal and administrative conduct/reports, and program/service delivery goals.
8. The primary responsibility for monitoring and inspections of subgrantees rests with the Grantee. The Grantee shall submit documentation of such monitoring and inspections, along with its findings, to the Department quarterly. However, a brief written notification of those subgrantees in non-compliance which could adversely impact the Grant, payment(s), or have media, legal, or legislative impact, shall be submitted to the Department within ten (10) working days of the monitoring/inspection visit.
9. All subgrantee sites are monitored on-site at least once every three (3) years. If a subgrantee has only one site, it is monitored on-site every year. If a subgrantee has multiple sites, at least one site of each such subgrantee is to be monitored on-site each year. The remaining sites to be monitored that year in accordance with the three-year rotation requirement may be monitored remotely.
10. The Grantee shall submit the administrative and statistical quarterly reports, for each State Fiscal Year, to the Department according to the following schedule:

<u>Period</u>	<u>Due</u>
July - September	November 15
October - December	February 15
January - March	May 15
April - June	August 15
Final State Fiscal Year Summary	September 15

11. The quarterly administrative report will, at a minimum, provide information on the following activities of the Grantee, including any differences attributed to individual funding sources, according to the format provided by the Department:
  - A. Monitoring activities completed;
  - B. Monitoring Report findings for each site monitored and subsequent

corrective actions taken, if necessary;

- C. Technical assistance provided;
- D. Follow-up on site monitor findings for subgrantees;
- E. Direct service activities such as information/services provided or referrals made;
- F. Significant Project(s) Status Report(s) including a brief narrative of projects described in the Work Plan, and any other significant projects or activities; and
- G. Total Department Grant funds expended, by funding source, on Grantee administrative services.

12. The quarterly Statistical Report will, at a minimum, provide a total accounting of the following activities of the subgrantees, per funding source provided through this Grant, according to the format provided by the Department.

- A. The number of clients seen, by their county of residence, and their age reported by the following age groups:
  - i. Less than 16 years old;
  - ii. 16 years old through 20 years old;
  - iii. 21 years old through 25 years old;
  - iv. 26 years old through 30 years old;
  - v. 31 years old through 35 years old;
  - vi. 36 years old through 40 years old;
  - vii. 41 years old through 45 years old; and
  - viii. 46 years old and older.
- B. The number of visits by clients in the previously defined age categories, by type of visit; and
- C. The number of hours of counseling and education provided, by Service Provider; and

- D. The number of telephone calls received on the hotline and number of subsequent referrals to subgrantees, by specific subgrantee.
- 13. An annual statistical report in two parts, by funding source, is due to the Department's Program Manager by September 15th. The report will be submitted according to the format provided by the Department. It will include the total number of clients and the number of new clients served during both the State Fiscal Year and the calendar year concluded during the State Fiscal Year. The two parts of this annual statistical report are as follows:
  - (A) Clients served by county of residence including the associated funds expended; and
  - (B) Clients served by Subcontractor including the associated funds expended.
- 14. Philosophy/Religion:

Neither the Grantee nor any subgrantee shall promote the teachings or philosophy of any religion or religious organization while providing contracted service to the client.
- 15. The Grantee's Work Plan for this Grant follows. The Work Plan will be revised and updated annually during the term of this Grant, as approved by the Department.

**ALTERNATIVE TO ABORTION SERVICES PROGRAM  
FISCAL YEARS 2017/2018 and 2018/2019**

**REAL ALTERNATIVES  
7810 Allentown Blvd., Suite 304  
Harrisburg, PA 17112  
717-541-1112**

**WORK PLAN**

**INTRODUCTION**

Real Alternatives is a private tax-exempt non-profit corporation pursuant to Section 501(c) (3) of the Internal Revenue Code. Using its proprietary and copyrighted "Real Alternatives Program and Instructional Design" (RAPID) system, Real Alternatives has administered the successful and nationally-recognized Alternative to Abortion Services Program ("Program") as the prime contractor for the Commonwealth of Pennsylvania since Fiscal Year 1997-1998.

The funding received by Real Alternatives through the Commonwealth of Pennsylvania Department of Human Services ("DHS") enables Real Alternatives to provide free, caring, confidential and comprehensive pregnancy, parenting and adoption support services that encourage a decision of childbirth over abortion, to Pennsylvania women and their families who are experiencing unplanned pregnancies. Those critical and extremely beneficial services are directly provided through a network of social service agencies, pregnancy support centers, maternity homes and adoption agencies.

Always striving to deliver quality, cost effective services to women, the Central Pennsylvania Business Journal recognized Real Alternatives administration system twice in 2002 and 2004 for its technological innovation and cost savings by being selected as a finalist for the Annual Nonprofit Innovation Award. In 2004, Real Alternatives was also one of the first four nonprofits to be awarded the prestigious Pennsylvania Association of Nonprofit Organizations (PANO) Seal of Excellence for meeting the 56 Standards of Excellence criteria for nonprofits. Then in 2007 and again in 2013, Real Alternatives earned recertifications for the PANO Seal of Excellence.

**Corporate Mission Statement**

Real Alternatives exists to provide life-affirming alternatives to abortion services throughout the nation. These compassionate support services empower women to protect their reproductive health, avoid crisis pregnancies, choose childbirth rather than abortion, receive adoption education, and improve parenting skills.

**Corporate Structure**

Real Alternatives is governed by a Board of Directors and a set of bylaws. The registered office of the corporation is 7810 Allentown Boulevard, Suite 304, Harrisburg, Pennsylvania 17112 and is listed as a Nonprofit Corporation Seal 1972. The business and affairs of Real Alternatives are managed by its Board of Directors. The Board hires and establishes the duties of a President & CEO, who is empowered by the corporation to carry out

the policies of the corporation, throughout all endeavors on behalf of the corporation. Except as otherwise required by Pennsylvania corporate law or other applicable laws, the entire control of the corporation (its management, affairs, and property) is vested in the Board of Directors of the corporation. Real Alternatives also has a National Advisory Council for technical assistance and assistance with projects that advance alternative to abortion services throughout the country. The current Board and Advisory Council Members are as follows:

#### **Real Alternatives Board of Directors**

Carolyn M. Astfalk, Chair  
Kevin I. Bagatta, Esquire, Pres/CEO  
Kyle Stuckey, CPA, Treasurer

Anne Marie Manning, M.D.  
Rita Heisey  
Kevin Millar

#### **Real Alternatives Executive Staff**

Kevin I. Bagatta, Esquire, President & CEO  
Thomas A. Lang, Esquire, Vice President of Operations  
Clifford W. McKeown, Esquire, Vice President of Administration

#### **Staff Administration**

Management of the DHS agreement and maintenance of Program records will be carried out in the corporate office.

The executive staff of Real Alternatives is comprised of the President & CEO, the Vice President of Operations, and the Vice President of Administration. With the President & CEO having general oversight of corporate affairs, the Vice President of Operations will have the overall responsibility for satisfying all of the requirements of the DHS agreement and will serve as the primary point of contact between Real Alternatives and DHS.

Administrative personnel employed by Real Alternatives include a part-time Accountant and a part-time Bookkeeper.

Services support personnel employed by Real Alternatives include a full-time Services Coordinator, a part-time Billing Coordinator, a part-time Outreach Coordinator, and a part-time Special Projects Coordinator. The Accountant, Bookkeeper, Services Coordinator, Outreach Coordinator, and Special Projects Coordinator also serve as LIFE AID hotline Counselors.

The four (4) full-time and five (5) part-time employees of Real Alternatives will devote varying amounts of their time to the Program to fulfill this contract. Only the actual time devoted to the Program by the employees of Real Alternatives is charged under this agreement.

#### **CLIENT SERVICES PLAN**

Real Alternatives, through its network of pro-life Service Providers, reaches out to each woman, no matter what her background or circumstances and without fee. (See, Tables 1 & 2) Compassionate trained counselors assess each woman's situation and assist her in developing a positive approach to her pregnancy. Support during the parenting or adoption decision involves counseling, education, material assistance, and referrals. By empowering women in a crisis pregnancy with this support, they no longer feel compelled to choose abortion out of a

sense of helplessness, hopelessness, and of being completely alone. They come to learn that childbirth is a viable alternative to having to submit to an abortion that they really do not want in the first place.

More and more women choose not to abort once they are aware that resources exist to support their parenting or adoption decision. Advertising is imperative to inform women that such resources do exist in the Commonwealth. Depending upon the Program funding level, Real Alternatives will advertise statewide using television, radio, and other media that reach the greatest number of potentially pregnant women as effectively and efficiently as possible, and to the extent fiscally possible. This message of hope has been amplified, not only by Real Alternatives and its Service Providers, but also locally at County Assistance Offices, schools, and other state programs such as the Department of Health, and the Healthy Baby Hotline. Other concerned organizations have assisted in informing the women of Pennsylvania that there are alternative to abortion services available. Once a woman calls this number, she is promptly connected directly to the closest Service Provider to where she resides. (See, Table 3)

As Real Alternatives continues to inform women of the support available during their parenting or adoption decision, the Service Providers will continue to deliver the support services. Real Alternatives will continue to contract with the current 28 pro-life Service Providers (90 sites) located in 33 counties of the Commonwealth to serve the women and families of Pennsylvania. These sites consist of 42 social service agencies, 33 pregnancy centers, 11 maternity residences, and 4 adoption agencies. Although the location of the Service Providers' sites is based on the greatest demand for services, such as in highly populated cities, the Service Providers will continue to provide unique services and programs that reach out to the less populated rural areas via satellite centers and mobile programs.

As the demand for alternative to abortion services obviously continues to exist, Real Alternatives will continue, through its RAPID system, its unique funding mechanism with the Service Providers to meet that demand. Service Providers are reimbursed for the core and support services rendered to women pursuant to a fee-for-service model. The goal is that their earned reimbursements would enable the Service Providers to invest in their programs by opening more sites, as well as increasing the number of counselors specifically committed to provide these services. This unique funding method provides the resources to be able to continue serving more and more women and families in Pennsylvania.

While the Commonwealth experiences tight budget constraints, at the same time there is an ever-increasing demand for services across the state. Real Alternatives is prepared to meet the challenge of doing more with less most directly by placing an emphasis on the core services of the program over the support services to maximize the assistance given to pregnant women experiencing a crisis pregnancy so they can choose childbirth rather than abortion. To further ensure that funds are available for services to pregnant clients, reimbursement for administrative time for filling out client data and outcome measurement collection may be adjusted or suspended with DHS approval.

The combined efforts of Real Alternatives, the network of Service Providers, and their referral resources such as schools, government agencies, and community organizations have brought compassionate alternative to abortion services and information that stabilized over 280,000 women to date throughout the Commonwealth, at over 1,450,000 visits.

The outcomes of this prevention and support services counseling Program will be that women facing crisis pregnancies in Pennsylvania receive support, achieve improved

reproductive health, develop improved parenting skills, and receive adoption education, all of which will empower them to choose childbirth rather than abortion. These outcomes will in turn have a lowering impact on Pennsylvania abortions, and will be a factor in reducing medical costs, improving women's health, and obtaining overall savings for the taxpayers of Pennsylvania.

### **Specific Services Offered**

The Alternative to Abortion Services Program primarily provides core services consisting of information and counseling that promotes childbirth instead of abortion and assists pregnant women in their decision regarding adoption or parenting. The program also provides support services including client self-administered pregnancy test kits, baby food, maternity and baby clothing and baby furniture, as well as information, education, and referrals for other services for the needs of the women and newborn. The information and education provided includes topics regarding prenatal care, childbirth, adoption, parenting, and the use of abstinence to avoid unplanned pregnancies and sexually transmitted diseases.

The legislation for the Alternative to Abortion Services Program authorizes the Service Providers to be reimbursed for the free, approved alternative to abortion services they provide to women until childbirth and for up to 12 months post-partum. Services include, but are not strictly limited to:

- ◆ counseling
- ◆ pregnancy, childbirth, parenting, and abstinence classes
- ◆ adoption information; assistance with post delivery stress
- ◆ assistance with food, shelter, clothing, and obtaining health care
- ◆ other supportive programs and services for related outreach programs.

Service Providers participating in this Program will ensure that women who are pregnant, think they may be pregnant, or have a child under 12 months of age have access to the above-mentioned services.

Real Alternatives, through the Service Providers, offers a comprehensive umbrella of core and support services that provide women direct support during and after the crisis pregnancy. This umbrella of services also includes programs to encourage new lifestyle choices to prevent crisis pregnancies in the future.

