AB# 512391

39859-04

SERVICE DELIVERY AND SERVICE COORDINATION IMPLEMENTATION CONTRACT

BETWEEN THE

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES DIVISION OF CHILDREN AND FAMILY SERVICES

AND

BOYS AND GIRLS HOME OF NEBRASKA, INC.

This contract is entered into by and between the Nebraska Department of Health and Human Services, **Division of Children and Family Services** (hereinafter the "Department"), and **Boys and Girls Home of Nebraska, Inc.** (hereinafter the "Contractor").

PURPOSE. The purpose of this contract is to develop the infrastructure, staffing and programs necessary to implement the proposed Service Delivery and Service Coordination Contract for Central Service Area beginning October 1, 2009, with full implementation by January 1, 2010.

I. TERM AND TERMINATION

A. TERM. This contract is in effect from June 15, 2009 until December 31, 2009.

B. TERMINATION. This contract may be terminated at any time upon mutual written consent or by either party for any reason upon submission of written notice to the other party at least 30 (Thirty) days prior to the effective date of termination. The Department may also terminate this contract in accord with the provisions designated "AVAILABILITY OF FUNDING" and "BREACH OF CONTRACT." In the event either party terminates this contract, the Contractor shall provide to the Department all work in progress, work completed, and materials provided to it by the Department in connection with this contract immediately.

II. CONSIDERATION

A. The Department agrees to pay the Contractor a maximum amount not to exceed $393,400.00 (three hundred ninety-three thousand, four hundred dollars).

B. The Contractor agrees that the costs for implementation identified in paragraph III herein that are not paid by the Department as set forth in paragraph II.A. herein shall constitute the contribution of the Contractor toward the costs of implementation and that the Contractor will not seek or accept reimbursement for said amount from the Department or other State funds.

C. PAYMENT STRUCTURE.

1. The Department agrees to pay the Contractor $98,350.00 (ninety-eight thousand, three hundred fifty dollars) of the allocated funding within 30 calendar days of execution of this contract.

2. The Department agrees to pay the remaining balance of $295.050.00 (two hundred ninety-five thousand, fifty dollars) in five (5) equal monthly installments of $59,010.00 (fifty-nine thousand, ten dollars). Four installments shall be due and payable on or about the 1st day of each month beginning on August 1, 2009 and continuing monthly thereafter until November 1, 2009. The final installment shall be due and payable within 30 days of the Contractor providing all reports as required under Paragraph III.C.3 herein.

III. SCOPE OF SERVICES

The Contractor agrees to use all funds provided under this contract for costs and expenses incurred during the term of this contract, by or on behalf of the contractor to prepare the contractor for full implementation of a pending contract to provide all non-treatment services to children and families served by the Department in cases (whether adjudicated or not) involving any category identified under Neb. Rev. Stat. § 43-247, coordination of all such services, coordination of treatment services to said children and families, and any other obligation identified under said proposed contract (hereinafter "ongoing contract").

A. The preparation by the Contractor shall include the following:
   1. obtaining or enhancing all resources reasonably required for full implementation of the ongoing contract, to include, but not be limited to:
      i. identification, recruitment, hiring and training of staff required for full implementation of the ongoing contract;
      ii. locating and securing sufficient physical space to house staff needed for full implementation of the ongoing contract;
      iii. purchasing, leasing, or otherwise acquiring all furniture, equipment, supplies, or other property needed by contractor for full implementation of the ongoing contract;
      iv. purchasing, leasing, or otherwise acquiring legal access to any and all license or other legal right to use of software, programs, or other intellectual or trade protected property to be used by or on behalf of the contractor to provide services to the children and families to be served under the ongoing contract;
      v. any other purpose reasonably necessary to prepare the contractor for full implementation of the ongoing contract.

