

**Exhibit B**  
**Budget Detail and Payment Provisions**

**1. Invoicing and Payment**

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the budget(s) attached hereto.
- B. Invoices shall include the Agreement Number and shall be submitted not more frequently than quarterly in arrears to:

Pam Delapa  
California Department of Public Health  
*Network for a Healthy California*  
1616 Capitol Avenue, Suite 74.516  
MS 7204  
P.O. Box 997377  
Sacramento, CA 95899-7377

C. Invoice shall:

- 1. Be prepared on company letterhead. If invoices are not on produced letterhead invoices must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this contract.
  - 2. Bear the Contractor's name as shown on the agreement.
  - 3. Identify the billing and/or performance period covered by the invoice.
  - 4. Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by CDPH.
- D. Quarterly invoices shall be submitted for payment within 30 days following the end of each calendar quarter in which the work was performed and costs incurred in the performance of the agreement, unless the contract has reached the expiration or termination date (see paragraph 5, Timely Submission of Final Invoice) or a later or alternate deadline is agreed to in writing by the program contract manager.
  - E. The State may, at its discretion, choose not to honor any delinquent invoice if the Contractor fails to obtain prior written State approval of an alternate invoice submission deadline.

**2. Budget Contingency Clause**

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

**Exhibit B**  
**Budget Detail and Payment Provisions**

**3. Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**4. Amounts Payable**

- A. The amount payable under this agreement shall not exceed:
  - 1) \$xxxx for the budget period of 10/01/2008 through 09/30/2009.
  - 2) \$xxxx for the budget period of 10/01/2009 through 09/30/2010.
  - 3) \$xxxx for the budget period of 10/01/2010 through 09/30/2011.
- B. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.
- C. The Contractor must maintain records reflecting actual expenditures for each state fiscal year covered by the term of this agreement.

**5. Timely Submission of Final Invoice**

- A. A final undisputed invoice shall be submitted for payment no more than ninety (90) calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding.
- B. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the program contract manager prior to the expiration or termination date of this agreement.
- C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "**Contractor's Release (Exhibit F)**" acknowledging submission of the final invoice to the State and certifying the approximate percentage amount, if any, of recycled products used in performance of this agreement.

**6. Allowable Line Item Shifts**

- A. Subject to the prior review and approval of the State, line item shifts of up to fifteen percent (15%) of the annual contract total, not to exceed a maximum of one hundred thousand (\$100,000) annually are allowed, so long as the annual agreement total neither increases nor decreases.

The \$100,000 maximum limit shall be assessed annually and automatically adjusted by the State in accordance with cost-of-living indexes. Said adjustments shall not require a formal agreement amendment. The State shall annually inform the Contractor in writing of the adjusted maximum.

**Exhibit B**  
**Budget Detail and Payment Provisions**

- B. Line item shifts meeting this criteria shall not require a formal agreement amendment.
- C. The Contractor shall adhere to State requirements regarding the process to follow in requesting approval to make line item shifts.
- D. Line item shifts may be proposed/requested by either the State or the Contractor.

**7. Expense Allowability / Fiscal Documentation**

- A. Invoices, received from a Contractor and accepted and/or submitted for payment by the State, shall not be deemed evidence of allowable agreement costs.
- B. Contractor shall maintain for review and audit and supply to CDPH upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
- C. If the allowability or appropriateness of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.
- D. If travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. For more information on allowable travel and per diem expenses and required documentation, see Exhibit G entitled, "Travel Reimbursement Information".
- E. Costs and/or expenses deemed unallowable are subject to recovery by CDPH. See provision 8 in this exhibit entitled, "Recovery of Overpayments" for more information.

**8. Recovery of Overpayments**

- A. Contractor agrees that claims based upon a contractual agreement or an audit finding and/or an auditing finding that is appealed and upheld, will be recovered by the State and/or Federal Government by one of the following options:
  - 1) Contractor's remittance to the State of the full amount of the audit exception within 30 days following the State's request for repayment;
  - 2) A repayment schedule which is agreeable to both the State and the Contractor.
- B. The State reserves the right to select which option will be employed and the Contractor will be notified by the State in writing of the claim procedure to be utilized.
- C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average or the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning 30 days after Contractor's receipt of the State's demand for repayment.