For those in a crisis pregnancy, there is direct counseling support during the parenting and adoption decision. Services include:

- ◆ support counseling and case management in a non-judgmental atmosphere
- ◆ education on fetal development through counseling, fetal models, books, pamphlets/brochures and audio/visual media
- ◆ information on the health and nutritional needs of pregnant women
- ◆ abortion information - what it is and what it does
- ◆ pre- and post-natal education
- ◆ pregnancy and certified childbirth classes
- ◆ access to information on medical care, hospital clinics, doctors, health care facilities, and other professional services
- ◆ assistance with identifying drug and alcohol programs, if needed



- ◆ adoption service information
- ◆ life-skill training for parenting and nutritional needs
- ◆ information on other available community social services
- ◆ tangible aid in the form of maternity clothes
- ◆ other programs for the physical and emotional needs of the women experiencing the stress of a crisis pregnancy.

For women who come to our Service Providers already having given birth, there is direct parenting or adoption support because of their decision not to abort. Their more limited services take the form of:

- ◆ parenting counseling and education through a variety of methods/materials
- ◆ education referrals for improving skills or obtaining a GED
- ◆ child care referrals
- ◆ mentoring
- ◆ information on Women Infants and Children ("WIC") programs
- ◆ information on job service and vocational training programs.

For those who come to our Service Providers thinking they may be experiencing a crisis pregnancy but are unsure, client self-administered pregnancy test kits are always available. For those in this category who are found to be not pregnant, services include:

- ◆ information on the risks of sexually transmitted diseases
- ◆ relationship counseling
- ◆ decision making education
- ◆ chastity classes
- ◆ teen pregnancy prevention programs
- ◆ other counseling offered to modify risk-taking behavior.

This umbrella of services allows Real Alternatives to provide direct support services so women do not feel the need to have an abortion now or in the future, as well as provide programs that work to prevent the circumstances that might lead to the perceived need for an abortion in the first place. With the ability to provide a wide range of readily available nearby services to Pennsylvania women, they are empowered to make more informed choices concerning their child, as well as begin to plan for a future that will include independence and self-sufficiency. The consistent provision of these services over a significant period of time provides a better opportunity for counselors to help women who desire to change their status from a dependent mother to an independent mother.

### **Temporary Assistance for Needy Families ("TANF") Purposes**

The Alternative to Abortion Services Program, as described in the PA TANF Plan, serves pregnant women, women who think they may be pregnant, and women who are parents of children under 12 months old. The vast majority of the women served are typically pregnant and unmarried, and/or parenting without a partner. Services to those women "maintains and encourages the formation" of stable, one-parent families at that particular point in their lives. The services provided also impart the same skills necessary in two-parent families. Imparting those skills helps to improve

one's confidence in their parenting abilities and encourages the formation two-parent families in the future, if that is appropriate and possible for the woman and her baby.

### **Service Providers**

Providing alternative to abortion services is accomplished primarily by individuals taking the time to listen to the concerns of the women in crisis and supporting them. The quality of the service provided to these women is of utmost importance to Real Alternatives. This dedication to the quality of service is reflected in RAPID Service Provider Approval Process. Once a potential Service Provider expresses interest in becoming a provider for the program, the potential Service Provider is asked to provide preliminary evaluation information. The preliminary evaluation criteria required for potential service providers are that they:

- ◆ are a nonprofit organization with 501(c)3 tax exempt status
- ◆ operate an alternatives to abortion program that has a stated policy of actively promoting childbirth instead of abortion
- ◆ maintain a pro-life mission and agree not to promote, refer, or counsel abortion nor abortifacients as an option to a crisis or unplanned pregnancy
- ◆ are physically and financially separate from any entity that advocates, performs, counsels, or refers for abortion
- ◆ understand that the funding for alternative to abortion services under this program does not include funding for the provision, referral, or advocacy of contraceptive services, drugs, or devices
- ◆ provide core services consisting of information and counseling that promotes childbirth instead of abortion, and assists pregnant women in their decision regarding adoption or parenting
- ◆ are nondiscriminatory
- ◆ agree not to promote the teaching or philosophy of any religion or religious organization while providing program services to the client
- ◆ have been in operation a minimum of one year providing core alternative to abortion services to women in a crisis pregnancy
- ◆ provide abstinence education
- ◆ agree to serve all eligible clients, including those with Limited English Proficiency
- ◆ will annually verify that all staff and volunteers have current PA State Police and Child Abuse background check clearances
- ◆ maintain client confidentiality
- ◆ will submit their counselor training materials, and policies and procedures manual for evaluation
- ◆ do not charge a fee for services to eligible clients.

If these preliminary requirements are met, the potential Service Provider is sent information concerning the Program, and they must then provide additional documentation regarding its organization and operations, including:

- ◆ a copy of the IRS 501(c)3 tax-exempt determination letter
- ◆ a copy of the Corporate Articles of Incorporation and Amendments filed with the Commonwealth Secretary of State
- ◆ a copy of the Bylaws of the Corporation
- ◆ a copy of the Mission Statement

- ♦ written PA State Police and Child Abuse Background Check employee/volunteer clearances
- ♦ a policy and procedures manual to include a written confidentiality policy, nondiscrimination policy, Limited English Proficiency ("LEP") policy, sexual harassment policy, abortion and abortifacient policy, and client grievance reporting policy
- ♦ board of directors or equivalent governing body
- ♦ counselor training materials
- ♦ staff orientation training materials
- ♦ statement of agreement to Charitable Choice Act guidelines
- ♦ proof of general liability insurance for sites where services are rendered, as well as automobile and workers compensation insurance.

Real Alternatives reviews these materials to ensure that the potential Service Provider has in place policies and procedures, including counselor training, to ensure the provision of quality pregnancy support services. If all criteria meets the approval of Real Alternatives' staff reviewers, and executives, Real Alternatives then inspects the physical sites, which must be handicapped accessible or have the capability to make special provisions for persons with disabilities. Following the site visit, PA Department of Human Services clearance of the new Service Provider is obtained and a Service Provider Agreement is signed.

#### **Service Provider Training, Reimbursement, and Annual Site Monitoring**

Upon successful completion of the RAPID Approval Process, Real Alternatives provides RAPID Program training to the Service Provider counselors who will deliver the services pursuant to Program guidelines. The training includes Program history information, agreement requirements, detailed training on the Program rules including instructions on the proper procedures for reporting information, billing and completing forms, an overview of the Spiritual Counseling Guidelines, and reminders concerning confidentiality issues. Only counselors who have received the RAPID Program training can participate in the Program.

In accordance with the RAPID Service Provider Agreement, Real Alternatives will reimburse the Service Provider for services provided to eligible clients at the rate of \$1.09 for each minute of counseling and referral provided; \$10.90 for each pregnancy test kit per client visit; \$10.90 for each Food, Clothing or Furniture Pantry visit (not to exceed 4 visits per client per pantry type) as long as each visit is accompanied by at least 20 minutes of counseling; \$21.80 for each class per client taught; and \$5.45 for administrative time spent completing a RAPID Billing Form only when funding levels permit, which even when activated may be adjusted or suspended over the course of the fiscal year.

Real Alternatives annually monitors Service Providers' compliance with all Program requirements via Site Monitorings conducted by the Contract Compliance Specialist or other trained Real Alternatives site monitors. The Site Monitorings are conducted in accordance with a DHS-approved RAPID Site Monitoring Checklist. Following each Site Monitoring, corrective action is mandated and/or taken where required, and RAPID Site Monitoring reports are generated for DHS.

## **DELIVERABLES TO THE DEPARTMENT UNDER THE GRANT**

Real Alternatives will deliver the following program documents during each fiscal year of the grant with DHS who retains unrestricted authority to reproduce them in accordance with the Standard Grant Terms and Conditions for Services, paragraph 12:

- Four (4) Quarterly Cash Needs Request in accordance with Rider 1, Para 2A & B
- Twelve (12) Monthly Expenditure Report in accordance with Rider 1, Para 2C
- A Final Financial Report in accordance with Rider 1, Para 8
- A Latest Actual Invoice if submitted in accordance with Rider 1, Para 9
- An Annual Certified Public Accountant Report IAW Audit Clause A of this grant agreement Rider 1, Para 11
- Four (4) Quarterly Service Provider Monitoring Reports in accordance with Rider 2, Para 8
- A Service Provider non-compliance notification in accordance with Rider 2, Para 8
- Four (4) Quarterly Administrative and Statistical Reports in accordance with Rider 2, Para 11
- An Annual Statistical Report in accordance with Rider 2, Para 14
- Any Budget Revisions submitted in accordance with Rider 1, Para 3B
- Any Audit Reports conducted the Commonwealth (Standard Terms and Conditions for Services, Para15)

Any documents, papers, and records deliverable under this grant agreement do not include the Real Alternatives Program and Instructional Design (RAPID) System. RAPID includes the following copyrighted, trade secret and proprietary materials and information: all software, documents, forms, checklists, staff training materials, services provider materials, billing systems, and program management tools designed to administer the Pennsylvania Pregnancy and Parenting Support Program, including procedures, reports, and accounting manuals. It is further agreed and understood that the RAPID System materials are specifically not included in the agreement's Statement of Work at Rider 2. The RAPID system includes copyrighted, trade secret and proprietary information and material which belongs to and shall remain the exclusive property of Real Alternatives.

**FAITH-BASED ORGANIZATION POLICY** (Approved for use by DPW June 17, 2005)

The DHS agreement with Real Alternatives states in Rider 2, Paragraph 14: "Philosophy/Religion: Neither the Grantee nor any subgrantee shall promote the teachings or philosophy of any religion or religious organization while providing contracted service to the client."

A faith-based service provider that includes among its activities worship, religious instruction, proselytization or other inherently religious programs cannot use PA Alternative to Abortion Services Program funds to conduct such inherently religious activities. Reimbursement is prohibited for worship services, prayer meetings, prayer with a client during the program visit or any form of proselytization, i.e., to recruit members to religious conversion.

If a Service Provider does engage in such activities with a client in the Alternative to Abortion Program, those must occur separately, in time or location, from services provided pursuant to the contract with Real Alternatives. By the way of example of what may constitute separateness in place, if a Service Provider occupies a building with a single entrance and provides counseling in one of its rooms, it may, with a signed request from a client, immediately after Program counseling, engage in spiritual or religious activity with the client in a separate room in the building with a different spiritual or religious counselor – a person other than the one who provided service under the contract.

An example of separation in time would permit a different spiritual counselor to meet with a client, if the client signs a request, after the counselor providing client services under the PA Alternative to Abortion Services Program leaves the room.

Participation by a client must be voluntary and the client must understand that refusal to participate in religious activities will not disqualify her from receiving services under the program. A request form must be provided to the client before any such religious activity occurs to assure that voluntary, informed consent is provided by the client.

A Service Provider under the contract may retain religious terms in its organization name, select its board members on a religious basis and include religious references in its organization's mission statements and other governing documents. It cannot, however, include any religious activity or program with client services and must certify to Real Alternatives that it complies with its contract requirements.

Approved for use by the  
Department of Public Welfare  
June 17, 2005

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**THE PA ALTERNATIVE TO ABORTION SERVICES PROGRAM**  
**Guidelines & Limitations on Spiritual Counseling**

**Friendship Counseling - A Holistic Approach: Assessment of Client's Spiritual Needs**

Each woman seeking the services of a crisis pregnancy center comes as a unique individual. As such, her family, her education, her beliefs and her experiences shape her. In our efforts to assist her in finding the best possible solutions, we must take the time to know her and understand the pressures she faces.

A counselor needs to ask questions that will give insight into this woman's life. For example, her physical health is important. It is helpful to know if there are on going physical problems. Is she taking medication? Will a pregnancy affect her health? Does she have a physician?

Her emotional well-being is greatly affected by this crisis in her life. We must ask about her living arrangements and her activities such as work, church affiliations, and social groups. Which people in her life act as her emotional support system? A good counselor will ask about her relationship with her family. Is there stress there? How does the father of the baby fit into her life? Is it a strong relationship? How does her family react to him? How will they react to this pregnancy?

As important as other people are, we must be sure that the solutions are such that she can feel good about them for the rest of her life. Does she believe in God? What does she have faith in? How does her faith impact the choices she makes? These questions are not meant to promote a certain religion but to assess the role of religion in the woman's life. Does she have a faith resource that can act as a support during the crisis?

Also, this is an area that, if not explored and taken into account in finding solutions, could trigger strong emotional responses at a later time. A conversation on spiritual issues must be treated very carefully. A counselor should couch her responses, not as authoritarian, but as her own understanding or as her own experience.

These questions serve two purposes. First, it paints a picture for the counselor on this woman's value system. These values will impact all the decisions which will be made regarding this pregnancy. Understanding her views or values on abortion, adoption, marriage, foster care, single parenthood, and welfare is vital to helping her find the best solutions.

