

EXHIBIT B

2012-13 Public Health Emergency Preparedness (PHEP), General Fund Pandemic Influenza (GF Pan Flu) and Hospital Preparedness Program (HPP) Funding

Budget Detail and Payment Provisions

1. Payment Provisions

- A. CDPH will make payments to the LHD and/or Local HPP Entity as authorized in State statute and in accordance with the annual expenditure authority granted to CDPH in the California Budget Act. Upon receipt of the signed Comprehensive Agreement, payments shall be made in accordance with Exhibit B, Attachment 1. Payment beyond the first quarter shall be contingent the approval by CDPH of the LHD's and/or Local HPP Entity's Application, Work Plan, and Budget and satisfactory progress in implementing the provisions of the Work Plan, as determined by CDPH. Final payment is contingent upon CDPH receiving acceptable progress and expenditure reports submitted in accordance with timelines, formats and specifications to be provided by CDPH. **Note:** Both HPP and the GF Pan Flu require submission of invoice forms to be reimbursed.
- B. Reconciliation with the payments shall be through a semi-annual expenditure report and an annual reconciliation report. These reports shall be submitted in accordance with timelines, formats and specifications to be provided by CDPH. Expenditure reports and annual reconciliation reports should be sent to:
- California Department of Public Health
Emergency Preparedness Office
Attn: Local Management Unit
MS 7002
P.O. Box 997377
Sacramento, CA 95899-7377
- C. Under this agreement, LHD and/or Local HPP Entity shall deposit all federal funds received from CDPH into a Trust Fund established solely for the purposes of implementing the activities described in the LHD and/or Local HPP Entity approved Work Plan, Budget and Agreement before transferring or expending the funds for any of the uses allowed. Each organization shall establish a separate Trust Fund. A single organization administrating PHEP and HPP shall establish a single Trust Fund divided into subaccounts for PHEP and HPP funds.
- D. The interest earned on moneys in the Trust Fund shall accrue to the benefit of the Trust Fund and shall be expended for the same purposes as other moneys in the Trust Fund.

- E. Any refunds, rebates, credits, or other amounts in the Trust Fund shall accrue to the benefit of the Trust Fund and shall be expended for the same purposes as other moneys in the Trust Fund.
- F. The LHD and/or Local HPP Entity is required to submit certified Trust Fund reports. These reports must be certified by the County/City Auditor Controller's or other authorized signature, verifying the accuracy and availability funds and the existence of supporting documentation for the State's or the federal government's review.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act and/or other State statute 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, CDPH shall have no liability to pay any funds whatsoever to LHD and/or Local HPP Entity or to furnish any other considerations under this Agreement and LHD and/or Local HPP Entity shall not be obligated to perform any provisions of this Agreement except as to periods for which funding has been provided.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, CDPH shall have the option to either cancel this Agreement with no liability occurring to CDPH, or offer an Agreement amendment to LHD and/or Local HPP Entity to reflect the reduced amount.

3. Amounts Payable

- A. The amount payable under this Agreement shall not exceed:
 - 1. \$202,018, PHEP Base Allocation.
 - 2. \$0, Laboratory Allocation.
 - 3. \$46,329, Cities Readiness Initiative Allocation.
 - 4. \$190,849, HPP Allocation.
 - 5. \$66,286, GF Pan Flu Allocation.

4. Redirection of Funds

Any redirection of funds requires prior approval by CDPH.

5. Federal Cooperative Agreement Funds

- A. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of Congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- B. The Agreement is valid and enforceable only if sufficient funds are made available to CDPH by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress, which may affect the provisions, terms or funding of this Agreement in any manner.
- C. It is mutually agreed that if Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

6. Accountability Requirements

- A. CDPH may recoup funds that are not spent for allowable purposes as specified in State statute and determined by CDPH. CDPH will notify the LHD and/or Local HPP Entity prior to recouping such funds.
- B. CDPH may withhold payments if the LHD and/or Local HPP Entity is not in compliance with the terms and conditions of this Agreement or the approved local funding Application, Work Plans and Budgets. CDPH may withhold payments if the LHD and/or Local HPP Entity cannot demonstrate progress toward protecting the jurisdiction from the threat of a bioterrorist attack, infectious disease outbreak or other public health threat or emergency as described in its progress and expenditure reports. CDPH may withhold or reduce payments if the LHD's and/or Local HPP Entity's expenditure reports indicate that quarterly payments remain unspent. CDPH will notify local health officials prior to withholding or reducing such payments.
- C. The LHD and/or Local HPP Entity shall return unexpended funds unless carryover of such funds is approved by CDPH and PHEP or the HPP grant period is extended.
- D. The LHD and/or Local HPP Entity shall maintain supporting documentation that substantiates all expenditure reports for a minimum of seven years.
- E. Once every three years LHDs and/or Local HPP Entities are subject to an audit by CDPH. The audit will consist of the review of financial records to ensure the existence of proper documentation and the propriety of claims submitted to the State for reimbursement. Such review will include substantive testing:

- To determine that recorded and reported program funds awarded are expended in accordance with terms of the grant Agreement with CDPH;
- To determine that payments are for actual costs and reflect amounts billed to the State;
- To determine that payments are for services rendered;
- To determine that grant funds did not supplant existing levels of State and local funding for this program.

7. Unobligated Balances

At any time during the term of this Agreement, CDPH may request the LHD and/or Local HPP Entity's to identify unobligated funds. The presentation of this information shall be in a manner prescribed by CDPH to include identification of unobligated funds.

8. Terms of Agreement

- A. **PHEP:** This Agreement provides the local funding award for the PHEP federal cooperative Agreement Budget period July 1, 2012 through June 30, 2013. All services must be rendered by and purchases encumbered by June 30, 2013, unless the grant is extended. Funds allocated under this Agreement must be liquidated by August 30, 2013.
- B. **GF Pan Flu:** This Agreement provides the local funding award for the GF Pan Flu cooperative Agreement Budget period July 1, 2012 through June 30, 2013. All services must be rendered by and purchases encumbered by June 30, 2013. Funds allocated under this Agreement must be liquidated by June 30, 2015. In order for CDPH to liquidate funds by June 30, 2015, a final invoice must be received by CDPH on or before May 1, 2015.
- C. **HPP:** This Agreement provides the local funding award for the HPP federal cooperative Agreement Budget period July 1, 2012 through June 30, 2013. All services must be rendered by and purchases encumbered by June 30, 2013, unless grant is extended. Funds allocated under this Agreement must be liquidated by August 30, 2013.