   2. active participation in joint efforts as requested by the Department or initiated by the contractor to facilitate full implementation of the ongoing

contract, such as workgroups related to implementation issues including, but not limited to, the following categories, more fully described hereinafter:

i. Training of contractor and Department staff;
   a. The Contractor agrees to assist the Department in development and maintenance of a statewide and local training curriculum. The Department and Contractor agree to provide all information, training, materials, and other needed resources to prepare Contractor and Department staff for implementation of all tools, service models and programs to be used in connection with delivering services to the Department's clients under the ongoing contract. Agreement between the Department and the Contractor will be reached in each Service Area regarding the training process and delivery.
   b. The Contractor and the Department will co-present and facilitate trainings under this Contract as mutually agreed upon.
   c. The Contractor and the Department will utilize Train the Trainer processes whenever possible.
   d. The Contractor and the Department will mutually agree to the mandatory pre-service training curriculum to be successfully completed by Contractor prior to providing Service Coordination and/or working directly with the Department's clients under the ongoing contract. In the event the Contractor and the Department cannot mutually agree, the decision of the Department shall be final.
   e. The Contractor and the Department staff in each Service Area will plan training based on required training needs to follow up to the statewide training plan.
   f. The Contractor is responsible for training sub-contractors.

ii. Quality Assurance;
   a. The Contractor and Department will mutually agree upon statewide quality assurance activities and measures. In the event the Contractor and the Department cannot mutually agree, the decision of the Department shall be final.
   b. The Contractor and the Department Service Area quality assurance staff will mutually agree to Service Area specific quality assurance activities and measures. In the event the Contractor and the Department cannot mutually agree, the decision of the Department shall be final.

iii. Family care and connections with subsidized Adoption/Guardianship;
   a. The Contractor understands and agrees that the rates paid to foster families under the ongoing contract will impact the Department's subsidy budget related to Adoptions and

Guardianships, and further agrees that it will provide the Department with a full and accurate report of its foster family payment structure prior to implementing said structure. The Department reserves the limited right to disapprove the rates for foster families proposed by the Contractor to the extent such rate would negatively impact the Department's subsidy budget.

iv. Department policy review;
   a. The Contractor agrees to review draft policy prepared by the Department in areas relevant to the ongoing contract and provide feedback and suggestions regarding said policy as requested by the Department.
   b. The Department will identify Service Coordinator and CFS Specialist roles and responsibilities within policy, which includes the entry of data into the State's information system (N-FOCUS).
   c. The Contractor agrees to review the draft recommendations and policies outlining roles and responsibilities for Contract and Department staff.
   d. The Contractor agrees to provide feedback to the Department within five (5) business days on draft documentation as requested.

v. Information Systems;
   a. The Contractor agrees that the State's data management system (N-FOCUS) is the required case management and date entry system for all cases and clients served under the ongoing contract, and will coordinate its information management implementation needs accordingly.
   b. The Contractor and Department will provide information to one another related to reporting needs, data needs, data retrieval, data sets and other data issues related to the ongoing contract.
   c. The Contractor agrees to require its employees to complete all necessary agreements, notifications, releases, or other documentation or authorization related to accessing the Department's computer network, system and/or NFOCUS system as directed by the Department.
   d. The Contractor agrees that N-FOCUS system access will only be granted to employees of the contractor. N-FOCUS access will not be granted to sub-contractors or employees of sub-contractors.

vi. Contract and Operations Manual finalization;
   a. The Contractor will meet with the Department as needed to discuss and develop the on-going contract and Operations Manual provisions.

vii. Transition Planning;

a. The Contractor will work with the Department to develop procedures to transition existing cases and current services in the manner that will provide an efficient and equitable distribution of families and children (by number and placement category) to be served within each service area and in the manner and timeframe least disruptive to the child and family served as reasonably possible.
b. The Contractor will work with the Department to develop and implement procedures for referring new cases to the Contractor in a manner that will provide an efficient and equitable distribution of families and children to be served within each service area.
c. The Contractor will work with the Department to develop procedures to transition existing foster home providers into the new service delivery system.
d. The Contractor will work with the Department and the Courts and other stakeholders to identify and effectively address transition issues that impact said stakeholders.
e. The Contractor will work with the Department to develop procedures related to Service Coordination and Service Delivery for families moving across service area borders.

viii. Communication/Marketing;
a. The Contractor and the Department will develop a coordinated communication plan for internal and external stakeholders and the public.
b. If the Contractor is seeking to contract with the Department to provide services in the Eastern and/or Southeastern Service Areas of the Department, said Contractor agrees to attend the Juvenile Court Judges meeting on June 3, 2009 at Mahoney State Park in Nebraska to present and answer questions about the contractor and the services to be provided by the contractor under the ongoing contract.
c. The Contractor will attend the 2nd Children's Summit to be held in Grand Island September 9-11 and will be prepared to participate in a presentation, including a panel discussion, regarding the ongoing contract and the contractor's services to be provided under the ongoing contract.
d. Contractors agree to attend additional meetings to provide information regarding the Contractor and the Contractor's services to be provided under the ongoing contract, as requested by the Department.

ix. Any additional workgroups that may be identified throughout the implementation process.