The second purpose, and perhaps more important reason for these questions, is that it helps clarify the woman's own mind. In a crisis situation, there is a need to fix the crisis as fast as possible. Helping the woman to think through all aspects of her situation will help ensure that the solutions she chooses are indeed ones that are best for her.

Approved for use by the  
Department of Public Welfare  
July 21, 1997

## **Restrictions & Procedures on Spiritual Counseling**

While providing any services under the program, as stated above, counselors are expected to only assess clients' spiritual needs but not meet them. Counselors can ask questions about how the client's faith background impacts her decisions, support system, and ability to cope with her current crisis, but they are not permitted to encourage clients to attend a certain church, or believe in a certain faith.

Counselors may provide clients a referral to a minister of the client's faith such as a rabbi, priest or pastor for further discussion her spiritual needs.

If the Service Provider offers spiritual counseling, post-abortion counseling, or bible study as a separate program, the counselor may, at the end of the counseling or other service provided under the Alternative to Abortion Services Program, inform the client of that separate program. If the client decides to accept the invitation to participate in the separate spiritual counseling program, post-abortion counseling program or bible study, she must sign a Spiritual Counseling Request Form.

Sometimes, due to the trust relationship established with the counselor during the crisis pregnancy, clients may seek religious and spiritual opinion and guidance from the counselor providing services under the Alternative to Abortion Services Program. Due to restrictions on the promotion of religion with government funding, counselors must explain that those "types of conversations are beyond the scope of what can be discussed while services are being provided." The counselor may offer her the option to receive spiritual counseling from a different spiritual counselor after the government-funded service is over. To do this, the client must sign a Spiritual Counseling Request Form.

Even if a client expresses a desire for prayer during the counseling sessions, counselors must explain that as a government-funded service, praying with clients is beyond the scope of what can be discussed while services are provided. A counselor may of course pray for the client any time so long as the prayer is not verbalized or done in a silent manner so as not to interrupt the counseling session or suggest that prayer is occurring.

## **Spiritual or Religious Educational Materials**

Educational materials of a religious or spiritual nature may be displayed at a center as long as the material is kept separate from the secular related educational material and is clearly marked. Again, this type of educational material is made available to the clients, which she is free to choose or not. Educational materials of a religious or spiritual nature include any brochures, Bibles or other materials that clearly discuss faith issues and belief in God.

## **Spiritual Counseling Request Form – Counselor Presentation to Client**

When counseling a client under the PA Alternative to Abortion Services Program, a counselor may sense that the client is interested in or may need spiritual counseling beyond the scope of the contract with Real Alternatives. At this point, the counselor can ask the following questions:

"Some people could benefit from additional counseling which is of spiritual nature but that is not part of this session today. Some of these counselors are here in this building and

some are in other organizations or churches. Is this something you would like to know more about?"

If the client responds affirmatively, the counselor should provide some names and contact information about those spiritual counselors, depending on the client's expressed faith background. If the client indicates that an on-site spiritual counselor is acceptable, then a Spiritual Counseling Request form must be provided to the client, with the Acknowledgment being explained out loud to the client. Refer to the Spiritual Counseling Request Form Acknowledgement which is provided as a sample at the end of this section, and is also provided in the Appendix of the Service Provider Program Manual.

After the client signs the request, the pregnancy counselor will arrange for the spiritual counselor to become involved with the client. This spiritual counselor is to be involved with the client only as a spiritual counselor, and must not confuse the client through any change in role by being involved later as a pregnancy support counselor with this client. The Service Provider shall 1) clearly and fairly present the availability of spiritual counseling and the request form to clients, and 2) clearly define roles relating to all counselors when spiritual counseling is provided on-site.

Approved for use by the  
Department of Public Welfare  
June 17, 2005



### **RAPID SPIRITUAL COUNSELING REQUEST FORM - ACKNOWLEDGEMENT**

This Spiritual Counseling Request Form gives [SERVICE PROVIDER NAME] permission to offer services at your request that deal specifically with your spiritual needs. You will be able to obtain available pregnancy and parenting support services here at [SERVICE PROVIDER NAME] as long as you remain eligible, regardless of whether you choose to have spiritual counseling or not. By signing this form, you acknowledge that you have freely chosen to have spiritual counseling or services and that you have not been coerced, forced, or pressured into participating in spiritual counseling. You should know that your spiritual counselor cannot be the same person who provides you with pregnancy and/or parenting support counseling. As with all counseling here at [SERVICE PROVIDER NAME], the spiritual counseling will be confidential. You may choose to stop the spiritual counseling or spiritual services any time and for any reason and your decision will not affect your continued eligibility for pregnancy and parenting support services.

Do you understand this statement and do you have any questions? If you have no questions and are comfortable with signing this form, please read and sign the front of the form and I will sign the form also indicating that I have read this explanation to you about the spiritual counseling request process.

---

#### **Spiritual Counseling Request Form**

- 1) I, [NAME], know that I can get pregnancy and parenting support client services from [SERVICE PROVIDER NAME].
- 2) I also understand that I can request spiritual counseling, or attend spiritual services, or listen to a presentation about the spiritual activity of [SERVICE PROVIDER] or any other place before or after I receive such services from [SERVICE PROVIDER NAME].
- 3) I understand that I can obtain pregnancy and parenting support clients services without requesting or receiving spiritual counseling or attending spiritual services or listening to a presentation about the spiritual activity of [SERVICE PROVIDER].
- 4) I fully understand the ACKNOWLEDGEMENT on the top of this Spiritual Counseling Request Form that has also been read to me.
- 5) I have decided that I want to receive spiritual counseling, pray, attend spiritual services, listen to talk about spirituality or be a part of spiritual activity with employees, or volunteers (other than the employee or volunteer who delivered my pregnancy and parenting support client services) of [SERVICE PROVIDER NAME].
- 6) I am signing this Spiritual Counseling Request Form voluntarily and independent of any undue pressure or encouragement. I know that I can leave spiritual counseling, services, or presentations at any time or refuse to participate. If I do leave or refuse to participate in spiritual counseling, spiritual services or presentations of any kind, [SERVICE PROVIDER NAME] will still provide available pregnancy and parenting support client services to me as long as I remain eligible.

<i>Date</i>	<i>Client Signature</i>
<i>Date</i>	<i>PA Alternative to Abortion Service Provider Counselor Signature</i>

Approved for use by the  
Department of Public Welfare  
June 17, 2005

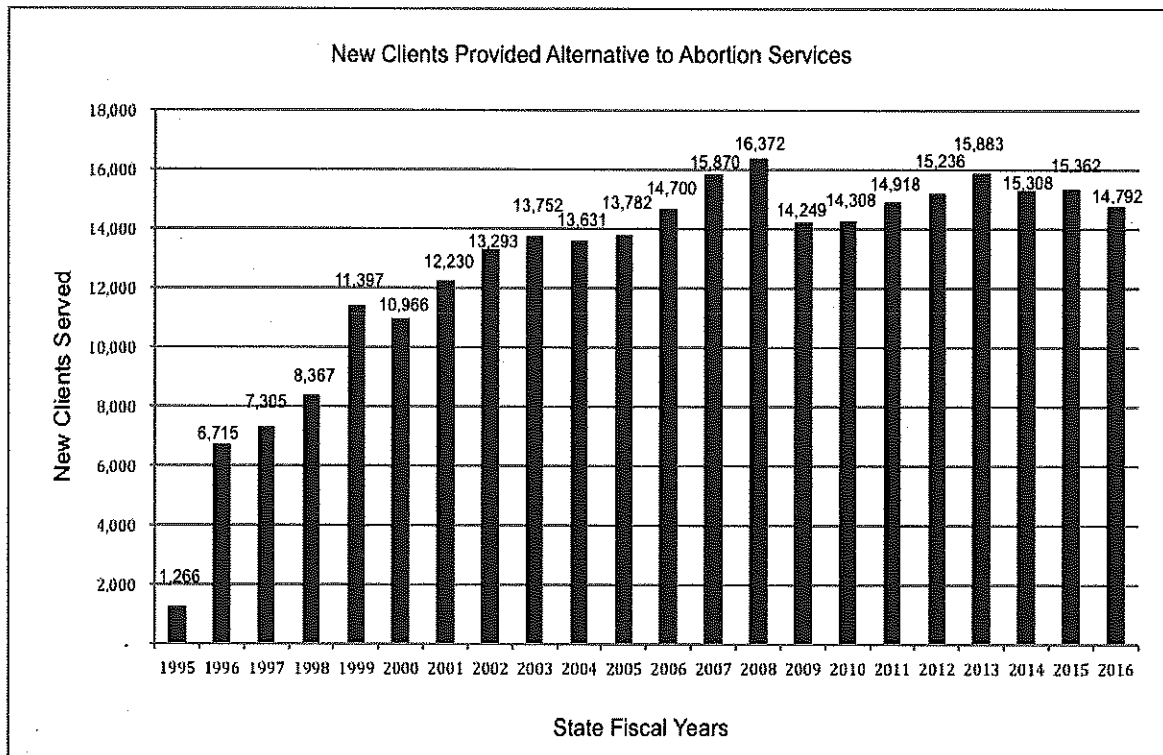
## FUNDING AND ACCOUNTABILITY

For fiscal years 2017/2018 and 2018/2019, both state funds and federal Temporary Assistance for Needy Families Block Grant ("TANFBG") funds will be used in the performance of the Alternative to Abortion Services Program. Through the appropriation, TANFBG funds are appropriated to the program and "are dedicated for services to women whose gross family income is below 185% of the Federal Poverty Guidelines." As such, services provided to TANFBG clients will be funded with federal monies. State funds, which have no income eligibility restriction, will be used for all other services regardless of the client's income.