**Exhibit B**  
**Budget Detail and Payment Provisions**

- D. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, Contractor shall repay, to the State, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of State's notice requesting reimbursement of questioned audit costs or disallowed expenses.

**9. Contractor's State Share Requirements**

- A. The contractor shall contribute qualifying network nutrition education contributions from its own State Share resources to the extent of the Contractor's State Share as detailed in the State Share Budgets signed and approved as final by the contractor. These State Share Budgets have been incorporated into this agreement and made a part hereof by reference in [Exhibit E, Additional Provisions, paragraph 1.A](#). The Contractor's State Share must be from a public, non-Federal source.\* The Contractor's State Share cannot be used to match another Federal program. In addition, the qualifying nutrition education intervention must target Food Stamp recipients and/or other similar households living at not higher than 185 percent of the Federal Poverty Level or for school districts and other education agencies, interventions must target low-resource schools, defined as those with 50% of students or more eligible for free or reduced-price school meals.

\*Exception: Indian Tribal Organizations can use federal grant funds that are designated as an allowable source of State Share dollars directed toward nutrition education.

- B. The Contractor is responsible for maintaining verifiable records of all State Share contributions. The Contractor shall submit quarterly, State Share reports documenting State Share contributions. The State Share documentation report shall be submitted in a form and format prescribed by the State.
- C. The Contractor shall return any funds necessary to repay the State for any Federal audit exceptions resulting in the disallowance of contract funds in which the Contractor has not complied with the requirements of this agreement and applicable Federal regulations.
- D. The Contractor agrees to match each Federal dollar with two dollars of State Share contributions as detailed in the State Share Budgets. The State Share Budgets represent the minimum support the contractor agrees to provide in exchange for the payments received. Any changes to the Contractor's State Share Budgets as referenced in [Exhibit E, Additional Provisions, paragraph 1.A](#). may be proposed by the Contractor. All changes are subject to prior written approval by the State. Changes to State Share Budgets do not require a formal amendment.

**10. Revenue**

- A. This provision supersedes and replaces provision 6 entitled, "Income Restrictions" appearing in Special Terms and Conditions Exhibit D(F).
- B. If the Contractor realizes a profit from the sale of nutrition education materials (videos, literature, etc. paid with contract dollars), it must report the amount to the State as Contractor income on the SF-269 form. The Contractor shall make the SF-269 form available to the State on request. The Contractor shall place any income, fees, or reimbursements accruing to or received by the Contractor for services rendered under this agreement into a separate identifiable account. Revenues generated by the Contractor as a

**Exhibit B**  
**Budget Detail and Payment Provisions**

result of this State agreement must be utilized to meet identified, agreed upon, program-related needs of the Contractor, or must be returned to the State. Any revenues accruing to the Contractor, based on services supported in whole or in part by the State pursuant to this agreement, shall be used to defray costs incurred by this project to measurably expand the program or improve the quality of services detailed in this agreement, and must be approved in writing by the State. Adequate documentation of the use of these funds shall be maintained.

**11. Advance Payment**

No advance payment is allowed under this contract.

**Exhibit B Attachment I**  
**BUDGET**  
**(Year 1)**  
**(10/01/2008 through 09/30/2009)**

Personnel		\$	xxx
Fringe Benefits (___% of Personnel)		\$	xxx
Operating Expenses		\$	xxx
Equipment		\$	xxx
Travel		\$	xxx
Subcontracts*		\$	xxx
<u>Subcontractor Name</u>	<u>Estimated Cost</u>		
Subcontractor ABC	\$xxx		
Subcontractor XYZ	\$xxx		
Other Costs**		\$	xxx
Indirect Costs (___% of Total Costs)		\$	xxx
	<b>Total</b>	\$	<b><u>xxx</u></b>

\* See Exhibit B Attachment I, Schedule 1, for subcontractor's budget breakdown.

