

<b>CALFRESH - FISCAL GUIDELINES MANUAL</b>
<b>200 Contract Compliance</b>

**201. Contractor is responsible and accountable for meeting all contract requirements. This includes timely and accurate submission of:**

1. Progress Reports
2. Invoices
3. State Share Documentation Reports
4. Scope of Work (SOW) deliverables
5. Documentation of all expenditures
6. Responses to *Network* inquiries for information

The assigned Contract Manager (CM) and Program Manager (PM) will monitor each contract for responsiveness to the above listed contract requirements. Contractors must promptly notify their assigned CM or PM if potential problems arise.

The above list of contract requirements must be met for a Contractor to be considered compliant with the fiscal and administrative guidelines of a contract. Should it be determined that a pattern of non-compliance with these requirements exists and remedial efforts are ineffective, corrective actions will be taken to improve the performance of the Contractor.

Non-compliant and/or underperforming Contractors and Contractors that inaccurately forecast their budgets may have their budgets reduced to allow growth for other Contractors that have a record of good performance and have been accurately forecasting their budgets. Additional corrective actions may include but are not limited to:

1. Withholding invoice payments
2. Requesting refund of prior payment(s)
3. Not renewing a contract and/or contract termination

Contracts between the California Department of Public Health (CDPH) and *CalFresh* projects are established according to the type of agency. Contract timelines will be in conjunction with the federal fiscal year (October 1<sup>st</sup> through September 30<sup>th</sup>). Contracts are considered effective **once they are approved by the United States Department of Agriculture (USDA)** and signed by the California Department of Public Health (CDPH), the California Department of General Services (DGS) (if over \$75,000), and the Contractor's agency. Timelines for individual contracts are defined on the Standard Agreement, STD 213.

It is possible that a contract will not begin on October 1<sup>st</sup> of the fiscal year if there are delays in the procurement process. In this case, the local agency's contract start date may be the date that the contract is signed by CDPH (or DGS, if over \$75,000).

Other examples where a contract start date may not begin on October 1<sup>st</sup> might be a delay in the USDA approval of the *Network's* Annual *CalFresh* Program Access Improvement Plan (AIP), or in the event that Congress does not approve the United States' Federal budget in time.

In the examples described above, as in similar scenarios, services performed and costs incurred by local agencies before the contract is effective shall **not** be claimed as State Share nor be eligible for Federal Share reimbursement.

The Federal Fiscal Year will end on September 30<sup>th</sup> of each year. Below are the steps in the request for application process:

1. All interested agencies (including continuing *CalFresh*) must submit their applications each year, for the contract beginning in October of the next year.
2. The *Network* reviews and negotiates applications submitted by *CalFresh*. Applications that meet the requirements of the USDA CalFresh Outreach Program are pre-approved by the *Network*.
3. In July of each year, the *Network* submits an AIP to the USDA (via the California Department of Social Services - DSS). The AIP includes all state pre-approved *CalFresh*.
4. While the AIP is pending approval by USDA, the *Network* prepares contract paperwork for each new contract and sends two copies of the contract to each Contractor for signature by the authorized person in their agency.
5. Contractors must sign and send both copies of the new contract back to their assigned CM.
6. Once signed copies of the contract are received by the CM from the Contractor, the CM submits the contract to the CDPH Contract Management Unit (CMU) for processing.
7. Contracts over \$75,000 must also be reviewed and approved by DGS. If applicable, CMU obtains DGS authorized signatures and returns a copy of the fully executed contract to the Contractor and to the *Network*. When the fully executed contract is received by the *Network*, the contract is considered in effect.
8. Once the contract is fully executed **and** the AIP as been approved by USDA, then services may be conducted and invoices submitted to the *Network* by the *CalFresh* Contractor.
9. Financial reports including Invoice and State Share Documentation Reports must be submitted quarterly to the assigned CM unless another submission schedule has been approved by the CM.

The contract term may be one-year, two-year or three-year depending on what is negotiated by CDPH and the contractor. In FFY 2010, all applicants will be required to apply for a two-year contract. Budget justification and other documentation may still need to be updated annually and submitted to USDA for approval.