## TABLES

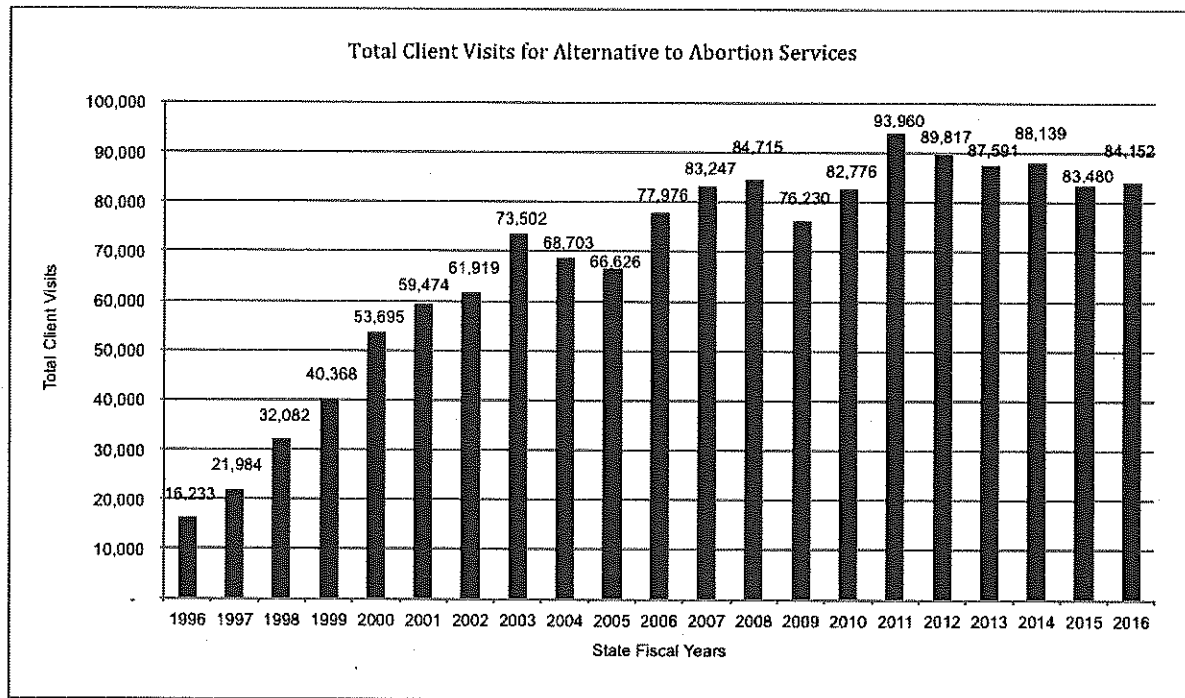
**TABLE 1**

**FY 1995/96 – 2016/2017 > Number of new clients by fiscal year**

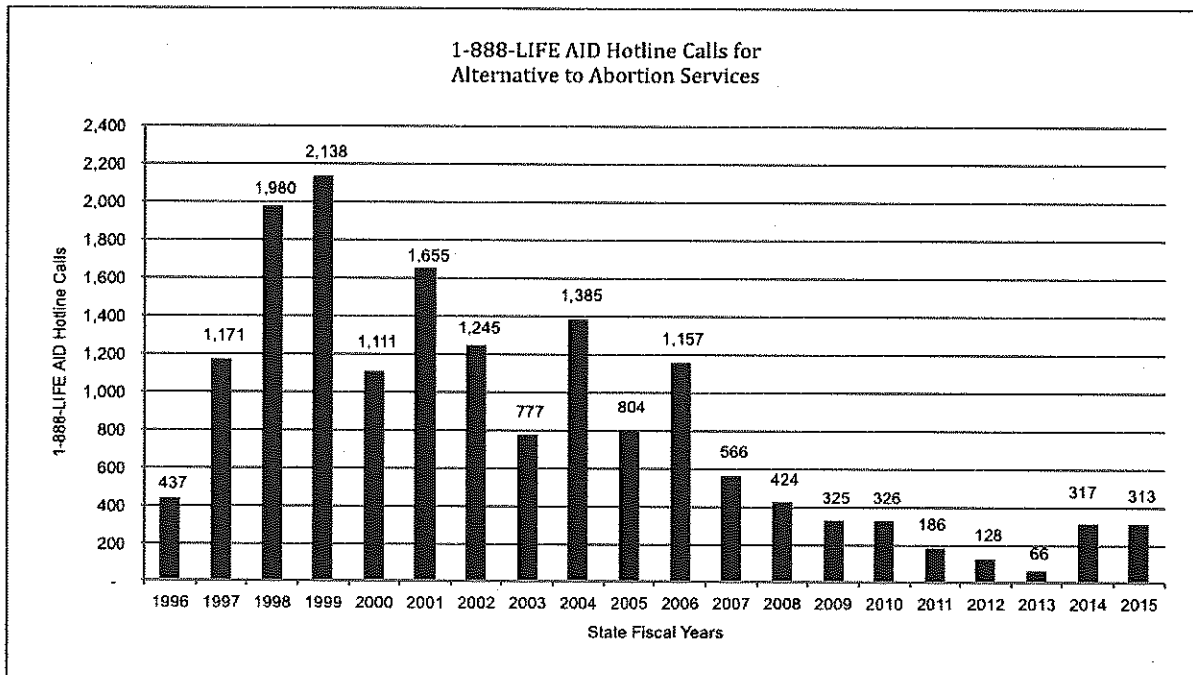


**TABLE 2**

FY 1995/1996 – 2016/2017 &gt; Total client visits by fiscal year

**TABLE 3**

FY 1995/1996 – 2016/2017 &gt; Total number of LIFE AID hotline calls received by fiscal year





**BUDGET SUMMARY**  
**Real Alternatives**  
**ESTIMATED ANNUAL BUDGET SUMMARY**

October 1, 2017 through June 30, 2018

Administrative Cost - FY 17-18	\$ 544,725
Services Cost – FY 17-18	\$4,902,525
<b>TOTAL</b>	<b>\$5,447,250</b>

<u>Funding Source</u> (Federal)	<u>Appropriation</u>	<u>Funds</u>	<u>CFDA #</u>
Temporary Assistance for Needy Families (TANF)	527	\$750,000	93.558
<b>Total Federal Funds</b>		<b>\$750,000</b>	
<b>(State)</b>			
General Fund	254	\$4,697,250	N/A
<b>Total State Funds</b>		<b>\$4,697,250</b>	
<b>TOTAL GRANT</b>		<b>\$5,447,250</b>	

1. For the general administrative services of the Grantee, up to an estimated total amount of \$544,725. This funding is composed of:

(A)	Temporary Assistance for Needy Families (TANF)	\$ 75,00
(B)	General Fund	\$469,725

2. For the provision of direct client services by the Grantee and the Subgrantees, up to an estimated total amount of \$4,902,525. This funding is composed of:
  - (A) Temporary Assistance for Needy Families (TANF) \$ 675,000
  - (B) General Fund \$4,227,525
3. The total estimated Grant amount for the Fiscal Year is \$5,447,250.
4. Distribution of the following funding sources shall be in accordance with the specific requirements of such funding sources.
  - (A) Temporary Assistance for Needy Families (TANF):

These funds shall be used in accordance with the current Pennsylvania TANF State plan.
  - (B) State General Fund:

These funds shall be used for grants to nonprofit agencies whose primary function is to promote childbirth and provide alternatives to abortion. Such funds shall be expended to provide services to women until childbirth and for up to 12 months thereafter, including food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post-delivery stress and other supportive programs and services and for related outreach programs. Agencies may subcontract with other nonprofit entities which operate projects designed specifically to provide all or a portion of these services. Projects receiving such funds shall not promote, refer for or perform abortions or engage in any counseling which is inconsistent with the appropriation and shall be physically and financially separate from any component of any legal entity engaging in such activities.
5. No fees shall be imposed upon a recipient of service funded by this Grant other than those approved by the Department.
6. The following pages are the line item budget for the State Fiscal Year 17-18 of this Grant.

	A	B	C	D	E
1	<b>Real Alternatives</b>				
2	<b>Pennsylvania Pregnancy and Parenting Support Services Program</b>				
3	<b>DPW Grant No. 4100060934</b>				
4	<b>Administrative: Personnel, Operating and Equipment</b>				
5	<b>Grant Period: 10/1/17 - 6/30/18</b>				
6	<b>Effective Date: October 1, 2017</b>				
7					
8		<b>Budget</b>			
9	<b>Cost Category</b>	<b>at 10/1/2017</b>	<b>State</b>	<b>TANF</b>	
10					
11	<b>PERSONNEL</b>				
12	<b>SALARY/WAGES</b>				
13	President & CEO	112,500	97,009	15,491	
14	Vice President of Administration	75,000	64,672	10,328	
15	Accountant	30,000	25,869	4,131	
16	Bookkeeper	18,750	16,168	2,582	
17	<b>Subtotal</b>	<b>236,250</b>	<b>203,718</b>	<b>32,532</b>	
18					
19	<b>OTHER PERSONNEL COSTS</b>				
20	Overtime	-			
21	Unused Sick Leave Obligation Paid	3,000	2,587	413	
22	Payroll Taxes	18,750	16,168	2,582	
23	Job Advertising	750	647	103	
24	Employee Screening	375	323	52	
25	Professional Development	4,500	3,880	620	
26	<b>Subtotal</b>	<b>27,375</b>	<b>23,605</b>	<b>3,770</b>	
27					
28	<b>BENEFITS</b>				
29	Workers Compensation Insurance	1,500	1,293	207	
30	403b Retirement Contribution	11,250	9,701	1,549	
31	Employee Group Insurance	56,250	48,504	7,746	
32	<b>Subtotal</b>	<b>69,000</b>	<b>59,498</b>	<b>9,502</b>	
33					
34	<b>TOTAL PERSONNEL</b>	<b>332,625</b>	<b>286,821</b>	<b>45,804</b>	
35					
36	<b>OPERATING</b>				
37	Consulting	30,000	25,869	4,131	
38	Postage/Shipping	9,750	8,407	1,343	
39	Auditing	19,500	16,815	2,685	
40	Travel/Lodging	750	647	103	
41	Rent	48,750	42,037	6,713	
42	Telephone Service	11,250	9,701	1,549	
43	General Business Liability Insurance	1,500	1,293	207	
44	Directors and Owners Liability Insurance	3,750	3,234	516	
45	Office Expense	61,350	52,912	8,438	
46	Computer Upgrades	22,500	19,402	3,098	
47	Resources Development	-	-	-	
48	<b>TOTAL OPERATING</b>	<b>209,100</b>	<b>180,317</b>	<b>28,783</b>	
49					
50	<b>EQUIPMENT</b>				
51	Equipment Service Contracts	3,000	2,587	413	
52	<b>TOTAL EQUIPMENT</b>	<b>3,000</b>	<b>2,587</b>	<b>413</b>	
53					
54	<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>544,725</b>	<b>469,725</b>	<b>75,000</b>	
55					

	A	B	C	D	E
1	<b>Real Alternatives</b>				
2	<b>Pennsylvania Pregnancy and Parenting Support Services Program</b>				
3	<b>DPW Grant No. 4100060934</b>				
4	<b>Services: Personnel, Operating and Equipment</b>				
5	<b>Grant Period: 10/1/17 - 6/30/18</b>				
6	<b>Effective Date: October 1, 2017</b>				
7					
8		<b>Budget</b>			
9	<b>Cost Category</b>	<b>at 10/1/2017</b>	<b>State</b>	<b>TANF</b>	
10					
11	<b>PERSONNEL</b>				
12	<b>SALARY/WAGES</b>				
13	Vice President of Operations	105,000	90,541	14,459	
14	Contract Compliance Services	11,250	9,701	1,549	
15	Services Coordinator	38,250	32,983	5,267	
16	Billing Coordinator	9,000	7,761	1,239	
17	Outreach Coordinator	9,000	7,761	1,239	
18	Special Projects Coordinator	7,500	6,467	1,033	
19	Services Assistance	3,750	3,234	516	
20	LIFE AID Hotline Counselors	15,750	13,581	2,169	
21	<b>Subtotal</b>	<b>199,500</b>	<b>172,029</b>	<b>27,471</b>	
22					
23	<b>OTHER PERSONNEL COSTS</b>				
24	Overtime	-	-	-	
25	Unused Sick Leave Obligation Paid	1,875	1,617	258	
26	Payroll Taxes	20,250	17,462	2,788	
27	Job Advertising	750	647	103	
28	Employee Screening	375	323	52	
29	Professional Development & Training	1,500	1,293	207	
30	<b>Subtotal</b>	<b>24,750</b>	<b>21,342</b>	<b>3,408</b>	
31					
32	<b>BENEFITS</b>				
33	Workers Compensation Insurance	1,500	1,293	207	
34	403b Retirement Contribution	5,625	4,850	775	
35	Employee Group Insurance	33,750	29,103	4,647	
36	<b>Subtotal</b>	<b>40,875</b>	<b>35,246</b>	<b>5,629</b>	
37					
38	<b>TOTAL PERSONNEL</b>	<b>265,125</b>	<b>228,617</b>	<b>36,508</b>	
39					
40	<b>OPERATING</b>				
41	Information and Training Materials	7,500	6,467	1,033	
42	Services Advertising	375,000	323,363	51,638	
43	Travel	7,500	6,467	1,033	
44	Services Database Consulting	18,750	16,168	2,582	
45	Other Services Consulting	-	-	-	
46	Meetings and Seminars	7,500	6,467	1,033	
47	Minor Equipment Reimbursement	375	323	52	
48	Counseling Reimbursement	4,102,650	3,537,794	564,854	
49	Toll Free Referral System	5,625	4,850	775	
50	Fiscal Year Close Out Costs	75,000	64,673	10,328	
51	<b>TOTAL OPERATING</b>	<b>4,599,900</b>	<b>3,966,572</b>	<b>633,328</b>	
52					
53	<b>EQUIPMENT</b>				
54	Pregnancy Test Kits	37,500	32,336	5,164	
55	<b>TOTAL EQUIPMENT</b>	<b>37,500</b>	<b>32,336</b>	<b>5,164</b>	
56					
57	<b>TOTAL SERVICES COSTS</b>	<b>4,902,525</b>	<b>4,227,525</b>	<b>675,000</b>	
58					
59	<b>TOTAL ADMIN AND SERVICES COSTS</b>	<b>5,447,250</b>	<b>4,697,250</b>	<b>750,000</b>	
60					



**BUDGET SUMMARY**  
**Real Alternatives**  
**ESTIMATED ANNUAL BUDGET SUMMARY**

July 1, 2018 through June 30, 2019

Administrative Cost	\$ 726,300
Services Cost	\$6,536,700
<b>TOTAL</b>	<b>\$7,263,000</b>

<u>Funding Source</u> (Federal)	<u>Appropriation</u>	<u>Funds</u>	<u>CFDA #</u>
Temporary Assistance for Needy Families (TANF)	527	\$1,000,000	93.558
<b>Total Federal Funds</b>		<b>\$1,000,000</b>	
(State)			
General Fund	254	\$6,263,000	N/A
<b>Total State Funds</b>		<b>\$6,263,000</b>	
<b>TOTAL GRANT</b>		<b>\$7,263,000</b>	

1. For the general administrative services of the Grantee, up to an estimated total amount of **\$726,300**. This funding is composed of:

(A)	Temporary Assistance for Needy Families (TANF)	\$100,000
(B)	General Fund	\$626,300

2. For the provision of direct client services by the Grantee and the Subgrantees, up to an estimated total amount of \$6,536,700. This funding is composed of:
  - (A) Temporary Assistance for Needy Families (TANF) \$ 900,000
  - (B) General Fund \$5,636,700
3. The total estimated Grant amount for each Fiscal Year is \$7,263,000.
4. Distribution of the following funding sources shall be in accordance with the specific requirements of such funding sources.
  - (A) Temporary Assistance for Needy Families (TANF):

These funds shall be used in accordance with the current Pennsylvania TANF State plan.
  - (B) State General Fund:

These funds shall be used for grants to nonprofit agencies whose primary function is to promote childbirth and provide alternatives to abortion. Such funds shall be expended to provide services to such women until childbirth and for up to 12 months thereafter, including, but not limited to, food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post delivery stress and other supportive programs and services and for related outreach programs. Such agencies may subcontract with other nonprofit entities that operate projects designed specifically to provide all or a portion of the foregoing services. Projects receiving such funds shall not promote or refer for or perform abortions or engage in any counseling which is inconsistent with this appropriation and shall be physically and financially separate from any component of any legal entity engaging in such activities.
5. Real Alternative's line item budget for the state fiscal year 2018-2019 will be submitted to the Department on or before July 1, 2018.