B. The role and function of Service Coordination and the Supervision of Service Coordination may not be sub-contracted by the Contractor. Service Coordinators

and Supervisors of Service Coordinators must be direct employees of the Contractor.

C. The Contractor agrees that transparency in the implementation of the ongoing contract and of this Implementation Contract will best serve the interests of the Department, the Contractor, stakeholders, and the public and taxpayers of Nebraska. Accordingly, the Contractor agrees to the following terms:
   1. All funds provided under this Contract will be tracked and recorded by the Contractor separate and apart from any other funds within the possession or control of the Contractor. The Contractor shall maintain an accurate, timely, and detailed accounting of all funds provided under this Contract in a manner consistent with generally accepted accounting principles;
   2. All funds provided under this Contract shall be expended by the Contractor for goods, services, and ancillary costs reasonably connected with meeting the Contractor's obligations herein. The contractor is specifically authorized, but not required, to use funds provided under this contract to assist its subcontractors in preparing to effectively provide services under this contract on behalf of the Contractor.
   3. The Contractor shall provide the Department with a clear monthly accounting of all expenditures under this Contract. Said report is to be submitted to the Director of the Department, or his designee, within 30 calendar days of the end of each month of this contract. The final report is to be submitted by the end of the business day on January 29, 2010. In the event any report or reports required herein are not submitted in a timely manner, the Department specifically reserves the right to withhold payment(s) under this contract until such time as the Contractor comes into compliance by submitting any past due report(s). The Contractor further agrees to provide additional information, explanation, or substantiating documentation of any expenditure under this Contract at the request of the Department. In the event the Department determines that any such expenditure is not appropriate under this contract, any state or federal law, rule or regulation, or is not reasonably connected to meeting the Contractor's obligations herein, the Department retains the right to require the Contractor to reimburse the cost of said expenditure. Any funds paid to Contractor by the Department under this Contract that are not used by the Contractor for an accepted purpose hereunder or any overpayment or fund paid in excess of the amount identified in paragraph II-A shall be returned to the Department no later than the end of the business day on February 26, 2010. In the event the Department requires any reimbursement pursuant to this provision, said reimbursement shall be submitted to the Director of the Department no later than the end of the business day on February 26, 2010.
   4. The Contractor specifically agrees that any bonus, gift, extra benefit, or other payment of funds beyond base pay or salary and the Contractor's normal employee benefit package provided to an employee, prospective employee, contractor or subcontractor to be paid from funds provided

under this contract shall be approved by the Department before the Contractor pays or commits to pay any such amount.

IV. DEPARTMENT RESPONSIBILITIES

The Department shall be responsible for the following:

A. Partner with the Contractor in all implementation aspects of the Contract.

B. To provide all data, information, guidance, or other assistance requested by or reasonably beneficial to the Contractor in a timely manner.

C. The Department agrees to ensure that supports are in place to assist the Contractor in obtaining access to N-FOCUS and to provide initial and on-going technical support.

D. The Department recognizes that the successful implementation of the ongoing contract(s) will require effective performance of all parties under this Implementation Contract, and agrees to do all things reasonably within its power and ability to assist the Contractor's efforts under this contract to become prepared for full implementation of the ongoing contract.

E. The Department will pay the state patrol charge(s) for processing required criminal history checks of foster/adoptive parents.