\*\*Itemization required if total exceeds \$50,000--See Page 2 for itemization of Other Costs

**Exhibit B Attachment I**  
**BUDGET**  
**(Year 1)**  
**(10/01/2008 through 09/30/2009)**

**Other Costs Itemization:**

**[Sample listing below—items may vary depending upon contractor needs]**

Printing, duplication and postage costs of nutrition education materials, Regional directory, program resources, manuals, and other associated expenses to support the Scope of Work (SOW) and reporting requirements.	\$xxx
Regional trainings, conferences, meetings and forum expenses (Includes 3-5 regional trainings, quarterly regional collaborative meetings,	\$xxx
Spokesperson Training, "Train the Trainer", Sharing Forums, Physical Activity Forum, etc. Expenses include presenter costs, supplies, materials, facility costs, etc.	\$xxx
Administrative or educational materials/handouts with a nutrition education message	\$xxx
Food and supplies for food demonstrations and taste testings to support SOW activities (Ten food demonstrations @ approximately \$xxx each)	\$xxx

**Other CostsTotal: \$xxxx**

**Exhibit B Attachment II**  
**BUDGET**  
**(Year 2)**  
**(10/01/2009 through 09/30/2010)**

Personnel		\$	xxx
Fringe Benefits (___% of Personnel)		\$	xxx
Operating Expenses		\$	xxx
Equipment		\$	xxx
Travel		\$	xxx
Subcontracts*		\$	xxx
<u>Subcontractor Name</u>	<u>Estimated Cost</u>		
Subcontractor ABC	\$xxx		
Subcontractor XYZ	\$xxx		
Other Costs**		\$	xxx
Indirect Costs (___% of Total Costs)		\$	xxx
	<b>Total</b>	\$	<u>xxx</u>

\* See Exhibit B Attachment II, Schedule 1, for subcontractor's budget breakdown.

\*\*Itemization required if total exceeds \$50,000--See Page 2 for itemization of Other Costs

**Exhibit B Attachment II  
BUDGET  
(Year 2)  
(10/01/2009 through 09/30/2010)**

**Other Costs Itemization:**

**[Sample listing below—items may vary depending upon contractor needs]**

Printing, duplication and postage costs of nutrition education materials, Regional directory, program resources, manuals, and other associated expenses to support the Scope of Work (SOW) and reporting requirements.	\$xxx
Regional trainings, conferences, meetings and forum expenses (Includes 3-5 regional trainings, quarterly regional collaborative meetings,	\$xxx
Spokesperson Training, “Train the Trainer”, Sharing Forums, Physical Activity Forum, etc. Expenses include presenter costs, supplies, materials, facility costs, etc.	\$xxx
Administrative or educational materials/handouts with a nutrition education message	\$xxx
Food and supplies for food demonstrations and taste testings to support SOW activities (Ten food demonstrations @ approximately \$xxx each)	\$xxx

**Other CostsTotal: \$xxxx**

**Exhibit B Attachment III  
BUDGET  
(Year 3)  
(10/01/2010 through 09/30/2011)**

Personnel		\$	xxx
Fringe Benefits (___% of Personnel)		\$	xxx
Operating Expenses		\$	xxx
Equipment		\$	xxx
Travel		\$	xxx
Subcontracts*		\$	xxx
<u>Subcontractor Name</u>	<u>Estimated Cost</u>		
Subcontractor ABC	\$xxx		
Subcontractor XYZ	\$xxx		
Other Costs**		\$	xxx
Indirect Costs (___% of Total Costs)		\$	xxx
	<b>Total</b>	\$	<b><u>xxx</u></b>

\* See Exhibit B Attachment III, Schedule 1, for subcontractor's budget breakdown.

\*\*Itemization required if total exceeds \$50,000--See Page 2 for itemization of Other Costs

**Exhibit B Attachment III  
BUDGET  
(Year 3)  
(10/01/2010 through 09/30/2011)**

**Other Costs Itemization:**

**[Sample listing below—items may vary depending upon contractor needs]**

Printing, duplication and postage costs of nutrition education materials, Regional directory, program resources, manuals, and other associated expenses to support the Scope of Work (SOW) and reporting requirements.	\$xxx
Regional trainings, conferences, meetings and forum expenses (Includes 3-5 regional trainings, quarterly regional collaborative meetings,	\$xxx
Spokesperson Training, “Train the Trainer”, Sharing Forums, Physical Activity Forum, etc. Expenses include presenter costs, supplies, materials, facility costs, etc.	\$xxx
Administrative or educational materials/handouts with a nutrition education message	\$xxx
Food and supplies for food demonstrations and taste testings to support SOW activities (Ten food demonstrations @ approximately \$xxx each)	\$xxx

**Other Costs Total: \$xxxx**