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## STANDARD GRANT TERMS AND CONDITIONS FOR SERVICES

### 1. TERM OF GRANT

The term of the Grant shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Grant, subject to the other provisions of the Grant. The Effective Date shall be fixed by the Granting Officer after the Grant has been fully executed by the Grantee and by the Commonwealth and all approvals required by Commonwealth Granting procedures have been obtained. The Grant shall not be a legally binding Grant until after the Effective Date is affixed and the fully-executed Grant has been sent to the Grantee. No agency employee has the authority to verbally direct the commencement of any work under this Grant. The Commonwealth reserves the right, upon notice to the Grantee, to extend the term of the Grant for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Grant coverage and only for the time necessary, up to three (3) months, to enter into a new Grant.

### 2. INDEPENDENT GRANTEE

In performing the services required by the Grant, the Grantee will act as an independent Grantee and not as an employee or agent of the Commonwealth.

### 3. COMPLIANCE WITH LAW

The Grantee shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Grant.

### 4. ENVIRONMENTAL PROVISIONS

In the performance of the Grant, the Grantee shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

### 5. POST-CONSUMER RECYCLED CONTENT

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Grant must meet the minimum percentage levels for total recycled content as specified in Exhibits A-1 through A-8 to these Standard Grant Terms and Conditions.

### 6. COMPENSATION/EXPENSES

The Grantee shall be required to perform the specified services at the price(s) quoted in the Grant. All services shall be performed within the time period(s) specified in the Grant. The Grantee shall be compensated only for work performed to the satisfaction of the Commonwealth. The Grantee shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Grant.

### 7. INVOICES

Unless the Grantee has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Grantee shall send an invoice itemized by line item to the address referenced on the grant promptly after services are satisfactorily completed. The invoice should include only amounts due under the Grant agreement. The grant number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Grantee to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rate, and the Grant number or task order to which it refers.

### 8. PAYMENT

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Grant; (b) thirty (30) days after a proper invoice actually is received at the "Provide Service and Bill To" address if a date on which payment is due is not specified in the Grant (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Grant. If any payment is not made within fifteen (15) days after the required payment

date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Grantee as acceptance of the service performed by the Grantee. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Grantee agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Grantee or its subsidiaries to the Commonwealth against any payments due the Grantee under any Grant with the Commonwealth.

- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Grant or purchase order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Grantee will be required to pay and the Grantee will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Grantee. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Grantee or any other charges incurred by the Grantee, unless specifically stated in the terms of the Grant or purchase order.

#### **9. TAXES**

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction Grantee from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction Grant.

#### **10. WARRANTY**

The Grantee warrants that all services performed by the Grantee, its agents and subGrantees shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Grant, all services and parts are warranted for a period of one year following completion of performance by the Grantee and acceptance by the Commonwealth. The Grantee shall correct any problem with the service and/or replace any defective part with a part of equivalent or superior quality without any additional cost to the Commonwealth.

#### **11. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY**

The Grantee warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Grant which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to the commonwealth under the Grant. The Grantee shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Grant. This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at the Grantee's written request, it shall be at the Grantee's expense, but the responsibility for such expense shall be only that within the Grantee's written authorization. The Grantee shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Grantee or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Grant. If any of the products provided by the Grantee in such suit or proceeding are held to constitute infringement and the use is enjoined, the Grantee shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If the Grantee is unable to do any of the preceding, the Grantee agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase

of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Grantee under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Grantee without its written consent.

## **12. OWNERSHIP RIGHTS**

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Grant.

## **13. ASSIGNMENT OF ANTITRUST CLAIMS**

The Grantee and the Commonwealth recognize that in actual economic practice, overcharges by the Grantee's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Grant, and intending to be legally bound, the Grantee assigns to the Commonwealth all right, title and interest in and to any claims the Grantee now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Grant.

## **14. HOLD HARMLESS PROVISION**

The Grantee shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all claims, demands and actions based upon or arising out of any activities performed by the Grantee and its employees and agents under this Grant and shall, at the request of the Commonwealth, defend any and all actions brought against the Commonwealth based upon any such claims or demands.

## **15. AUDIT PROVISIONS**

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Grantee to the extent that the books, documents and records relate to costs or pricing data for the Grant. The Grantee agrees to maintain records which will support the prices charged and costs incurred for the Grant. The Grantee shall preserve books, documents, and records that relate to costs or pricing data for the Grant for a period of three (3) years from date of final payment. The Grantee shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

## **16. DEFAULT**

- a. The Commonwealth may, subject to the provisions of Paragraph 17, Force Majeure, and in addition to its other rights under the Grant, declare the Grantee in default by written notice thereof to the Grantee, and terminate (as provided in Paragraph 18, Termination Provisions) the whole or any part of this Grant for any of the following reasons:
  - 1) Failure to begin work within the time specified in the Grant or as otherwise specified;
  - 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Grant terms;
  - 3) Unsatisfactory performance of the work;
  - 4) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
  - 5) Discontinuance of work without approval;
  - 6) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
  - 7) Insolvency or bankruptcy;
  - 8) Assignment made for the benefit of creditors;
  - 9) Failure or refusal within 10 days after written notice by the Granting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
  - 10) Failure to protect, to repair, or to make good any damage or injury to property; or
  - 11) Breach of any provision of this Grant.
- b. In the event that the Commonwealth terminates this Grant in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, services similar or identical to those so terminated, and the Grantee shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical services included within the terminated part of the Grant.
- c. If the Grant is terminated as provided in Subparagraph a. above, the Commonwealth,

in addition to any other rights provided in this paragraph, may require the Grantee to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed work, including, where applicable, reports, working papers and other documentation, as the Grantee has specifically produced or specifically acquired for the performance of such part of the Grant as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Grant price. Except as provided below, payment for partially completed work including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Grantee and Granting Officer. The Commonwealth may withhold from amounts otherwise due the Grantee for such completed or partially completed works, such sum as the Granting Officer determines to be necessary to protect the Commonwealth against loss.

- d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Grant.
- e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.
- f. Following exhaustion of the Grantee's administrative remedies as set forth in Paragraph 19, the Grantee's exclusive remedy shall be to seek damages in the Board of Claims.

#### 17. **FORCE MAJEURE**

Neither party will incur any liability to the other if its performance of any obligation under this Grant is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Grantee shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Grantee becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the Grant is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Grantee shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect either to cancel the Grant or to extend the time for performance as reasonably necessary to compensate for the Grantee's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Grantee, may suspend all or a portion of the Grant.

#### 18. **TERMINATION PROVISIONS**

The Commonwealth has the right to terminate this Grant for any of the following reasons. Termination shall be effective upon written notice to the Grantee.

- a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Grant for its convenience if the Commonwealth determines termination to be in its best interest. The Grantee shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Grantee be entitled to recover loss of profits.
- b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Grant. The Grantee shall be reimbursed for the reasonable value of any nonrecurring

costs incurred but not amortized in the price of the supplies or services delivered under this Grant. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid for any appropriations available for that purpose

- c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Grant for Grantee default under Paragraph 16, Default, upon written notice to the Grantee. The Commonwealth shall also have the right, upon written notice to the Grantee, to terminate the Grant for other cause as specified in this Grant or by law. If it is later determined that the Commonwealth erred in terminating the Grant for cause, then, at the Commonwealth's discretion, the Grant shall be deemed to have been terminated for convenience under the Subparagraph 18.a.

**19. GRANT CONTROVERSIES**

- a. In the event of a controversy or claim arising from the Grant, the Grantee must, within six months after the cause of action accrues, file a written claim with the Granting officer for a determination. The claim shall state all grounds upon which the Grantee asserts a controversy exists. If the Grantee fails to file a claim or files an untimely claim, the Grantee is deemed to have waived its right to assert a claim in any forum.
- b. The Granting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the Granting officer and the Grantee. The Granting officer shall send his/her written determination to the Grantee. If the Granting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The Granting officer's determination shall be the final order of the purchasing agency.
- c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Grantee may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Grantee shall proceed diligently with the performance of the Grant in a manner consistent with the determination of the Granting officer and the Commonwealth shall compensate the Grantee pursuant to the terms of the Grant.

**20. ASSIGNABILITY AND SUBGRANTING**

- a. Subject to the terms and conditions of this Paragraph 20, this Grant shall be binding upon the parties and their respective successors and assigns.
- b. The Grantee shall not subGrant with any person or entity to perform all or any part of the work to be performed under this Grant without the prior written consent of the Granting Officer, which consent may be withheld at the sole and absolute discretion of the Granting Officer.
- c. The Grantee may not assign, in whole or in part, this Grant or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Granting Officer, which consent may be withheld at the sole and absolute discretion of the Granting Officer.
- d. Notwithstanding the foregoing, the Grantee may, without the consent of the Granting Officer, assign its rights to payment to be received under the Grant, provided that the Grantee provides written notice of such assignment to the Granting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Grant.
- e. For the purposes of this Grant, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Grantee provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- f. Any assignment consented to by the Granting Officer shall be evidenced by a written

assignment agreement executed by the Grantee and its assignee in which the assignee

agrees to be legally bound by all of the terms and conditions of the Grant and to assume the duties, obligations, and responsibilities being assigned.

- g. A change of name by the Grantee, following which the Grantee's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Grantee shall give the Granting Officer written notice of any such change of name.

## 21. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the Grant, the Grantee agrees as follows:

- a. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the grant agreement or any subgrant agreement, contract, or subcontract, the Grantee, a subgrantee, a contractor, a subcontractor, or any person acting on behalf of the Grantee shall not discriminate in violation of the Pennsylvania Human Relations Act (PHRA) and applicable federal laws against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. The Grantee, any subgrantee, contractor or any subcontractor or any person on their behalf shall not in any manner discriminate in violation of the PHRA and applicable federal laws against or intimidate any of its employees.
- c. The Grantee, any subgrantee, contractor or any subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the grant services are performed shall satisfy this requirement.
- d. The Grantee, any subgrantee, contractor or any subcontractor shall not discriminate in violation of the PHRA and applicable federal laws against any subgrantee, contractor, subcontractor or supplier who is qualified to perform the work to which the grant relates.
- e. The Grantee and each subgrantee, contractor and subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws and regulations relating to nondiscrimination and sexual harassment. The Grantee and each subgrantee, contractor and subcontractor further represents that it has filed a Standard Form 100 Employer Information Report ("EEO-1") with the U.S. Equal Employment Opportunity Commission ("EEOC") and shall file an annual EEO-1 report with the EEOC as required for employers subject to Title VII of the Civil Rights Act of 1964, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Grantee, any subgrantee, any contractor or any subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the granting agency and the Bureau of Small Business Opportunities (BSBO), for the purpose of ascertaining compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause.
- f. The Grantee, any subgrantee, contractor or any subcontractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subgrant agreement, contract or subcontract so that those provisions applicable to subgrantees, contractors or subcontractors will be binding upon each subgrantee, contractor or subcontractor.
- g. The Grantee's and each subgrantee's, contractor's and subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the grant agreement through the termination date thereof. Accordingly, the Grantee and each subgrantee, contractor and subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the grant agreement, it becomes aware of any actions or occurrences that would result in violation of these provisions.
- h. The Commonwealth may cancel or terminate the grant agreement and all money due or to become due under the grant agreement may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the granting agency may proceed with debarment or suspension and may place



the Grantee, subgrantee, contractor, or subcontractor in the Contractor Responsibility File.