V. GENERAL PROVISIONS

A. ACCESS TO RECORDS AND AUDIT RESPONSIBILITIES.

1. All Contractor books, records, and documents regardless of physical form, and including data maintained in computer files or on magnetic, optical or other media, relating to work performed or monies received under this contract shall be subject to audit at any reasonable time upon the provision of reasonable notice by the Department. These records shall be maintained as follows: all records shall be maintained for five (5) years from the date of final payment and records that fall under the provisions of HIPAA shall be maintained for six (6) full years from the date of final payment. In addition to the foregoing retention periods, all records shall be maintained until all issues related to an audit, litigation or other action are resolved to the satisfaction of the Department. All records shall be maintained in accordance with generally accepted accounting principles.

2. The Contractor agrees to provide the Department any and all written communications received by the Contractor from an auditor related to Contractor's internal control over financial reporting requirements and communication with those charged with governance including those in compliance with or related to Statement of Auditing Standards (SAS) 112

Communicating Internal Control related Matters Identified in an Audit and SAS 114 *The Auditor's Communication with Those Charged With Governance.* The Contractor agrees to provide the Department with a copy of all such written communications immediately upon receipt or instruct any auditor it employs to deliver copies of such written communications to the Department at the same time copies are delivered to the Contractor, in which case the Contractor agrees to verify that the Department has received a copy.

3. The Contractor agrees to immediately correct any material weakness or condition reported to the Department in the course of an audit and notify the Department that the corrections have been made.

4. In addition to, and in no way in limitation of any obligation in this contract, the Contractor agrees that it will be liable for audit exceptions, and shall return to the Department all payments made under this contract for which an exception has been taken or which has been disallowed because of such an exception, upon demand from the Department.

B. AMENDMENT. This contract may be modified only by written amendment, duly executed by both parties. No alteration or variation of the terms and conditions of this contract shall be valid unless made in writing and signed by the parties hereto. Every amendment shall specify the date on which its provisions shall be effective.

C. ASSIGNMENT. The Contractor agrees not to assign or transfer any interest, rights, or duties under this contract to any person, firm, or corporation without prior written consent of the Department. In the absence of such written consent, any assignment or attempt to assign shall constitute a breach of this contract.

D. AVAILABILITY OF FUNDING. Due to possible future reductions in State and/or Federal appropriations, the Department cannot guarantee the continued availability of funding for this contract notwithstanding the consideration stated above. In the event funds to finance this contract become unavailable either in full or in part due to such reductions in appropriations, the Department may terminate this contract or reduce the consideration upon notice in writing to the Contractor. The Department shall be the final authority as to the availability of funds. The effective date of such contract termination or reduction in consideration shall be specified in the notice as the date of service of said notice or the actual effective date of the funding reduction, whichever is later. Provided, that reductions shall not apply to payments made for services satisfactorily completed prior to said effective date. In the event of a reduction in consideration, the Contractor may terminate this contract as of the effective date of the reduction upon the provision of advance written notice to the Department.

E. BREACH OF CONTRACT.
1. Should either party breach this contract, the aggrieved party may immediately notify the breaching party of the breach. If the breaching party does not correct

the breach within ten (10) days, the aggrieved party may notify the breaching party that the agreement is hereby terminated. The Department shall pay the Contractor only for such performance as has been properly completed. This provision shall not preclude the pursuit of other remedies for breach of contract as allowed by law.

2. The waiver by the non-breaching party of a breach of any provision of this contract by the breaching party, shall not operate or be construed as a waiver of any subsequent breach by the breaching party. No waiver shall be valid unless in writing and signed by the Division Director of the Department or the Contractor.

F. CONFIDENTIALITY. The Contractor agrees that any and all information gathered in the performance of this contract, either independently or through the Department, shall be held in the strictest confidence and shall be released to no one other than the Department without the prior written authorization of the Department, provided, that contrary contract provisions set forth herein shall be deemed to be authorized exceptions to this general confidentiality provision. This provision shall survive termination of this contract.

G. CONFLICTS OF INTEREST. In the performance of this contract, the Contractor agrees to avoid all conflicts of interest and all appearances of conflicts of interest; the Contractor will notify the Department of any such instances encountered in the course of his/her work so that other arrangements can be made to complete the work.

H. COST PRINCIPLES AND AUDIT REQUIREMENTS. The Contractor is to follow the applicable cost principles set forth in OMB Circular A-87 for State, Local and Indian Tribe Governments or A-122 for Non-Profit Organizations. Audit requirements are dependent on the total amount of federal funds received by the Contractor. See the table below and Attachment 1, Audit Requirement Certification form. Audits must be prepared and issued by an independent certified public accountant licensed to practice. A copy of the annual financial review or audit is to be made electronically available or sent to: Nebraska Department of Health and Human Services, Financial Services, P.O. Box 95026, Lincoln, NE 68509-5026.

Amount of annual federal payments	**Audit Type**
Less than $500,000	*Audit that meets Government Auditing Standards*
500,000 or more in federal payments	*A-133 audit*

I. DATA OWNERSHIP AND COPYRIGHT. All data collected as a result of this project shall be the property of the Department. The Contractor may copyright any of the copyrightable material produced in conjunction with the performance required under this contract. The Department and the appropriate federal funding agency hereby reserve a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or

otherwise use, and to authorize others to use the copyrightable material for State or Federal Government purposes. This provision shall survive termination of this contract.

J. DEBARMENT, SUSPENSION OR DECLARED INELIGIBLE. The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

K. DOCUMENTS INCORPORATED BY REFERENCE. All references in this contract to laws, rules, regulations, guidelines, directives, and attachments which set forth standards and procedures to be followed by the Contractor in discharging its obligations under this contract shall be deemed incorporated by reference and made a part of this contract with the same force and effect as if set forth in full text, herein.

L. DRUG-FREE WORKPLACE. The Contractor hereby assures the Department that it will operate a drug-free workplace in accordance with State guidelines and has implemented a drug-free workplace policy, which is available to the Department on request.

M. FEDERAL FINANCIAL ASSISTANCE. The Contractor agrees that its performance under this contract will comply with all applicable provisions of 45 C.F.R. §§87.1-87.2. The Contractor further agrees that it shall not use direct federal financial assistance to engage in inherently religious activities, such as worship, religious instruction, and/or proselytization.

N. FORCE MAJEURE. Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under this contract due to a natural disaster, or other similar event outside the control and not the fault of the affected party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of this contract. The party so affected shall immediately give notice to the other party of the Force Majeure Event. Upon such notice, all obligations of the affected party under this contract which are reasonably related to the Force Majeure Event shall be suspended, and the affected party shall do everything reasonably necessary to resume performance as soon as possible. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under this contract.

O. GOVERNING LAW. This contract shall be subject to, governed by, and construed according to the laws of the State of Nebraska, without regard to principles of conflict of laws.

P. HOLD HARMLESS.
   1. The Contractor shall assume all risk of loss and hold the Department, its employees, agents, assignees, and legal representatives harmless from all liabilities, demands, claims, suits, losses, damages, causes of action, fines, or

judgments and expenses incident thereto, for injuries to persons and for loss of, damages to, or destruction of property arising out of or in connection with this contract and proximately caused by the negligent or intentional acts or omission of the Contractor, its officers, employees, assignees, or agents.

2. The Department's liability is limited to the extent provided by the Nebraska Tort Claims Act, the Nebraska Contract Claims Act, and the Nebraska Miscellaneous Claims Act; and any other applicable provisions of law. The Department does not assume liability for the action of its Contractors.

Q. INDEPENDENT CONTRACTOR. The Contractor is an Independent Contractor and neither it nor any of its employees shall for any purpose be deemed employees of the Department. The Contractor shall employ and direct such personnel as it requires to perform its obligations under this contract, exercise full authority over its personnel, and comply with all workers' compensation, employer's liability and other federal, state, county, and municipal laws, ordinances, rules and regulations required of an employer providing services as contemplated by this contract.

R. INTEGRATION. This written contract represents the entire agreement between the parties, and any prior or contemporaneous representations, promises, or statements by the parties, that are not incorporated herein, shall not serve to vary or contradict the terms set forth in this contract.

S. LOBBYING.

1. If the Contractor receives Federal funds through the Department, for full or partial payment under this contract, then no Federal appropriated funds will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract or (a) the awarding of any Federal agreement; (b) the making of any Federal grant; (c) the entering into of any cooperative agreement; and (d) the extension, continuation, renewal, amendment, or modification of any Federal agreement, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, the Contractor shall complete and submit Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

T. NEBRASKA NONRESIDENT INCOME TAX WITHHOLDING. Contractor acknowledges that Nebraska law requires the department to withhold Nebraska income tax if payments for personal services are made in excess of $600 to any contractor who is not domiciled in Nebraska or has not maintained a permanent place of business or residence in Nebraska for a period of at least six months. This provision applies to individuals, to a corporation if 80% or more of the voting stock of

the corporation is held by the shareholders who are performing personal services, and to a partnership or limited liability company if 80% or more of the capital interest or profits interest of the partnership or limited liability company is held by the partners or members who are performing personal services.

The parties agree, when applicable, to properly complete the Nebraska Department of Revenue Nebraska Withholding Certificate for Nonresident Individuals Form W-4NA or its successor. The form is available at:
http://www.revenue.ne.gov/tax/current/f_w-4na.pdf or
http://www.revenue.ne.gov/tax/current/fill-in/f_w-4na.pdf

U. NEBRASKA TECHNOLOGY ACCESS STANDARDS. The Contractor shall review the Nebraska Access Technology Standards, found at http://www.nitc.state.ne.us/standards/accessibility/tacfinal.html and ensure that products and/or services provided under the Contract comply with the applicable standards. In the event such standards change during the Contractor's performance, the State may create an amendment to the Contract to request that Contract comply with the changed standard at a cost mutually acceptable to the parties.

V. NON-DISCRIMINATION. The Contractor agrees to comply fully with Title VI of the Civil Rights Act of 1964, as amended; the Rehabilitation Act of 1973, Public Law 93-112, as amended; the Americans With Disabilities Act of 1990, Public Law 101-336; and the Nebraska Fair Employment Practice Act, as amended, in that there shall be no discrimination against any employee who is employed in the performance of this contract, or against any applicant for such employment, because of age, color, national origin, ancestry, race, religion, creed, disability, sex or marital status. This provision shall include, but not be limited to the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Contractor further agrees to insert similar provisions in all sub-contracts for services allowed under this contract under any program or activity.

W. PROMPT PAYMENT. Payment will be made in conjunction with the State of Nebraska Prompt Payment Act. The Department may request that payment be made electronically instead of by State warrant.

X. PUBLIC COUNSEL. In the event the Contractor provides health and human services to individuals on behalf of the Department under the terms of this contract, Contractor shall submit to the jurisdiction of the Public Counsel under NEB. REV. STAT. §§ 81-8,240 through 81-8,254 with respect to the provision of services under this contract. This clause shall not apply to Contracts between the Department and long-term care facilities subject to the jurisdiction of the state long-term care ombudsman pursuant to the Long-Term Care Ombudsman Act.

Y. RESEARCH. The Contractor may not engage in research utilizing the information obtained through the performance of this contract without the express written consent of the Department. The term "research" shall mean the investigation, analysis, or review of information, other than aggregate statistical information, which is used for purposes unconnected with this contract.

Z. SEVERABILITY. If any term or condition of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this contract did not contain the particular provision held to be invalid.

AA. SUBCONTRACTORS. The Contractor agrees that before subcontractors may be utilized in the performance of this contract, the Department must give prior written approval. If the Contractor subcontracts a portion of the work involved in this contract, it shall ensure that the subcontractor complies with all workers' compensation, employer's liability and other federal, state, county, and municipal laws, ordinances, rules and regulations required of an employer providing services as contemplated by this contract.

NOTICES. Notices shall be in writing and shall be effective upon receipt. Written notices, including all reports and other written communications required by this contract shall be sent to the following addresses, or such address as is later designated in writing by the party:

FOR THE DEPARTMENT:

Yolanda Nuncio, Service Area Administrator
Department of Health and Human Services
208 North Pine Street
Grand Island, NE 68802
308-385-6147

FOR THE CONTRACTOR:

Jeff Hackett, Chief Operating Officer
Boys and Girls Home of Nebraska, Inc.
100 Futures Drive: PO Box 127
South Sioux City, NE 68776
712-293-4700

IN WITNESS THEREOF, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR THE DEPARTMENT:

Signature

Todd L. Reckling
Director
Department of Health and Human Services
Division of Children and Family Services

DATE: 07/14/2009

FOR THE CONTRACTOR:

Signature

Jeff Hackett
Chief Operating Officer
Boys and Girls Home of Nebraska Inc.

DATE: 7-22-09

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
INSERT PROGRAM NAME
AUDIT REQUIREMENT CERTIFICATION

Subgrantees and certain contractors receiving funds from the Nebraska Department of Health and Human Services are required to complete this document. Reference to the Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, in this document is "Circular A-133".

Grant Name Service Delivery and Service Coordination Implementation **Grant #** 39859-04 **CFDA* #** NA

Program Name, Grant #, and CFDA # need to be filled out by the DHHS program office

*(Catalog of Federal Domestic Assistance)

Contractor's Name Boys and Girls Home of Nebraska, Inc.

Address: 100 Futures Drive

City: South Sioux City **State:** NE **Zip Code:** 68776

Federal Tax Identification Number (FTIN) 47-0753759

Contractor's Fiscal Year January 1, 20__ to December 31, 20__

All written communications from the Certified Public Accountant (CPA) engaged under #1 or #2 below, given to the contractor including those in compliance with or related to Statement of Auditing Standards (SAS) 112 *Communicating Internal Control related Matters Identified in an Audit* and SAS 114 *The Auditor's Communication with Those Charged With Governance* must be provided by the contractor to the Nebraska Department of Health and Human Services immediately upon receipt, unless the contractor has directed the CPA to provide the copy directly to the Department and has verified this has occurred.

Check either 1 or 2 and complete the signature block on page 2:

1. __ As the contractor named above, we expect to expend less than $500,000 from all Federal Financial Assistance sources, not just the grant named above, and including commodities in our current fiscal year. Therefore, we are not subject to the audit requirements of Circular A-133.

   We are, however, responsible for engaging a licensed Certified Public Accountant (CPA) to conduct and prepare either, a review (expenditures less than $75,000) or audit report (expenditures $75,000-$499,999) of our organization's financial statements and a report issued by the CPA. We acknowledge the audit must be completed no later than nine months after the end of our organization's current fiscal year. A copy of the report must be submitted to the Nebraska Department of Health and Human Services address as shown below within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period.

2. ☒ As the contractor named above, we expect to expend $500,000 or more from all Federal Financial Assistance sources, not just the grant named above, and including commodities in our current fiscal year. Therefore we are subject to the single audit requirements of Circular A-133.

We will engage a licensed Certified Public Accountant to conduct and prepare the audit of our organization's financial statements and components of the single audit pertaining to those financial statements. We acknowledge the audit must be completed no later than nine months after the end of our current fiscal year.

We further acknowledge, as the contractor, that a single audit performed in accordance with Circular A-133 must be submitted to the Federal Audit Clearinghouse. The reporting package, as evidence the audit was completed must contain:

- The contractor's financial statements,
- a schedule of Expenditure of Federal Awards,
- a Summary Schedule of Prior Audit Findings (if applicable),
- a corrective action plan (if applicable) and
- the auditor's report(s) which includes an opinion on this contractor's financial statements and Schedule of Expenditures of Federal Awards, a report on this contractor's internal control, a report on this contractor's compliance and a Schedule of Findings and Questioned Costs.

We further acknowledge the auditor and this contractor must complete and submit with the reporting package a *Data Collection Form for Reporting on Audits of States, Local Governments and Non-Profit Organizations (SF-SAC).*

We further acknowledge a copy of this subgrantee's financial statements, auditor's report and SF-SAC must be submitted, at the time these documents are submitted to the Federal Audit Clearinghouse, to the:

Nebraska Department of Health and Human Services
Financial Services
Grants and Cost Management
P.O. Box 95026
Lincoln, NE 68509-5026

or the Contractor must notify the Department when the reporting package becomes available and provide the Department with access to an electronic version of its annual audit and financial report. Notification of availability will be sent to the Nebraska Department of Health and Human Services, Financial Services, Grant and Cost Management is a format similar to the following:

The Contractor's latest A-133 Audit is now available for your use at:
http://www.

The Contractor's financial report is available at:
http://www.

The foregoing submissions or notification and electronic access to the annual audit and financial report must be made within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period.

Jeffrey T. Hackett
Print/Type Name

Chief Operating Officer
Print/Type Title

Signature

7/22/2009
Date

712-293-4700
Telephone Number