## 22. CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

**1. DEFINITIONS.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

- a. **"Affiliate"** means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or c) the entities have a common proprietor or general partner.
- b. **"Consent"** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
- c. **"Contractor"** means the individual or entity, that has entered into this contract with the Commonwealth.
- d. **"Contractor Related Parties"** means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
- e. **"Financial Interest"** means either:
  - (1) Ownership of more than a five percent interest in any business; or
  - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
- f. **"Gratuity"** means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the Governor's Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b), shall apply.
- g. **"Non-bid Basis"** means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

**2.** In furtherance of this policy, Contractor agrees to the following:

- a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
- b. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
- c. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
- d. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the

Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.

e. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:

- (1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
- (2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
- (3) had any business license or professional license suspended or revoked;
- (4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and
- (5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.

- f. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- g. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- h. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to

Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

- i. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

## **23. GRANTEE RESPONSIBILITY PROVISIONS**

- a. The Grantee certifies, for itself and all its subGrantees, that as of the date of its execution of this Bid/Grant, that neither the Grantee, nor any subGrantees, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Grantee cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.
- b. The Grantee also certifies, that as of the date of its execution of this Bid/Grant, it has no tax liabilities or other Commonwealth obligations.
- c. The Grantee's obligations pursuant to these provisions are ongoing from and after the effective date of the Grant through the termination date thereof. Accordingly, the Grantee shall have an obligation to inform the Commonwealth if, at any time during the term of the Grant, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subGrantees are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- d. The failure of the Grantee to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Grant with the Commonwealth.
- e. The Grantee agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for Investigations of the Grantee's compliance with the terms of this or any other agreement between the Grantee and the Commonwealth, which results in the suspension or debarment of the Grantee. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Grantee shall not be responsible for investigative costs for investigations that do not result in the Grantee's suspension or debarment.
- f. The Grantee may obtain a current list of suspended and debarred Commonwealth Grantees by either searching the internet at <http://www.dgs.state.pa.us> or contacting the:

Department of General Services  
Office of Chief Counsel  
603 North Office Building  
Harrisburg, PA 17125  
Telephone No. (717) 783-6472  
FAX No. (717) 787-9138

## **24. AMERICANS WITH DISABILITIES ACT**

- a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Grantee understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Grant or from activities provided for under this Grant on the basis of the disability. As

a condition of accepting this Grant, the Grantee agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through Grants with outside Grantees.

- b. The Grantee shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Grantee's failure to comply with the provisions of subparagraph a above.

## **25. HAZARDOUS SUBSTANCES**

The Grantee shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Grantee in the performance of the Grant. The Grantee must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 4 Pa. Code Section 301.1 et seq.

- a. Labeling. The Grantee shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Grantee is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4):
  - 1) Hazardous substances:
    - a) The chemical name or common name,
    - b) A hazard warning, and
    - c) The name, address, and telephone number of the manufacturer.
  - 2) Hazardous mixtures:
    - a) The common name, but if none exists, then the trade name,
    - b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
    - c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
    - d) A hazard warning, and
    - e) The name, address, and telephone number of the manufacturer.
  - 3) Single chemicals:
    - a) The chemical name or the common name, A hazard warning, if appropriate, and
    - b) The name, address, and telephone number of the manufacturer.
  - 4) Chemical Mixtures:
    - a) The common name, but if none exists, then the trade name,
    - b) A hazard warning, if appropriate,
    - c) The name, address, and telephone number of the manufacturer, and
    - d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout the workplace. Examples are:

- NFPA 704, Identification of the Fire Hazards of Materials.
- National Paint and Coatings Association: Hazardous Materials Identification System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

- b. Material Safety Data Sheet. The Grantee shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the Grantee shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The Grantee shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

#### **26. COVENANT AGAINST CONTINGENT FEES**

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure the Grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Grant without liability or in its discretion to

deduct from the Grant price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

#### **27. APPLICABLE LAW**

This Grant shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Grantee consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Grantee agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

#### **28. INTEGRATION**

The Grant, including all referenced documents, constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Grantee has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Grant, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Grant. No modifications, alterations, changes, or waiver to the Grant or any of its terms shall be

valid or binding unless accomplished by a written amendment signed by both parties. All such amendments will be made using the appropriate Commonwealth form.

**29. CHANGE ORDERS**

The Commonwealth reserves the right to issue change orders at any time during the term of the Grant or any renewals or extensions thereof. 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Grant and actual quantities; 2) to make changes to the services within the scope of the Grant; 3) to notify the Grantee that the Commonwealth is exercising any Grant renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Grant to extend the completion date beyond the Expiration Date of the Grant or any renewals or extensions thereof. Any such change order shall be in writing signed by the Granting Officer. The change order shall be effective as of the date appearing on the change order, unless the change order specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Grant, nor, if performance security is being furnished in conjunction with the Grant, release the security obligation. The Grantee agrees to provide the service in accordance with the change order. Any dispute by the Grantee in regard to the performance required under any change order shall be handled through Paragraph 19, "Grant Controversies".

For purposes of this Grant, "change order" is defined as a written order signed by the Granting Officer directing the Grantee to make changes authorized under this clause.

**30. RIGHT TO KNOW LAW 8-K-1580**

- a. Grantee or Subgrantee understands that this Grant Agreement and records related to or arising out of the Grant Agreement are subject to requests made pursuant to the Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL"). For the purpose of these provisions, the term "the Commonwealth" shall refer to the granting Commonwealth agency.
- b. If the Commonwealth needs the Grantee's or Subgrantee's assistance in any matter arising out of the RTKL related to this Grant Agreement, it shall notify the Grantee or Subgrantee using the legal contact information provided in the Grant Agreement. The Grantee or Subgrantee, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires Grantee's or Subgrantee's assistance in responding to a request under the RTKL for information related to this Grant Agreement that may be in Grantee's or Subgrantee's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), Grantee or Subgrantee shall:
  1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in Grantee's or Subgrantee's possession arising out of this Grant Agreement that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
  2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Grant Agreement.
- d. If Grantee or Subgrantee considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that Grantee or Subgrantee considers exempt from production under the RTKL, Grantee or Subgrantee must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of Grantee or Subgrantee explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from Grantee or Subgrantee in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, Grantee or Subgrantee shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.
- f. If Grantee or Subgrantee fails to provide the Requested Information within the time period required by these provisions, Grantee or Subgrantee shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee's

or Subgrantee's failure, including any statutory damages assessed against the Commonwealth.

- g. The Commonwealth will reimburse Grantee or Subgrantee for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- h. Grantee or Subgrantee may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, Grantee or Subgrantee shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee's or Subgrantee's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, Grantee or Subgrantee agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.
- i. The Grantee's or Subgrantee's duties relating to the RTKL are continuing duties that survive the expiration of this Grant Agreement and shall continue as long as the Grantee or Subgrantee has Requested Information in its possession.

**DEPARTMENT OF HUMAN SERVICES ADDENDUM TO  
STANDARD CONTRACT TERMS AND CONDITIONS**

**A. APPLICABILITY**

This Addendum is intended to supplement the Standard Terms and Conditions. To the extent any of the terms contained herein conflict with terms contained in the Standard Contract Terms and Conditions, the terms in the Standard Contract Terms and Conditions shall take precedence. Further, it is recognized that certain terms contained herein may not be applicable to all the services which may be provided through Department contracts.

**B. CONFIDENTIALITY**

The parties shall not use or disclose any information about a recipient of the services to be provided under this contract for any purpose not connected with the parties' contract responsibilities except with written consent of such recipient, recipient's attorney, or recipient's parent or legal guardian.

**C. INFORMATION**

During the period of this contract, all information obtained by the Contractor through work on the project will be made available to the Department immediately upon demand. If requested, the Contractor shall deliver to the Department background material prepared or obtained by the Contractor incident to the performance of this agreement. Background material is defined as original work, papers, notes and drafts prepared by the Contractor to support the data and conclusions in final reports, and includes completed questionnaires, materials in electronic data processing form, computer programs, other printed materials, pamphlets, maps, drawings and all data directly related to the services being rendered.

**D. CERTIFICATION AND LICENSING**

Contractor agrees to obtain all licenses, certifications and permits from Federal, State and Local authorities permitting it to carry on its activities under this contract.

**E. PROGRAM SERVICES**

Definitions of service, eligibility of recipients of service and other limitations in this contract are subject to modification by amendments to Federal, State and Local laws, regulations and program requirements without further notice to the Contractor hereunder.

**F. CHILD PROTECTIVE SERVICE LAWS**

In the event that the contract calls for services to minors, the contractor shall comply with the provisions of the Child Protective Services Law (Act of November 26, 1975, P.L. 438, No. 124; 23 P.S. SS 6301-6384, as amended by Act of July 1, 1985, P.L. 124, No. 33) and all regulations promulgated thereunder (55Pa. Code, chapter 3490).

**G. PRO-CHILDREN ACT OF 1994**

The Contractor agrees to comply with the requirements of the Pro-Children Act of 1994; Public Law 103-277, Part C-Environment Tobacco Smoke (also known as the Pro-Children Act of 1994) requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health care services, day care and education to children under the age of 18, if the services are funded by Federal programs whether directly or through State and Local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.

**H. MEDICARE/MEDICAID REIMBURSEMENT**

1. To the extent that services are furnished by contractors, subcontractors, or organizations related to the contractor/subcontractor and such services may in whole or in part be claimed by the



Commonwealth for Medicare/Medicaid reimbursements, contractor/subcontractor agrees to comply with 42 C.F.R., Part 420, including:

- a. Preservation of books, documents and records until the expiration of four (4) years after the services are furnished under the contract.
  - b. Full and free access to (i) the Commonwealth, (ii) the U.S. Comptroller General, (iii) the U.S. Department of Health and Human Services, and their authorized representatives.
2. Your signature on the proposal certifies under penalty of law that you have not been suspended/terminated from the Medicare/Medicaid Program and will notify the contracting DPW Facility or DPW Program Office immediately should a suspension/termination occur during the contract period.

#### **I. TRAVEL AND PER DIEM EXPENSES**

Contractor shall not be allowed or paid travel or per diem expenses except as provided for in Contractor's Budget and included in the contract amount. Any reimbursement to the Contractor for travel, lodging or meals under this contract shall be at or below state rates as provided in Management Directive 230.10, Commonwealth Travel Policy, as may be amended, unless the Contractor has higher rates which have been established by its offices/officials, and published prior to entering into this contract. Higher rates must be supported by a copy of the minutes or other official documents, and submitted to the Department. Documentation in support of travel and per diem expenses will be the same as required of state employees.

#### **J. INSURANCE**

1. The contractor shall accept full responsibility for the payment of premiums for Workers' Compensation, Unemployment Compensation, Social Security, and all income tax deductions required by law for its employees who are performing services under this contract. As required by law, an independent contractor is responsible for Malpractice Insurance for health care personnel. Contractor shall provide insurance Policy Number and Provider's Name, or a copy of the policy with all renewals for the entire contract period.
2. The contractor shall, at its expense, procure and maintain during the term of the contract, the following types of insurance, issued by companies acceptable to the Department and authorized to conduct such business under the laws of the Commonwealth of Pennsylvania:
  - a. Worker's Compensation Insurance for all of the Contractor's employees and those of any subcontractor, engaged in work at the site of the project as required by law.
  - b. Public liability and property damage insurance to protect the Commonwealth, the Contractor, and any and all subcontractors from claim for damages for personal injury (including bodily injury), sickness or disease, accidental death and damage to property, including loss of use resulting from any property damage, which may arise from the activities performed under this contract or the failure to perform under this contract whether such performance or nonperformance be by the contractor, by any subcontractor, or by anyone directly or indirectly employed by either. The limits of such insurance shall be in an amount not less than \$500,000 each person and \$2,000,000 each occurrence, personal injury and property damage combined. Such policies shall be occurrence rather than claims-made policies and shall name the Commonwealth of Pennsylvania as an additional insured. The insurance shall not contain any endorsements or any other form designated to limit or restrict any action by the Commonwealth, as an additional insured, against the insurance coverage in regard to work performed for the Commonwealth.

Prior to commencement of the work under the contract and during the term of the contract, the Contractor shall provide the Department with current certificates of insurance. These certificates shall contain a provision that the coverages afforded under the policies will not be cancelled or changed until at least thirty (30) days' written notice has been given to the Department.

#### **K. PROPERTY AND SUPPLIES**

1. Contractor agrees to obtain all supplies and equipment for use in the performance of this contract at the lowest practicable cost and to purchase by means of competitive bidding whenever required by law.
2. Title to all property furnished in-kind by the Department shall remain with the Department.
3. Contractor has title to all personal property acquired by the contractor, including purchase by lease/purchase agreement, for which the contractor is to be reimbursed under this contract. Upon cancellation or termination of this contract, disposition of such purchased personal property which has a remaining useful life shall be made in accordance with the following provisions.
  - a. The contractor and the Department may agree to transfer any item of such purchased property to another contractor designated by the Department. Cost of transportation shall be born by the contractor receiving the property and will be reimbursed by the Department. Title to all transferred property shall vest in the designated contractor. The Department will reimburse the Contractor for its share, if any, of the value of the remaining life of the property in the same manner as provided under subclause b of this paragraph.
  - b. If the contractor wishes to retain any items of such purchased property, depreciation tables shall be used to ascertain the value of the remaining useful life of the property. The contractor shall reimburse the Department in the amount determined from the tables.
  - c. When authorized by the Department in writing, the contractor may sell the property and reimburse the Department for its share. The Department reserves the right to fix the minimum sale price it will accept.
4. All property furnished by the Department or personal property acquired by the contractor, including purchase by lease-purchase contract, for which the contractor is to be reimbursed under this contract shall be deemed "Department Property" for the purposes of subsection 5, 6 and 7 of this section.
5. Contractor shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, preservation and insurance of Department Property so as to assure its full availability and usefulness.
6. Department property shall, unless otherwise approved in writing by the Department, be used only for the performance of this contract.
7. In the event that the contractor is indemnified, reimbursed or otherwise compensated for any loss, destruction or damage to Department Property, it shall use the proceeds to replace, repair or renovate the property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall reimburse the Department, at the Department's direction.

#### **L. DISASTERS**

If, during the terms of this contract, the Commonwealth's premises are so damaged by flood, fire or other Acts of God as to render them unfit for use; then the Agency shall be under no liability or obligation to the contractor hereunder during the period of time there is no need for the services provided by the contractor except to render compensation which the contractor was entitled to under this agreement prior to such damage.

#### **M. SUSPENSION OR DEBARMENT**

In the event of suspension or debarment, 4 Pa Code Chapter 60.1 through 60.7, as it may be amended, shall apply.

#### **N. COVENANT AGAINST CONTINGENT FEES**

The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee (excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business). For breach or violation of this warranty, the Department shall have the right to annul this contract without liability or, in its discretion, to deduct from

the consideration otherwise due under the contract, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

**O. CONTRACTOR'S CONFLICT OF INTEREST**

The contractor hereby assures that it presently has not interest and will not acquired any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The contractor further assures that in the performance of this contract, it will not knowingly employ any person having such interest. Contractor hereby certifies that no member of the Board of the contractor or any of its officers or directors has such an adverse interest.

**P. INTEREST OF THE COMMONWEALTH AND OTHERS**

No officer, member or employee of the Commonwealth and no member of its General Assembly, who exercises any functions or responsibilities under this contract, shall participate in any decision relating to this contract which affects his personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested; nor shall any such officer, member or employee of the Commonwealth or member of its General Assembly have interest, direct or indirect, in this contract or the proceeds thereof.

**Q. CONTRACTOR RESPONSIBILITY TO EMPLOY WELFARE CLIENTS**

(Applicable to contracts \$25,000 or more)

1. The contractor, within 10 days of receiving the notice to proceed, must contact the Department of Public Welfare's Contractor Partnership Program (CPP) to present, for review and approval, the contractor's plan for recruiting and hiring recipients currently receiving cash assistance. If the contract was not procured via Request for Proposal (RFP); such plan must be submitted on Form PA-778. The plan must identify a specified number (not percentage) of hires to be made under this contract. If no employment opportunities arise as a result of this contract, the contractor must identify other employment opportunities available within the organization that are not a result of this contract. The entire completed plan (Form PA-778) must be submitted to the Bureau of Employment and Training Programs (BETP): Attention CPP Division. (Note: Do not keep the pink copy of Form PA-778). The approved plan will become a part of the contract.
2. The contractor's CPP approved recruiting and hiring plan shall be maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to the CPP Division which will make a recommendation to the Contracting Officer regarding course of action. If a contract is assigned to another contractor, the new contractor must maintain the CPP recruiting and hiring plan of the original contract.
3. The contractor, within 10 days of receiving the notice to proceed, must register in the Commonwealth Workforce Development System (CWDS). In order to register the selected contractor must provide business, location and contact details by creating an Employer Business Folder for review and approval, within CWDS at [HTTPS://WWW.CWDS.STATE.PA.US](https://www.cwds.state.pa.us). Upon CPP review and approval of Form PA-778 and the Employer Business Folder in CWDS, the Contractor will receive written notice (via the pink Contractor's copy of Form PA-778) that the plan has been approved.
4. Hiring under the approved plan will be monitored and verified by Quarterly Employment Reports (Form PA-1540); submitted by the contractor to the Central Office of Employment and Training – CPP Division. A copy of the submitted Form PA-1540 must also be submitted (by the contractor) to the DPW Contract Monitor (i.e. Contract Officer). The reports must be submitted on the DPW Form PA-1540. The form may not be revised, altered, or re-created.
5. If the contractor is non-compliant, CPP Division will contact the Contract Monitor to request corrective action. The Department may cancel this contract upon thirty (30) days written notice in the event of the contractor's failure to implement or abide by the approved plan.

**R. TUBERCULOSIS CONTROL**

As recommended by the Centers for Disease Control and the Occupational Safety and Health Administration, effective August 9, 1996, in all State Mental Health and Mental Retardation Facilities, all

full-time and part-time employees (temporary and permanent), including contract service providers, having direct patient contact or providing service in patient care areas, are to be tested serially with PPD by Mantoux skin tests. PPD testing will be provided free of charge from the state MH/MR facility. If the contract service provider has written proof of a PPD by Mantoux method within the last six months, the MH/MR facility will accept this documentation in lieu of administration of a repeat test. In addition, documented results of a PPD by Mantoux method will be accepted by the MH/MR facility. In the event that a contractor is unwilling to submit to the test due to previous positive reading, allergy to PPD material or refusal, the risk assessment questionnaire must be completed. If a contractor refuses to be tested in accordance with this new policy, the facility will not be able to contract with this provider and will need to procure the services from another source.

#### **S. ACT 13 APPLICATION TO CONTRACTOR**

Contractor shall be required to submit with their bid information obtained within the preceding one-year period for any personnel who will have or may have direct contact with residents from the facility or unsupervised access to their personal living quarters in accordance with the following:

1. Pursuant to 18 Pa.C.S. Ch. 91 (relating to criminal history record information) a report of criminal history information from the Pennsylvania State Police or a statement from the State Police that their central repository contains no such information relating to that person. The criminal history record information shall be limited to that which is disseminated pursuant to 18 Pa.C.S. 9121(b)(2) (relating to general regulations).
2. Where the applicant is not, and for the two years immediately preceding the date of application has not been a resident of this Commonwealth, the Department shall require the applicant to submit with the application a report of Federal criminal history record information pursuant to the Federal Bureau of Investigation's under Department of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1973 (Public Law 92-544, 86 Stat. 1109). For the purpose of this paragraph, the applicant shall submit a full set of fingerprints to the State Police, which shall forward them to the Federal Bureau of Investigation for a national criminal history check. The information obtained from the criminal record check shall be used by the Department to determine the applicant's eligibility. The Department shall insure confidentiality of the information.
3. The Pennsylvania State Police may charge the applicant a fee of not more than \$10 to conduct the criminal record check required under subsection 1. The State Police may charge a fee of not more than the established charge by the Federal Bureau of Investigation for the criminal history record check required under subsection 2.

The Contractor shall apply for clearance using the State Police Background Check (SP4164) at their own expense. The forms are available from any State Police Substation. When the State Police Criminal History Background Report is received, it must be forwarded to the Department. State Police Criminal History Background Reports not received within sixty (60) days may result in cancellation of the contract.

#### **T. LOBBYING CERTIFICATION AND DISCLOSURE**

(applicable to contracts \$100,000 or more)

Commonwealth agencies will not contract with outside firms or individuals to perform lobbying services, regardless of the source of funds. With respect to an award of a federal contract, grant, or cooperative agreement exceeding \$100,000 or an award of a federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000 all recipients must certify that they will not use federal funds for lobbying and must disclose the use of non-federal funds for lobbying by filing required documentation. The contractor will be required to complete and return a "Lobbying Certification Form" and a "Disclosure of Lobbying Activities form" with their signed contract, which forms will be made attachments to the contract.

#### **U. AUDIT CLAUSE**

(applicable to contracts \$100,000 or more)

This contract is subject to audit in accordance with the Audit Clause attached hereto and incorporated herein.

## **SUBRECIPIENT / CONTRACTOR AUDITS**

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### **AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations**

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The Commonwealth of Pennsylvania, Department of Human Services (DHS), distributes federal and state funds to local governments, non-profit, and for-profit organizations. Federal expenditures are subject to federal audit requirements, and federal and state funding passed through DHS are subject to DHS audit requirements. If any federal statute specifically prescribes policies or specific requirements that differ from the standards provided herein, the provisions of the subsequent statute shall govern. The DHS provides the following audit requirements in accordance with the Commonwealth of Pennsylvania, Governor's Office, Management Directive 325.9, as amended December 23, 2014.

**Sub recipient** means a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A sub recipient may also be a recipient of other federal awards received directly from a federal awarding agency. For purposes of this audit clause, a sub recipient is **not** a contractor that receives a procurement contract to provide goods or services that are required to provide the administrative support to carry out a federal program.

#### **A. Federal Audit Requirements – Local Governments and Nonprofit Organizations**

A local government and nonprofit organization must comply with all federal audit requirements, including: The Single Audit Act Amendments of 1996; 2 CFR Part 200 as amended; and any other applicable law or regulation, as well as any other applicable law or regulation that may be enacted or promulgated by the federal government.

For years beginning on or after December 26, 2014, a local government or nonprofit organization that expends federal awards of \$750,000 or more during its fiscal year, received either directly from the federal government, indirectly from a pass-through entity, or a combination of both, to carry out a federal program, **is required** to have an audit made in accordance with the provisions outlined in 2 CFR Part 200.501. Please note that for periods prior to this, the threshold is still \$500,000.

If a local government or nonprofit organization expends **total federal awards of less than \$750,000** during its fiscal year, it is exempt from these **federal** audit requirements, but is required to maintain auditable records of federal or state funds that supplement such awards. Records must be available for review by appropriate officials. **Although an audit may not be necessary under the federal requirements, DHS audit requirements may be applicable.**

#### **B. Department of Human Services Audit Requirements**

**A local government or nonprofit provider must meet the DHS audit requirements.**

Where a Single Audit or program-specific audit is conducted in accordance with the federal audit requirements detailed above, such an audit will be accepted by the DHS provided that:

1. A full copy of the audit report is submitted as detailed below; **and**
2. The sub recipient shall ensure that the audit requirements are met for the terms of this contract; i.e., the prescribed Agreed-Upon Procedures (AUP) Report(s) and applicable schedule requirement(s). The incremental cost for preparation of the AUP Report(s) and the schedule cannot be charged to the federal funding stream.

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT

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#### Local Governments and Nonprofit Organizations

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The local government or nonprofit organization must comply with all federal and state audit requirements including: the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards contained at 2 CFR 200 and any other applicable law or regulation and any amendment to such other applicable law or regulation which may be enacted or promulgated by the federal government. **In the absence of a federally required audit**, the entity is responsible for the following annual audit requirements, which are based upon the program year specified in this agreement.

Organizations that **expend \$750,000 or more in combined state and federal funds, but less than \$750,000 in federal funds**, during the program year are required to have an audit of those funds made in accordance with generally accepted *Government Auditing Standards* (The Yellow Book), revised, as published by the Comptroller General of the United States. Where such an audit is not required to meet the federal requirements, the costs related to DHS audit requirements may not be charged to federal funding streams.

If in connection with the agreement, a local government or nonprofit organization **expends \$500,000 or more in combined state and federal funds, but less than \$750,000 in combined state and federal funds**, during the program year, the sub recipient shall ensure that, for the term of the contract, an independent auditor conducts annual examinations of its compliance with the terms and conditions of this contract. These examinations shall be conducted in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Attestation Engagements, No. 10, Compliance Attestation (SSAE 10), and shall be of a scope acceptable to the DHS. The initial compliance attestation shall be completed for the program year specified in the contract and conducted annually thereafter. The incremental cost for preparation of the SSAE 10 report cannot be charged to federal funding streams.

The sub recipient shall submit the compliance attestation reports (if applicable) to the DHS within 90 days after the program year has been completed. When the compliance attestation reports are other than unqualified, the sub recipient shall submit to the DHS, in addition to the compliance attestation reports, a plan describing what actions the sub recipient will implement to correct the situation that caused the auditor to issue other than an unqualified report, a timetable for implementing the planned corrective actions, and a process for monitoring compliance with the timetable and a contact person who is responsible for the resolution of the situation

If the sub recipient enters into an agreement with a subcontractor(s) for the performance of any primary contractual duties, the audit requirements are applicable to the subcontractor(s) with whom the sub recipient has entered into an agreement. Consequently, the audit requirements should be incorporated into the sub-contractual document as entered by the sub recipient.

A local government or nonprofit entity that **expends less than \$500,000 combined state and federal funds** during the program year is exempt from DHS audit requirements, but is required to maintain auditable records for each contract year. Records must be available for review by appropriate officials of the DHS or a pass-through entity.

## **SUBRECIPIENT / CONTRACTOR AUDITS**

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### **AUDIT CLAUSE A – SUBRECIPIENT**

#### **Local Governments and Nonprofit Organizations**

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##### **GENERAL AUDIT PROVISIONS**

A local government or nonprofit organization is responsible for obtaining the necessary audit and securing the services of an independent, licensed certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The Commonwealth reserves the right for federal and state agencies, or their authorized representatives, to perform additional audits of a financial and/or performance nature, if deemed necessary by Commonwealth or federal agencies. Any such additional audit work may rely on the work already performed by the sub recipient's auditor, and the costs for any additional work performed by the federal or state agency will be borne by those agencies at no additional expense to the sub recipient.

If it is decided that an audit of this contract will be performed, the sub recipient will be given advance notice. The sub recipient shall maintain books, records, and documents that support the services provided, that the fees earned are in accordance with the contract, and that the sub recipient has complied with the contract terms and conditions. The sub recipient agrees to make available, upon reasonable notice, at the office of the sub recipient, during normal business hours, for the term of this contract and the retention period set forth in this Audit Clause, any of the books, records, and documents for inspection, audit, or reproduction by any state or federal agency or its authorized representative.

The sub recipient shall preserve all books, records, and documents related to this contract for a period of time that is the greater of five years from the contract expiration date, until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations, whichever is longer. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any resulting final settlement.

Audit documentation and audit reports must be retained by the sub recipient's independent auditor for a minimum of five years from the date of issuance of the audit report, unless the sub recipient's auditor is notified in writing by the Commonwealth or the cognizant or oversight federal agency to extend the retention period. Audit documentation must be made available upon request to authorized representatives of the Commonwealth, the cognizant or oversight agency, the federal funding agency, or the Government Accountability Office.

Records that relate to litigation of the settlement of claims arising out of performance or expenditures under this contract to which exception has been taken by the auditors shall be retained by the sub recipient or provided to the Commonwealth at the DHS' option until such litigation, claim, or exceptions have reached final disposition.

Except for documentary evidence delivered pursuant to litigation or the settlement of claims arising out of the performance of the contract, the sub recipient may, in fulfillment of its obligation to retain records as required by this Audit Clause, substitute photographs, microphotographs, or other authentic reproductions of such records after the expiration of two years following the last day of the month of reimbursement to the contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Commonwealth.



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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT

#### Local Governments and Nonprofit Organizations

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#### SUBMISSION OF AUDIT REPORTS TO THE COMMONWEALTH

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##### A. Federally Required Audit Reports

**For years beginning prior to December 26, 2014:** submit an electronic copy of federally required audit reports to the Commonwealth, which shall include:

1. Auditor's reports
  - a. Independent auditor's report on the financial statements, which expresses an opinion on whether the financial statements are presented fairly in all material respects in conformity with the stated basis of accounting.
  - b. Independent auditor's report on the supplementary Schedule of Expenditures of Federal Awards (SEFA), which should express an opinion on whether the SEFA is fairly stated in all material respects in relation to the sub recipient's basic financial statements taken as a whole. This report can be combined with the independent auditor's report on the basic financial statements or may appear separately in the auditor-submitted document.
  - c. Report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
  - d. Report on compliance and internal control over compliance applicable to each major program in accordance with OMB Circular A-133.
  - e. Schedule of findings and questioned costs.
2. Financial statements and notes thereto
3. SEFA and notes thereto
4. Summary schedule of prior audit findings
5. Corrective action plan (if applicable)
6. Data collection form
7. Management letter (if applicable)

In instances where a federal program-specific audit guide is available, the audit report package for a program-specific audit may be different and should be prepared in accordance with the audit guide and OMB Circular A-133.

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT

#### Local Governments and Nonprofit Organizations

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Instructions and information regarding submission of the single audit/program-specific audit reporting package are available to the public on the Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The reporting package must be submitted electronically in single Portable Document Format (PDF) file to [RA-BOASingleAudit@pa.gov](mailto:RA-BOASingleAudit@pa.gov).

#### Steps for submission:

1. Complete the Single Audit/Program Specific Audit Reporting Package Checklist available on the Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The Single Audit/Program Specific Audit Reporting Package Checklist ensures the sub recipient's reporting package contains all required elements.
2. Upload the completed Single Audit/Program-Specific Audit Reporting Package along with the Single Audit/Program Specific Audit Reporting Package Checklist in a single PDF file in an e-mail addressed to [RA-BOASingleAudit@pa.gov](mailto:RA-BOASingleAudit@pa.gov). In the subject line of the e-mail the sub recipient must identify the exact name on the Single Audit/Program-Specific Audit Reporting Package and the period end date to which the reporting package applies.

The sub recipient will receive an email to confirm the receipt of the Single Audit/Program-Specific Audit Reporting Package, including the completed Single Audit/Program Specific Audit Reporting Package Checklist.

**For years beginning on or after December 26, 2014:** submit an electronic copy of the audit report package to the Federal Audit Clearinghouse, which shall include the elements outlined in 2 CFR Part 200, Subpart F – Audit Requirements (Subpart F).

In addition, the sub recipient must send a copy of the confirmation from the Federal Audit Clearinghouse to the resource account [RA-BOASingleAudit@pa.gov](mailto:RA-BOASingleAudit@pa.gov).

#### **B. DHS Required Audit Reports and Additional Submission by Sub recipients**

1. **Independent Accountant's Report on Applying Agreed-Upon Procedures** – which consist of the following procedures for the funding provided by this agreement for the contract year ending within the entity's fiscal year end under audit:
  - (a) Verify by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended {CONTRACT YEAR END}, have been accurately compiled, and reflect the audited books and records of (Auditee). Also verify by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail that directly mirrors the budget page (Rider 3) of the contract. The Schedule of Revenues and Expenditures should mirror the line items on the budget pages of the contract and include a budget and an actual expenditure column pertaining to this period.

Program Name/ Contract Number      Referenced Schedule/Exhibit

(List each individual schedule for all contracts in which the auditee participated.)

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

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- (b) Inquire of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DHS for the period in question.
- (c) Based on the procedures detailed in paragraphs (a) and (b) above, disclose any adjustments and/or findings and identify which have (have not) been reflected on the corresponding schedules.

(List each separately. Indicate whether it has/has not been reflected on the schedule.)

2. Independent Accountant's Report on Applying Agreed-Upon Procedures – which consist of the following procedures for the entity's fiscal year end under audit. All Local Governments and Nonprofit Organizations who are submitting a single audit in accordance with 2 CFR Part 200, Subpart F are also required to include in their single audit reporting package a supplemental schedule, which is to be subjected to an Agreed-Upon Procedures engagement. The schedule, for which an example is included in this audit clause as Enclosure I, is a reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania. The procedures to be performed on the reconciliation schedule are as follows:

- (a) Agree the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- (b) Agree the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the sub recipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- (c) Recalculate the amounts listed under the "Difference" column.
- (d) Agree the amounts listed under the "Difference" column to the audited books and records of the Provider.
- (e) Agree the "Detailed Explanation of the Differences" to the audited books and records of the Provider.
- (f) Based on the procedures detailed in paragraphs (a) through (e) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (List each separately.).

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## **SUBRECIPIENT / CONTRACTOR AUDITS**

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### **AUDIT CLAUSE A – SUBRECIPIENT** **Local Governments and Nonprofit Organizations**

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#### **PERIOD SUBJECT TO AUDIT**

A federally required audit, conducted in accordance with Subpart F, encompasses the fiscal period of the provider. **Therefore, the period of the federally required audit may differ from the official reporting period as specified in this agreement.** Where these periods differ, the required supplemental schedule(s) of Revenues and Expenditures and the related Independent Accountant's Report on Applying Agreed-Upon Procedures must be completed for the official annual reporting period of this agreement that ended during the period under audit and shall accompany the federally required audit.

#### **CORRECTIVE ACTION PLAN**

The provider shall prepare a corrective action plan (CAP) to address all findings of noncompliance, internal control weaknesses, and/or reportable conditions disclosed in the audit report. For each finding noted, the CAP should include: (1) a brief description identifying the findings; (2) whether the provider agrees with the finding; (3) the specific steps taken or to be taken to correct the deficiency or specific reasons why corrective action is not necessary; (4) a timetable for completion of the corrective action steps; (5) a description of monitoring to be performed to ensure that the steps are taken; and (6) the responsible party for the CAP.

#### **REMEDIES FOR NONCOMPLIANCE**

The provider's failure to provide an acceptable audit, in accordance with the requirements of the Audit Clause Requirements, may result in the DHS' not accepting the report and initiating sanctions against the provider that may include the following:

- Disallowing the cost of the audit.
- Withholding a percentage of the contract funding pending compliance.
- Withholding or disallowing administrative costs.
- Suspending subsequent contract funding pending compliance.

#### **TECHNICAL ASSISTANCE**

Technical assistance on the DHS' audit requirements and the integration of those requirements with the federal Single Audit requirements will be provided by:

Department of Human Services  
Bureau of Financial Operations  
Division of Audit and Review  
Audit Resolution Section  
1st Floor, Forum Place  
555 Walnut Street  
P.O. Box 2675  
Harrisburg, Pennsylvania 17105-2675  
Email: [RA-pwauditresolution@pa.gov](mailto:RA-pwauditresolution@pa.gov)

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT  
Local Governments and Nonprofit Organizations  
ENCLOSURE I

Entity Name  
Year Ended (ORGANIZATION'S FINANCIAL STATEMENT DATE)

SUPPLEMENTAL SCHEDULE

RECONCILIATION

Federal Awards Passed through the Pennsylvania Department of Human Services  
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference</u>	<u>Detailed Explanation of the Differences</u>
		\$	\$	\$	

## **RIDER 6**

### **Additional Terms and Conditions**

The Department and the Grantee agree to the additional terms and conditions listed below:

1. Rider 1 Payment Provisions is amended by adding the following to Paragraph 12:

Grantee shall pay subgrantees using the reimbursement rates set forth in Rider 2 Work Statement without any deduction.

2. Rider 4, Section 30 is amended by deleting the entire section and replacing it with the following language:

The Pennsylvania Right-to-Know Law, 65 P.S. Sections 67.101-3104 ("RTKL") applies to this agreement. Within ten (10) calendar days following the Grantee's receipt of written notification from the Department that it requires Grantee's cooperation in responding to a RTKL request for information or records in Grantee's possession relating to this agreement and which the Department reasonably believes are "public records" under the RTKL ("Requested Information"), Grantee shall provide the Department with access to copies of the Requested Information and in addition, shall provide such other assistance and cooperation as the Department may reasonably request in order to comply with the RTKL. The Department will rely upon the signed written statement from Grantee explaining that the Requested Information includes a request for a "Trade Secret" or "Confidential Proprietary Information" (as defined under the RTKL) or other information that the Grantee considers exempt from public disclosure under the RTKL, in denying the RTKL request unless the Department determines the Requested Information is clearly not protected from public disclosure under the RTKL. In such event the Grantee shall provide the Requested Information to the Department within five (5) business days of receipt of the Department's notification that the Requested Information is not protected from disclosure. This Section shall survive the expiration of this Agreement and shall continue as long as the Grantee has the Requested Information in its possession. The Grantee hereby notifies the Department that the Grantee considers that the underlying raw data, records and management systems which Grantee anticipates it will collect or utilize in the process of performing under this agreement and which Grantee will use as a basis for compiling information and providing compliance and performance reports for the Department are exempt from public disclosure under the RTKL.

3. Rider 5 is amended by replacing Section C "Information" with the following language:

During the period of this Agreement, the Department, upon demand, shall have access to all information obtained by Grantee through work on the project. Additionally, if requested, the Grantee shall provide access to the Department of background material prepared or obtained by the Grantee incident of the performance of this Agreement. Background material is defined as original work, papers, notes and drafts prepared by the Grantee to support the data and conclusions in the final reports, and includes completed questionnaires, materials in electronic data processing form, computer programs, other printed materials, pamphlets, maps, drawings and all data directly related to the services being rendered.

4. The Department will determine the status of each Service Provider in accordance with 45 C.F.R §75.351.

REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK