

**STATE COURT ADMINISTRATIVE OFFICE
OFFICE OF HIGHWAY SAFETY PLANNING GRANT**

**Subcontract Agreement
Between**

SCAO

Federal I.D. Number: 38-6000134

and

GRANTEE: 15th District Court - Hybrid DWI/Drug Court

Federal I.D. Number: 38-6004534

Contract Number: 32113

Grant Amount: \$99,000

SCAO Unique Identifier: U10066

Project Title: SCAO OHSP Grant Program

**Assistance Listing Number Title: Alcohol Traffic Safety and Drunk Driving Prevention
Incentive Grant**

Assistance Listing Number: 20.616

Unique Entity Identifier (UEI): LB6ECDKPKC46

**Federal Agency Name: U.S. Department of Transportation, National Highway Traffic
Safety Administration (NHTSA)**

Federal Grant Administered by: Michigan Office of Highway Safety Planning (“OHSP”)

Federal Grant Award Number: 2024-ID-05-IG

1. DEFINITIONS GOVERNING AGREEMENT

The definitions below govern the terms used in this Agreement.

1.01 The term “Agreement” as used in this document means the Agreement between the State Court Administrative Office (the “SCAO”) and Grantee, and includes any subsequent amendments thereto.

1.02 The term “OHSP” refers to the Office of Highway Safety Planning, which is the subject of this Agreement.

1.03 The term “Confidential Information” means confidential and/or Proprietary Information belonging to the SCAO which is disclosed to the Grantee or which the Grantee otherwise learns of during the course of or as the direct or indirect result of rendering its Services for the SCAO. Confidential or Proprietary Information is information not generally known to third parties or to others who could obtain economic value from their disclosure or use of the information. This includes all proprietary technical, financial, or other information owned by SCAO or any of its vendors, including by way of illustration, but not limitation, computerized

data, codes, programs and software, written material, inventions, whether or not patented or patentable, designs, works of authorship, works subject to or under copyright protection, trade secrets or trademark, protected material, performance standards concepts, formulae, charts, statistics, financial records, and reports of the SCAO or any entity otherwise affiliated with the SCAO. Confidential or Proprietary Information also includes all confidential and proprietary material that the Grantee may design, author, create, distribute, or produce during the term of this Agreement when rendering Services thereunder. "Confidential Information" also includes all individualized, nonaggregated data relating to individuals, including, but not limited to, personally identifiable information ("PII") and information protected by the Health Insurance Portability and Accountability Act. All information gained during the course of Grantee's retention should be presumed confidential unless the information is clearly identified otherwise or the circumstances of disclosure demonstrate it not to be confidential.

1.04 The term "Effective Date" means the date upon which this Agreement becomes effective, which is the date the Agreement is signed by both Parties. If the Parties do not sign the Agreement on the same date, the latest specified date will become the Agreement's effective date.

1.05 The term "Employee Benefits" means any and all employee benefits the SCAO provides to its employees, including, but not limited to, workers' compensation, retirement, pension, insurance, fringe, educational training, holiday/sick/vacation pay benefits, or any other similar benefits.

1.06 The term "Grant Amount" is the amount specified as "Grant Amount" on the first page of this Agreement and includes any increases or reductions under Section 24.

1.07 The term "Grantee" as used in this Agreement includes the Grantee(s)/party(ies) with which the SCAO is contracting and the employees with which the SCAO is contracting.

1.08 The term "Liabilities" means any and all liabilities, obligations, damages, penalties, claims, costs, fees, charges, and expenses, including, but not limited to, fees and expenses of attorneys and litigation related to the Services provided.

1.09 The term "Parties" includes the SCAO, Grantee, and all of their employees.

1.10 The term "Pre-existing Inventions, Patented and/or Copyrighted Materials" means such writings, inventions, improvements, or discoveries whether or not under an existing copyright, patent or copyright/patent application or any other third party intellectual property right that were written, invented, made, or discovered by the Grantee, including its employees, and/or subcontractors while engaged in Services under this Agreement.

1.11 The term "Program Expenses" means all expenses including, but not limited to, license fees and all other types of fees, memberships and dues, automobile and fuel expenses, insurance premiums, copying costs, telephone costs and all other types of costs, and all salary and expenses incurred by the Grantee, and all other compensation paid to the Grantee's employees or subcontractors that the Grantee hires, retains, or utilizes for the Grantee's performance under this Agreement. This term includes allowable program costs as articulated in WebGrants. This term also includes Travel Expenses as defined below.

1.12 The term "Services" refers to the goods, services, activities, projects and initiatives that the Grantee agrees to provide to the SCAO under this Agreement, as described in the Scope

of Services, Scope of Work, and all descriptions of services in any attachments and amendments to the Agreement.

1.13 The term “Taxes” refers to any and all federal, state, and local taxes, including, but not limited to, income taxes, social security taxes, unemployment insurance taxes, and any other taxes or fees for which Provider is responsible.

1.14 The term “Travel Expenses” means expenses Grantee incurs for travel including lodging, mileage, and meals that the Grantee incurs in the reasonable fulfillment of the terms of this Agreement. Reimbursable Travel Expenses must be approved by SCAO before they are incurred.

1.15 The term “WebGrants” refers to the web-based grant management system used by the SCAO.

1.16 The term “Work Product” refers to reports, programs, manuals, tapes and videos including training materials, power point presentations or any other written or electronic materials prepared under this Agreement and amendments thereto. It also includes computer data such as programs and software in various stages of development and source codes and object codes, and any other work product prepared by the Provider under this Agreement and amendments thereto.

2. PERIOD OF AGREEMENT

2.01 This Agreement covers Services rendered beginning on October 1, 2023, and ending on September 30, 2024, unless an exception is explicitly granted by the SCAO.

3. GRANT AMOUNT CONTINGENCIES

3.01 The SCAO agrees to provide reimbursement-based funding in an amount not to exceed the Grant Amount, conditioned upon the SCAO’s actual receipt of the award. If the Grant Amount is reduced or eliminated, or if the SCAO does not receive sufficient funding, the SCAO has no obligation to the Grantee to fulfill the terms of this Agreement, and the Grantee has no recourse therefrom. In no event does this Agreement create for the Grantee’s benefit a lien against or entitlement to any other funds of the SCAO or the Michigan Supreme Court.

4. RISK EVALUATION REQUIREMENT

4.01 The SCAO is responsible to evaluate risk of Grantee’s noncompliance with federal statutes, regulations, and terms, 2 CFR 200.332. Additional reporting requirements to mitigate noncompliance may be required by Grantee based on the court’s risk level, and the SCAO will notify the Grantee if additional reporting requirements are needed.

5. RELATIONSHIP

5.01 No employer/employee relationship exists between the Parties. Further, no employee or subrecipient of the Grantee is an employee of the SCAO. The Grantee is an independent contractor, not an employee of the SCAO.

5.02 The SCAO is not obligated either under this Agreement or by implication to provide and is not liable to the Grantee for failure to provide the Grantee with Employee Benefits. The Grantee is not eligible for and will not receive any Employee Benefits from the SCAO.

5.03 The Grantee is responsible for payment of all Taxes arising out of the Grantee's Services in accordance with this Agreement.

5.04 The Grantee does not, and shall not, have the authority to enter into contracts on the SCAO's behalf.

6. SYSTEM FOR AWARD MANAGEMENT

6.01 The Grantee (and all subrecipients and contractors) must register or update in the System for Award Management (SAM) annually to be eligible for federal and state grants administered by the SCAO.

7. CHANGE IN GRANTEE CONTACT

7.01 The Grantee must submit a Contract Amendment through WebGrants notifying the SCAO of any changes in project directors, program judge, agency contacts, financial officers, or Authorizing Officials, including changes in names, mailing addresses, e-mail addresses, and telephone numbers.

8. SCOPE OF SERVICES

8.01 The Grantee shall use its best efforts and devote such time, attention, skill, knowledge, and professional ability as necessary to most effectively and efficiently carry out and perform the Services. Commitment of the state resources for the acquisition of goods and services, and execution of purchase orders, contracts, and similar agreements shall remain the sole responsibility of the SCAO.

9. STATEMENT OF WORK

9.01 The Grantee agrees to undertake, perform, and complete the Services described in their approved grant application. The Grantee may not assign the performance of Services under this Agreement to any other entity or person who is not an employee of the Grantee except with prior written approval of the SCAO. If performance is so assigned, all requirements in this Agreement shall apply to such performance and the Grantee shall be responsible for the performance of such Services.

10. RIGHTS TO WORK PRODUCT

10.01 All written or visual Work Product created solely by the SCAO is exclusively owned by SCAO and is subject to copyright or patent only by the SCAO.

10.02 All written or visual Work Product created solely by the Provider is exclusively owned by the Provider and is subject to copyright or patent only by the Provider.

10.03 All written or visual Work Product produced under this Agreement with funds provided by the grant from SCAO shall belong to and will be owned by SCAO and SCAO shall

have the right to obtain from the Provider original materials produced under this Agreement and shall have the right to distribute those materials.

10.04 The SCAO grants the Provider a royalty-free, nonexclusive license to use any Work Product that is not Confidential or Proprietary as defined in this Agreement. However, the Provider shall not publish or distribute any Work Product without the prior written permission of the SCAO.

10.05 The Provider shall safeguard the Provider's property, materials and Work Product. The SCAO is not responsible and will not be subject to any Liabilities for any claims related to the loss, damage, or impairment of Provider's property, materials and/or Work Product.

11. WRITTEN DISCLOSURE

11.01 The Grantee shall promptly disclose in writing to the SCAO all Pre-existing Inventions, Patented and/or Copyrighted Materials used to provide Services under this Agreement. Further, upon the SCAO's request, the Grantee shall assist the SCAO in determining and acquiring copyrights, patents, or other such intellectual property protection for any Work Product for which the SCAO desires to obtain such protection.

11.02 The Grantee warrants that as of the effective date of this Agreement there are no such Pre-existing Inventions, Patented and/or Copyrighted Materials for which the Grantee seeks protection or which the Grantee desires to remove from this Agreement. Further, the Grantee warrants that its performance under this Agreement will not infringe upon or misappropriate any third party's Inventions, Patented and/or Copyrighted Materials.

12. INSURANCE

12.01 Grantee is self-insured/has procured insurance in an amount sufficient to cover all claims related to the Grantee's Service and as required by law.

13. PERFORMANCE MEASUREMENT DATA AND REPORTING REQUIREMENTS

13.01 The Grantee agrees to timely provide all applicable performance measurement data, including complete and accurate reports as identified in Attachment 1 related to this Agreement so that the SCAO can meet its reporting requirements with the OHSP.

13.02 Further, for each participant who is screened or accepted into the OHSP program, the Grantee must timely enter data in compliance with the minimum standards established by the SCAO into the Drug Court Case Management Information System (DCCMIS). When any required report is 30 calendar days past due, a delinquency notice will be sent notifying the Grantee that it has 15 calendar days to comply with the reporting requirement.

13.03 When any required report is 45 calendar days past due, the Grantee's funding award will be rescinded and the SCAO will send a forfeiture notice to the Grantee. Notices will be sent as provided in Section 38 of this Agreement.

14. PAYMENT PROCESSING

14.01 The Grantee must submit all payment requests along with all required reports, records, and source documentation. Payment requests must be timely submitted to ensure that the

SCAO can request reimbursement from OHSP within the required reimbursement period. If required support for payment is provided, the Grantee will be paid within 30 calendar days after submission. The Grantee must sign up through the online vendor system to receive reimbursement payments via electronic funds transfers or direct deposit. To register, go to the Department of Technology, Management, and Budget's [website](#).

14.02 The Grantee shall make reasonable efforts to bill and collect first- and third-party fees, where applicable, and report them as outlined above. The Grantee will not be reimbursed for any items for which Grantee fails to bill and/or fails to attempt to collect.

14.03 The Grantee agrees to lawfully use the grant funds for the purposes and under the conditions specified in this Agreement.

14.04 Only program Services and program Expenses detailed in the approved budget incurred during the grant period are eligible for reimbursement. Program Expenses incurred that are not detailed in the approved budget or are incurred outside the grant period will not be reimbursed. Costs cannot exceed the approved grant award.

14.05 Any program income received shall be used exclusively to further traffic safety project activities. Program income is defined as gross income earned by the Grantee during the Agreement period as a direct result of the grant project's Services. Some examples are proceeds from the sale of items purchased or developed with grant funds, or revenue received from attendees at trainings or conferences paid for with grant funds. Program income must be netted against costs incurred within the grant or returned to the SCAO, unless prior permission is obtained from the SCAO to use the funds for other traffic safety projects.

14.06 Reimbursement for Travel Expenses cannot exceed the lesser of the Grantee's published travel rates or allowable State of Michigan travel rates and must be approved by the SCAO prior to incurring the expense.

14.07 Failure to submit cost statements with adequate supporting documentation prior to the fiscal year close out deadline will also result in nonreimbursement of those costs. Costs from one fiscal year cannot be paid in a subsequent fiscal year.

14.08 Any unobligated balance of funds held by the Grantee at the end of the Agreement period will be returned to the SCAO or treated in accordance with instructions provided by the OHSP.

14.09 To assure that expenditures are proper and in accordance with the terms and conditions of the federal award and approved project budgets, the Grantee's annual and final fiscal reports or vouchers requesting payment under this Agreement must include a certification, signed by an official who is authorized to legally bind the Grantee. The Grantee must certify that to the best of its knowledge reports are true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes set forth in the federal award's terms and conditions, and have been incurred by the Grantee's program or court. The Grantee is aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject the Grantee to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Section 3729-3730 and 3801-3812).

14.10 The Grantee is aware that this is a reimbursement-based grant.

14.11 The Grantee's Expenses are eligible for reimbursement only if the Grantee incurred the Expenses during the time period that this Agreement is effective. Further, the Grantee's Expenses are eligible for reimbursement only after the Grantee has paid the Expenses. Consumable expenses, such as drug tests, are eligible for reimbursement only if the item can reasonably be consumed (and the Grantee incurred the expense) during the time period that this Agreement is effective.

15. EMPLOYEE TIME CERTIFICATION

15.01 All Agreement-funded employees will timely complete and submit to the SCAO an executed Employee Time Certification form supplied in WebGrants.

15.02 The Grantee shall notify the SCAO immediately as set forth in Section 7 of this Agreement when a grant-funded employee (including employees of subrecipients):

- becomes disabled or deceased while assigned to a grant-funded position,
- is removed or reassigned from a grant-funded position; and/or,
- is unable to report to work due to injury or illness not related to job performance (and is not replaced within 30 calendar days by another employee)

16. AUTHORIZED ACCESS

16.01 The Grantee must permit, upon reasonable notification and at reasonable times, access by authorized representatives of the SCAO, Federal Grantor Agency, Comptroller General of the United States and State Auditor General, or any of their duly authorized representatives, to records and documentation related to this Agreement, as authorized by law. The SCAO and/or the OHSP and/or an outside team hired by either, may conduct on-site monitoring visit(s), evaluations and/or grant audit(s) any time during the grant period. All grant records and personnel must be made available during any visit, (including subrecipients), if requested. The Grantee shall work cooperatively with the monitoring, audit and/or evaluation team to permit full review of the program. 2 CFR 200.332(5) requires that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of 2 CFR 200.332, and the Grantee agrees to require its subrecipients to abide by these regulations.

17. CONFIDENTIAL INFORMATION

17.01 To ensure the Grantee effectively performs the Services, the SCAO may disclose Confidential Information to the Grantee. The Grantee shall not disclose Confidential Information to any third party without prior approval from the SCAO. If disclosure of Confidential Information is required by law or court order, the Grantee must notify the SCAO within five business days as provided in Section 38 of this Agreement before disclosure and shall reasonably cooperate with the SCAO to narrowly tailor disclosure and obtain protective orders or other relief as appropriate.

17.02 When Grantee is no longer operating a certified problem-solving court and/or when Grantee loses its problem-solving court certification or sooner if requested by SCAO, the Grantee agrees to return all Confidential Information to the SCAO and permanently delete any electronic

copies of the data stored by the Grantee within 30 calendar days thereafter. If requested by the SCAO, the Grantee will provide written confirmation that deletion has been completed.

18. MEDICAL INFORMATION

18.01 The parties do not expect that medical and treatment information will be obtained, shared or utilized in this Agreement. However, to the extent that it is, both the SCAO and the Grantee shall assure that medical services to, and information contained in the medical records of, persons served under this Agreement or other such recorded information required to be kept confidential by law, in connection with the Services provided under this Agreement, shall be held confidential, and shall not be divulged without the written consent of either the patient or a person responsible for the patient, except as may otherwise be required by law. Such information may be disclosed in summary, statistical, or other form if the disclosure does not directly or indirectly identify particular individuals. This section survives termination or expiration of this Agreement.

19. HUMAN SUBJECTS

19.01 The Grantee agrees that prior to the initiation of research, the Grantee will submit to the SCAO's Institutional Review Board (IRB) application material for all research involving human subjects conducted in programs sponsored by the SCAO or in programs which receive funding from or through the State of Michigan, to a federally assured IRB, as well as to SCAO, for review and approval.

20. AUDITS

20.01 The Grantee must comply with the following requirements:

A. Single Audit

The Grantee that expends \$750,000 or more in federal awards during their fiscal year must submit a Single Audit prepared in accordance with the Single Audit Act as amended, 31 USC Section 7501 *et seq.*, the audit requirements found in 2 CFR 200.501, and the Uniform Administrative Requirements in 2 CFR Part 200. Grantee must also timely submit a Corrective Action Plan for any audit findings that impact SCAO-funded programs and a management letter with a response if applicable.

B. Audited Financial Statements

Grantees that expend less than \$750,000 in federal awards during their fiscal year must submit audited financial statements to the SCAO within nine months after the end of the Grantee's fiscal year.

C. Due Date and Submission Information

The required audit and any other required submissions must be timely submitted to the required federal and state agencies. Unless the audit submission has been uploaded to the Michigan Department of Treasury website, the submissions must also be submitted to the SCAO within nine months after the end of the Grantee's fiscal year to:

Michigan Supreme Court Finance Department
925 W. Ottawa Street.
Lansing, Michigan 48909-0634

D. Penalty

i. Delinquent Single Audit or Financial Statement Audit

If the Grantee does not submit the required Single Audit reporting package, management letter (if issued) with a response, and Corrective Action Plan; or the audited financial statement and management letter (if issued) with a response within nine months after the end of the Grantee's fiscal year and an extension has not been approved by the cognizant or oversight agency for audit, the SCAO may withhold from the current funding an amount equal to five percent of the audit year's grant funding (not to exceed \$200,000) until the required filing is received by the SCAO. The SCAO may retain the amount withheld if the Grantee is more than 120 calendar days delinquent in meeting the filing requirements, and may terminate this Agreement if the Grantee is more than 20 calendar days delinquent, if an extension has not been approved by the cognizant or oversight agency for audit.

ii. Delinquent Audit Status Notification Letter

Failure to submit the Audit Status Notification Letter when required may result in withholding from the current funding an amount equal to one percent of the audit year's grant funding until the Audit Status Notification Letter is received.

E. Other Audits

The SCAO or federal agencies may also conduct or arrange for "agreed upon procedures" or additional audits to meet their needs.

F. Other Requirements

To the extent that additional requirements are adopted by law during the terms of this Agreement that impact the Agreement's terms, the Grantee agrees to abide by them.

21. SUBRECIPIENT MONITORING

21.01 The Grantee is solely responsible for monitoring its subrecipients and will submit copies of all executed subcontracts from subrecipients through WebGrants within 60 calendar days of the execution of this Agreement. Subcontracts should cover all personnel contained in the "contractual" line item within the grant budget. Each listed agency shall have its own subcontract signed by the Grantee and an employee of the subrecipient agency that is authorized to enter into legally binding contracts for the entity receiving funds. Failure to submit these documents to the SCAO within 60 calendar days may result in withholding future payment or other penalties, as determined by the SCAO.

21.02 Before any Services are rendered by subrecipients, the Grantee must obtain a written subcontract executed by all affected Parties.

21.03 The Grantee's subcontracts with subrecipients shall require the subrecipients to comply with all applicable terms of this Agreement, including all OHSP Grant Management Requirements (Attachment 2) incorporated into this Agreement. The Grantee shall provide all subcontractors with a copy of this Agreement and a copy of OHSP Grant Management Requirements (Attachment 2).

21.04 In the event of a conflict between provisions in this Agreement and subrecipients' subcontract provisions, this Agreement shall prevail, and this term shall be included by the Grantee in all subrecipient subcontracts. A conflict between this Agreement and the subrecipient's subcontract, however, shall not be deemed to exist where the subcontract requires the subrecipient to perform Services in less time than this Agreement affords the Grantee. The Grantee is solely responsible to the SCAO for any and all subcontracted Services and for any breaches caused by subrecipients.

21.05 Expenses must be reasonable and necessary. If detailed Expense information is not included as part of the application process, the Grantee must submit a request seeking approval once sufficient detail has been supplied.

22. SOFTWARE COMPLIANCE

22.01 The Grantee must ensure software compliance and compatibility with the SCAO's data system for Services provided including, but not limited to: stored data, databases and interfaces for the production of work products and reports. All required data under this Agreement shall be provided in an accurate and timely manner without interruption, failure, or errors due to the inaccuracy of the Grantee's business operations for processing date/time data.

23. NOTIFICATION OF CRIMINAL OR ADMINISTRATIVE INVESTIGATIONS

23.01 If the Grantee becomes aware of a criminal or administrative investigation or charge that directly or indirectly involves grant funds referenced in this Agreement, the Grantee shall immediately notify the SCAO that of the investigation or charge as provided in Section 38 of this Agreement.

24. INCREASES AND REDUCTIONS IN GRANT AMOUNT

24.01 When Grantee cannot spend some or all allocated grant funds, the funds should be reallocated to other courts who can spend them. This ensures that the courts can address as many of the communities' needs as possible. The Grantee acknowledges that its failure to spend, provide proof of expenditures, or request reimbursement of Grant Amount expenditures by the financial claims report due dates may trigger the reallocation process outlined in Section 24.05. Therefore, the Grantee agrees to provide all financial claims on the schedule outlined in Attachment 1. Failure of the Grantee to submit all financial claims by their due dates will jeopardize Grantee's grant funding and subject the Grantee to the procedures set forth in Section 24.05 below.

24.02 Further, for each participant who is screened for or accepted into the grant program, the Grantee must enter data in compliance with the minimum standards established by the SCAO into the Drug Court Case Management Information System.

24.03 The SCAO will monitor Grantee's progress and expenditure of its Grant Amount. Grantee must use its best efforts to utilize the full amount of funds awarded.

24.04 If Grantee has made satisfactory progress towards utilization of its Grant Amount and SCAO or Grantee determines at any time during the Contract Term that Grantee could benefit from additional grant funds such that its Grant Amount should be increased, Grantee must submit a reallocation amendment request through Webgrants, stating the amount of additional grant funds needed, explaining how the additional amount was determined, and outlining the court's plan to utilize the additional amount, if awarded.

24.05 If at any time during the Contract term Grantee fails to demonstrate satisfactory progress towards utilization of its Grant Amount, as determined by SCAO in its sole discretion, SCAO will implement the following Grant review process:

- A. SCAO will notify Grantee that it appears that Grantee is not making satisfactory progress toward spending its Grant Amount and will request an explanation from Grantee as to its lack of progress.
- B. Grantee must, within 10 business days from the date of the notice, provide an explanation to SCAO for its lack of satisfactory progress and outline its plan for fully spending the Grant Amount during the Contract term, or if Grantee cannot fully spend the Grant Amount, Grantee must request a reduction in the Grant Amount which aligns with its plan. This information must be submitted by emailing a letter to Andrew Smith at smitha@courts.mi.gov. Failure to provide this information within the time specified by SCAO will result in a reduction in the Grant Amount based on the claims information already submitted by Grantee and using any other criteria SCAO determines to be relevant.
- C. SCAO will determine whether the Grant Amount should remain as initially awarded, or be reduced and notify Grantee of the decision. Should the Grant Amount be reduced, Grantee will submit a budget revision in Webgrants by the date specified by SCAO showing how the reduced Grant Amount will be allocated for the remaining Contract Term.
- D. For communications other than those made through Webgrants and as mentioned in Subsection 24.05(B), all notices will be sent as provided in Section 38 of this Agreement.

24.06 If at any time during the Contract Term Grantee determines on its own that it will not fully spend the entire Grant Amount during the Contract Term, the Grantee must submit a reallocation request to SCAO in Webgrants identifying how much of the Grant Amount the Grantee intends to spend during the Contract term, and how much the Grantee would like to return to SCAO.

24.07 Whether or not SCAO changes the Grant Amount through reduction or increase, the Grantee must fully comply with the reporting requirements found in Attachment 1, and the Grantee's obligations under the Agreement will remain in effect until Grantee fully complies.

24.08 Section 24 survives termination of this Agreement.

25. SUSPENSION OR TERMINATION OF CONTRACT

25.01 In addition to the provisions set forth in Section 24, the SCAO and/or the Grantee may immediately reduce the project budget, or suspend or terminate this Agreement without further liability or penalty to the SCAO under any of the following circumstances:

- A. If any of the terms of this Agreement are not adhered to by the Grantee/subrecipients.
- B. If the Grantee proposes or implements substantial changes to the Scope of Services/Work such that, if originally submitted, the application would not have been selected for funding.
- C. If the Grantee submits false certification or falsifies any other report or document required hereunder.
- D. If the Grantee is charged with or convicted of any activity referenced in Section 23 of this Agreement during the term of this Agreement or any extension thereof.
- E. If funding for this Agreement becomes unavailable to the SCAO due to appropriation, award, or budget shortfalls.
- F. If the Grantee does not comply with a contract term, including the reporting requirements, assurances, allowable/disallowable expense list, conditions on expenses, and approved grant budget.
- G. If any report from Section 13 is at least 45 days late.

25.02 If the SCAO terminates this Agreement under Section 25, with the exception of termination stated in Section 25.01(E), the Grantee is not eligible for SCAO grant funding for two years. After the two-year period, the Grantee must verify in writing with SCAO that the Grantee has corrected the issues.

26. FINAL REPORTING UPON TERMINATION

26.01 Each party has the right to terminate this Agreement with or without cause subject to the conditions below. If the Grantee is the party attempting to terminate the Agreement, the Grantee must notify the SCAO in writing of such termination as provided in the notice provisions of this Agreement. The Grantee's obligations under the Agreement cannot be terminated by Grantee, however, until Grantee fulfills all of the grant reporting requirements under Attachment 1 as required by the terms of the grant and as otherwise directed by the SCAO. Grantee's obligations under the Agreement will not be terminated until Grantee has met all grant reporting requirements as determined by the SCAO.

26.02 If this Agreement is terminated, the SCAO will make payments to the Grantee for allowable reimbursable expenses not covered by previous payments or other state or federal programs if the costs are adequately documented and appropriately authorized. The Grantee shall immediately refund to the SCAO any funds not authorized for use and any payments or funds advanced to the Grantee in excess of allowable reimbursable expenditures.

27. SEVERABILITY

27.01 If any provision of this Agreement or of any document attached to or incorporated by reference is waived or held to be invalid, such waiver or invalidity shall not affect other provisions of this Agreement.

28. LIABILITY

28.01 The Grantee is responsible for Liabilities and Expenses that result from the Grantee's performance or nonperformance under this Agreement. This subsection does not waive governmental immunity as provided by law.

28.02 The Grantee warrants that, before entering into this Agreement, it is not subject to any liabilities or expenses that could interfere with performance under this Agreement.

28.03 The SCAO is not responsible for Liabilities and Expenses that result from the Grantee's or Grantees' agents' performance, nonperformance, or property.

28.04 If Grantee contracts with a private third party to carry out the Grantee's responsibilities under this Agreement, then in that contract Grantee will require the private third parties to indemnify SCAO and the Michigan Supreme Court ("MSC"), including their officers, and employees (the "SCAO, MSC and related entities") from any Liabilities that may be imposed upon, incurred by, or asserted against the SCAO, MSC and related entities arising from the acts or omissions of the private third-party under such contact. Any private third party who will not agree to such provisions may not be utilized by Grantee to perform services under this Agreement. This subsection does not waive governmental immunity as provided by law.

29. MICHIGAN LAW

29.01 This Agreement shall be subject to, and shall be enforced and construed under, the laws of Michigan.

30. DEBT TO STATE OF MICHIGAN

30.01 The Grantee covenants that it is not, and will not become, in arrears to the State of Michigan or any of its subdivisions upon contract, debt, or any other obligation to the State of Michigan or its subdivisions, including real property, personal property, and income taxes.

31. DISPUTES

31.01 The Grantee shall notify the SCAO in writing of the Grantee's intent to pursue a claim against the SCAO for breach of any term of this Agreement within 10 business days of discovery of the alleged breach as provided in Section 38 of this Agreement.

32. CONFLICT OF INTEREST

32.01 Because this Agreement involves federal grant funds and contracts with governmental entities, the SCAO and the Grantee are subject to the provisions of the federal Freedom of Information Act, found in 5 U.S.C. 552 *et seq.*, the Contracts of Public Servants with Public Entities Act, found in MCL 15.331 *et seq.*, and the Standards of Conduct for Public Officers and Employees Act, found in MCL 15.341 *et seq.* Further, the Grantee certifies that the Grantee presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, that would conflict in any manner or degree with the performance of this Agreement.

33. COMPLIANCE WITH APPLICABLE LAWS AND AGREEMENTS

33.01 The Grantee will comply with applicable federal and state laws, guidelines, rules, and regulations in carrying out the terms of this Agreement. The Grantee will also comply with all applicable general administrative requirements such as Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 CFR Part 200 covering cost principles, grant/agreement principles, and audits in carrying out the terms of this Agreement, as well as the terms of the Agreement between the OHSP and the SCAO. The SCAO shall supply the Grantee with a copy of said Agreement.

34. AMENDMENTS

34.01 Except as provided in Subsections 24.05 and 34.02, the parties may amend this Agreement only in writing signed by both parties.

34.02 The SCAO and the Grantee must submit a budget/project amendment through WebGrants. An example of a budget amendment is the Grantee requesting to move money from one approved line item in the budget to another approved line item in the budget, and the SCAO approving the requested budget amendment. The SCAO and the Grantee must also notify the other party in WebGrants of any changes in project directors, program judges, agency contacts, financial officers, or authorizing officials, including changes in names, mailing addresses, e-mail addresses, and telephone numbers.

35. ENTIRE AGREEMENT

35.01 This Agreement contains the entire agreement between the parties. It does not include any other written or oral agreements, except the following:

- A. Reporting requirements (see Attachment 1),
- B. SCAO Grant Assurances (in WebGrants),
- C. Allowable/disallowable expense list (in WebGrants),
- D. Conditions on Expenses (in WebGrants),
- E. Approved grant budget (in WebGrants), and
- F. The OHSP Grant Management Requirements (see Attachment 2).

36. PROGRAM CERTIFICATION

36.01 Under Michigan law, approval and certification by the SCAO is required to begin or to continue the operation of an adult drug court, DWI sobriety court, hybrid DWI/drug court, veterans treatment court, or family dependency treatment court. Any of these programs that are not certified shall not perform any of the functions of that program type, including, but not limited to, receiving grant funding under the law and shall not be covered by this Agreement.

37. PROGRAM REVIEW OR CERTIFICATION SITE VISIT

37.01 The SCAO may review the Grantee's performance onsite. As part of the review, the SCAO may interview the program's team members, observe staff meetings and status review hearings, review case files, review data, and review financial records.

38. DELIVERY OF NOTICE

38.01 Unless otherwise specified in this Agreement, written notices and communications required under this Agreement shall be delivered in one of two forms to all individuals listed below: 1) by electronic mail or 2) by overnight delivery sent by a nationally recognized overnight delivery service to the following:

38.02 The Grantee's contact person is:

Kelsey Smith
15th District Court
Justice Center
301 E. Huron
Ann Arbor, MI 48104
ksmith@a2gov.org

38.03 The SCAO's contacts are:

Andrew Smith
State Court Administrative Office
Michigan Hall of Justice
P.O. Box 30048
Lansing, MI 48909
SmithA@courts.mi.gov

and

Ryan Gamby
State Court Administrative Office
Michigan Hall of Justice
P.O. Box 30048
Lansing, MI 48909
GambyR@courts.mi.gov

39. NONDISCRIMINATION

39.01 During the performance of this Agreement, the Grantee agrees:

- a. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time.
- b. Not to participate directly or indirectly in the discrimination prohibited by any Federal non-discrimination law or regulation, as set forth in Appendix B of 49 CFR part 2 herein.
- c. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the OHSP, US DOT, or NHTSA.
- d. That, in the event a Grantee fails to comply with any nondiscrimination provisions in this Agreement, the OHSP will have the right to impose such Agreement sanctions as it or the NHTSA determine are appropriate,

including but not limited to withholding payments to the Grantee under the Agreement until the Grantee complies; and/or cancelling, terminating, or suspending this Agreement or a contract or funding agreement, in whole or in part.

40. GRANTEE'S AUTHORIZING OFFICIAL

40.01 The Grantee's "Authorizing Official" is the individual who signs this Agreement. The "Authorizing Official" is an official of the Grantee who has the legal authority to, is authorized to, and can legally sign contracts on behalf of the Grantee and bind the Grantee to the terms of the contracts, including this Agreement. The Authorizing Official may not be a judge or other state employee. By signing below, the Grantee and Grantee's Authorizing Official warrant that the Authorizing Official has the actual authority to sign the Agreement on behalf of the Grantee.

40.02 Only one person may sign this Agreement as the Grantee's Authorizing Official. The Grantee might have more than one individual who is authorized to enter into binding contracts for the Grantee that is receiving funds, or the Grantee's local rules might provide that multiple people must sign contracts. In either case, the Authorizing Official's signature on this Agreement represents the mutual agreement and acceptance of this Agreement by all persons who are authorized to enter into binding contracts for the Grantee.

The remainder of this page is intentionally left blank.

SIGNATURES OF PARTIES
OFFICE OF HIGHWAY SAFETY PLANNING GRANT
CONTRACT NUMBER: 32113

41. SIGNATURE OF PARTIES

41.01 This Agreement is not effective unless signed by both Parties.

41.02 The signatures on this Agreement are electronic through the DocuSign system.

41.03 The DocuSign system requires an agent of the Grantee to send this Agreement to the Grantee's Authorizing Official for the Authorizing Official's review and signature. Selecting the dropdown below confirms that the Agreement can be sent to the Grantee's Authorizing Official for signature.

Contract is ready for Authorizing official's signature.

41.04 The DocuSign system requires an agent of the SCAO to send this Agreement to the Deputy State Court Administrator for review and signature. Selecting the dropdown below confirms that the Agreement can be sent to the Deputy State Court Administrator for signature.

15th District Court
Hybrid DWI/Drug Court

State Court Administrative Office

Authorizing Official's Signature

SCAO Official's Signature

shryl samborn

Authorizing Official's Name

SCAO's Official Name

Court Administrator

Authorizing Official's Title

SCAO Official's Title

Date Signed by Authorizing Official

Date Signed by SCAO Official

CITY OF ANN ARBOR:

By:

Christopher Taylor (Date)
Mayor

By:

Jacqueline Beaudry (Date)
City Clerk

APPROVED AS TO FORM & CONTENT:

By:

Atleen Kaur (Date)
City Attorney

APPROVED AS TO SUBSTANCE:

By:

Milton Dohoney Jr. (Date)
City Administrator

APPROVED AS TO SUBSTANCE:

By:

Karen Q. Valvo (Date)
Chief Judge, 15th Judicial District Court

Attachment 1

**OFFICE OF HIGHWAY SAFETY PLANNING (OHSP) GRANT
FY 2024 REPORTING REQUIREMENTS
October 1, 2023, through September 30, 2024**

PROGRAM REPORT DUE DATES	
January 10, 2024	Courts will be reporting on progress made during October 1, 2023, through December 31, 2023.
April 10, 2024	Courts will be reporting on progress made during January 1, 2024, through March 31, 2024.
July 10, 2024	Courts will be reporting on progress made during April 1, 2024, through June 30, 2024.
October 10, 2024	Courts will be reporting on progress made during July 1, 2024, through September 30, 2024.

PROGRAM INCOME REPORT DUE DATES	
January 10, 2024	Courts will be reporting on income collected October 1, 2023, through December 31, 2023.
April 10, 2024	Courts will be reporting on income collected January 1, 2024, through March 31, 2024.
July 10, 2024	Courts will be reporting on income collected April 1, 2024, through June 30, 2024.
October 10, 2024	Courts will be reporting on income collected July 1, 2024, through September 30, 2024.

FINANCIAL CLAIM REPORTS DUE DATES	
January 10, 2024	Courts will be reporting on expenditures from October 1, 2023, through December 31, 2023.
April 10, 2024	Courts will be reporting on expenditures from January 1, 2024, through March 31, 2024.
July 10, 2024	Courts will be reporting on expenditures from April 1, 2024, through June 30, 2024.
October 10, 2024*	Courts will be reporting on expenditures from July 1, 2024, through September 30, 2024.

PROGRAM INCOME VERIFICATION DUE DATE	
January 10, 2024	Courts will be verifying whether program income is collected.

EMPLOYEE TIME CERTIFICATION DUE DATES	
April 10, 2024	Courts will be reporting on employee time paid by the grant during the time period of October 1, 2023, through March 31, 2024.
October 10, 2024	Courts will be reporting on employee time paid by the grant during the time period of July 1, 2024, through September 30, 2024.

DCCMIS USER AUDIT DUE DATE	
January 31, 2024	Courts will be confirming user access to DCCMIS.

WEBGRANTS USER AUDIT DUE DATE	
January 31, 2024	Courts will be confirming user access to WebGrants.

DCCMIS DATA EXCEPTION REPORT DUE DATES	
February 15, 2024	Courts will be reviewing error reports reflecting data entered into DCCMIS for the time period of October 1, 2023, through December 31, 2023.
May 15, 2024	Courts will be reviewing error reports reflecting data entered into DCCMIS for the time period of January 1, 2024, through March 31, 2024.
August 15, 2024	Courts will be reviewing error reports reflecting data entered into DCCMIS for the time period of April 1, 2024, through June 30, 2024.
November 15, 2024	Courts will be reviewing error reports reflecting data entered into DCCMIS for the time period of July 1, 2024, through September 30, 2024.

*When the due date of the fourth-quarter claim is on a weekend, the new due date will be the Thursday before that weekend.

Federal General Management Requirements (GMR)

1. All correspondence to the Office of Highway Safety Planning (OHSP) regarding this project shall include the project number, example: 2024-PT-09-00.
2. Each grant is required to have, at a minimum, three separate individuals responsible for grant management: one serving as an authorizing official, one as a project director, and one as a financial officer. A change in project director, agency contact, financial officer, authorizing official, addresses, email, or telephone numbers requires written notification to the OHSP. The project director will be responsible for also making these changes in the online grant management system.
3. The OHSP is required by the National Highway Traffic Safety Administration (NHTSA) to evaluate and document the risk for each entity applying for federal grant funds prior to making an award. The project director must register or annually update the registration in the online [System for Award Management \(SAM\)](#) to be eligible for federal and state grants. The OHSP will verify, within the SAM, there are no outstanding issues or concerns. Project directors must update their FY2024 online grant application with the new [Unique Entity Identifier \(UEI\)](#).
4. The OHSP may conduct a monitoring review of highway safety grants in accordance with [Title 2 CFR 200](#), NHTSA regulations, and these GMRs to determine adherence to project objectives, to review financial procedures, and to ensure compliance with grant requirements. All grantees are expected to cooperate with all reasonable requests for information as part of the monitoring review process.
5. The grantees must take reasonable measures to safeguard protected, personally identifiable information. This information is based on what the NHTSA or the OHSP designate as sensitive or that the sub-recipient considers sensitive consistent with applicable federal, state, and local laws regarding privacy and obligations of confidentiality as prescribed under [2 CFR Part 200.303](#).
6. All project proposals, applications, and amendments are required to be entered in the online grant management system (Michigan Grants System — MGX). "Grantees" includes all sub-recipients, contractors, sub-grantees, or participants throughout this document.
7. The published information generated from this project must include the following disclosure statement:

This was prepared in cooperation with, and funding from, the Michigan Office of Highway Safety Planning and U.S. Department of Transportation, National Highway Traffic Safety Administration. The opinions, findings, and conclusions expressed are those of the author(s) and are not necessarily those of the Michigan Office of Highway Safety Planning or the U.S. Department of Transportation, National Highway Traffic Safety Administration.

NONDISCRIMINATION

The State highway safety agency will comply with all Federal statutes and implement regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:

1. [Title VI of the Civil Rights Act of 1964](#)
2. [The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970](#)
3. Federal-Aid Highway Act of 1973, and [Title IX of the Education Amendments of 1972](#)
4. Section 504 of the Rehabilitation Act of 1973 and [49 CFR part 27](#).
5. [The Age Discrimination Act of 1975](#)
6. The Civil Rights Restoration Act of 1987
7. [Titles II and III of the Americans with Disabilities Act](#) and [49 CFR parts 37 and 38](#)
8. [Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations](#)
9. [Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency](#) and [70 FR at 74087 to 74100](#)

The State highway safety agency—

- a. Will take all measures necessary to ensure that all persons in the United States shall, comply with the above classes protected by Federal Nondiscrimination Authorities.
- b. Will administer the program in a manner that reasonably ensures that any of its grantees receiving Federal financial assistance under this program will comply with all requirements of the Non-Discrimination Authorities identified in this Assurance.
- c. Agrees to comply with all applicable provisions of law governing the US DOT's or NHTSA's access to any documents conducted by any Federal Nondiscrimination Authority.
- d. Acknowledges that the United States has a right to seek judicial enforcement with regard to any matter arising under these Non-Discrimination Authorities and this Assurance.
- e. Insert in all contracts and funding agreements with other State grantee agrees —(*insert this clause, including paragraphs a through d, in every subcontract and in every solicitation which receives Federal funds under this program*).
- f. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time.
- g. Not to participate directly or indirectly in the discrimination prohibited by any Federal nondiscrimination law, as set forth in [Appendix B of 49 CFR part 21](#) herein.
- h. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the State highway safety office, US DOT, or NHTSA.
- i. That, in the event a grantee fails to comply with any nondiscrimination provisions in this funding agreement, the State highway safety agency will have the right to impose

sanctions including withholding payments to the grantee until they comply; and/or cancel, terminate, or suspend a funding agreement.

POLITICAL ACTIVITY (HATCH ACT)

The State will comply with provisions of the [Hatch Act \(5 U.S.C. 1501-1508\)](#), which limits the political activities of employees whose principal employment activities are funded in with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING

The undersigned certifies, to the best of his/her knowledge and belief, that:

1. No Federal funds have been paid to any person for influencing/attempting to influence an employee of any agency, a Member or employee of Congress, in connection with the awarding/continuation of any Federal grant.
2. If any funds other than Federal appropriated funds have been paid/will be paid to any person for influencing/attempting to influence employee of any agency, a Member/employer of Congress, in connection with this grant the undersigned shall complete and submit [Standard Form-LLL](#), "[Disclosure Form to Report Lobbying](#)".
3. The undersigned shall require that the language of this certification be included in the award documents that person shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite into this transaction imposed by [Section 1352, Title 31, U.S. Code](#).

RESTRICTION ON STATE LOBBYING

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with the NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

1. By signing and submitting this proposal, the prospective primary grantee is providing the certification set out below and agrees to comply with the requirements of 2 CFR Parts 180 and 1300.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation this covered transaction. The grantee shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter this transaction. However, failure of the primary grantee to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the primary grantee knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
4. The primary grantee shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the primary grantee learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms *covered transaction*, *debarment*, *suspension*, *ineligible*, *lower tier*, *participant*, *person*, *primary tier*, *principal*, and *voluntarily excluded*, as used in this clause, have the meaning set out in the Definitions and coverage sections of 2 CFR Part 180. You may contact the department or the OHSP to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The primary grantee agrees by submitting this proposal that, should the proposed project be entered into, it shall not be debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the NHTSA.
7. The primary grantee further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR Parts 180 and 1300.
8. A participant in a covered transaction may rely upon a certification of a grantee in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the list of [Parties Excluded from Federal Procurement and Non-Procurement Programs](#).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. If a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, the department or agency may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend participants or take other remedies as appropriate.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS-PRIMARY COVERED TRANSACTIONS

1. The primary grantee certifies to the best of its knowledge and belief, that its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

- b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of record, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the prospective primary grantee is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

INSTRUCTIONS FOR LOWER PARTICIPANT CERTIFICATION (SUCH AS A SUPPLIER)

1. By signing and submitting this proposal, the lower tier grantee participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR Parts 180 and 1300.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was established. If it is later determined that the lower tier grantee knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The lower tier grantee shall provide immediate written notice to the person to which this proposal is submitted if at any time, the lower tier grantee learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded**, as used in this clause, are defined in 2 CFR Parts 180 and 1300. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The lower tier grantee agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, Subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The lower tier grantee further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR Parts 180 and 1300.
7. A grantee in a covered transaction may rely upon a certification of a grantee in a lower tier covered transaction that it is not proposed for debarment under 48 CFR Part 9, Subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A grantee is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier grantees, each participant may but is not required to check the [System for Award Management](#) Exclusion's website.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a grantee in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS

1. The lower tier grantee certifies, by submission of this proposal, 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.
2. Where the prospective lower tier grantee is unable to certify to any of the statements in this certification, such grantee shall attach an explanation to this proposal.

BUY AMERICA ACT

The State and each sub-recipient will comply with the Buy America requirement ([23 U.S.C. 313](#)) when purchasing items using Federal funds. Buy America requires a State, or sub-recipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification to and approved by the Secretary of Transportation.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE

The State and each sub-recipient will not use [23 U.S.C. Chapter 4](#) grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE

In accordance with [Executive Order 13043](#), Increasing Seat Belt Use in the United States, dated April 16, 1997, the grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the [Network of Employers for Traffic Safety \(NETS\)](#), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives on www.trafficsafety.org. The NHTSA website also provides information on statistics, campaigns, and program evaluations and references. All grantees are required to use a seat belt. See [MCL 257.710e](#).

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING

In accordance with [Executive Order 13513](#), [Federal Leadership On Reducing Text Messaging While Driving](#), and [DOT Order 3902.10](#), [Text Messaging While Driving](#), States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or -rented vehicles, government-owned, leased or rented vehicles, or privately-owned when on official government business or when performing any work on or behalf of the government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving. All grantees are not allowed to text while driving, except for an emergency. See [MCL 257.602b](#).

PUBLIC INFORMATION AND EDUCATION REQUIREMENTS

1. All original electronic files including designs, concepts, photographs, video, and audio financed with grant funds shall be delivered to the OHSP by an agreed upon due date between the OHSP and the grantee (and all sub-recipients and contractors). The items will remain the property of the OHSP and shall not be subject to copyright protection by the vendor or their agents. Items will be submitted to the OHSP immediately after production of the item. The OHSP will hold the final grant reimbursement until all the above items have been submitted. The grantee (and all sub-recipients and contractors) shall not enter into an agreement that includes any time limits on rights for music, talent, artwork, or photographs. The grantee (and all sub-recipients and contractors) shall inform all vendors, subcontractors, or their agents of this requirement before authorizing work to be performed.
2. All printed public information and education materials and videos are required to contain logos as designated by the OHSP, which are available in electronic formats upon request. See printing requirements below for more details. Audio materials must include an OHSP tag line, (see State of Michigan Printing Requirements #3 below). All materials, including audio and video materials and scripts must be submitted for review and approval by the OHSP prior to production.
3. All businesses performing printing services must meet one of the following conditions: (a) bear the label of the branch of the allied printing trades council of the locality in which it is printed; (b) have on file 48 CFR Part 9, Subpart 9.4 with the secretary of state, a sworn statement indicating that work is performed; or (c) have a collective bargaining agreement in effect formed by an organization that is not in any way influenced or controlled by management. (Per [State of Michigan Procurement Policy Manual-Revised 6/12/18-Section: 1.3.13-State Printing Act.](#))
4. All videos, print photography, or graphics shall depict drivers and passengers to be properly restrained by seat belts or child passenger safety devices unless the lack of restraints is for demonstration or educational purposes. Helmets and other protective equipment shall be depicted for motorcyclists, motorcycle passengers, and bicyclists.
5. Messaging costs which are of a public relations nature and designed in-whole or in-part to promote either an individual or an agency is prohibited and not eligible for reimbursement.
6. Closed Captioning: All DVDs must be closed captioned. This includes online videos.
 - a. Printed publications must be available in audio files via the Michigan Braille and Talking Book Library. See [ADA Guidance](#) from the Department of Justice published March 2022.
7. Social Media Use and Approval: The creation of social media accounts such as Instagram, Snapchat, Tik Tok, and Twitter, etc. with federally funded grants and projects require prior approval from the OHSP before release to the public.
8. The purchase of program advertising space on TV, radio, magazines, newspapers, billboards, etc., may be approved on a case-by-case basis.
9. The following items require the prior approval of the OHSP program coordinator:
 - a. flyers, posters, brochures
 - b. training curriculum, excluding those developed by nationally approved agencies (i.e., the NHTSA, International Association of Chiefs of Police (IACP), etc.)
 - c. annual reports
 - d. newsletters
10. Funding requirement statement: The following byline shall be placed on all printed public information and education materials:

"This material was prepared in cooperation with, and funding from, the Michigan Office of Highway Safety Planning and U.S. Department of Transportation, National Highway Traffic Safety Administration. The opinions, findings, and conclusions expressed are those of the author(s) and are not necessarily those of the Michigan Office of Highway Safety Planning or the U.S. Department of Transportation, National Highway Traffic Safety Administration."
11. The State of Michigan (SOM) prohibits use of the OHSP and/or MSP logos on non-SOM websites.

COPIES

1. The OHSP will require one electronic copy of any publication produced with traffic safety grant funds if print copies are not available or if the items are not distributed statewide, and it is not available online. The copy can be submitted via email, CD, or flash drive.
2. The OHSP will require one copy of any of the following produced with traffic safety grant funds if they are distributed statewide and are not available online. This copy is distributed throughout the SOM's library system:
 - a. annual reports
 - b. manuals, handbooks, and training materials
 - c. news releases
 - d. statistics
3. The OHSP will require two of any of the following produced with traffic safety grant funds if they are distributed statewide and are not available online. These copies are housed as part of the SOM's library system:
 - a. posters
 - b. brochures
 - c. flyers
4. If the publication is available on a publicly accessible website, no printed copy is required. However, an email that includes a link to the document must be provided to the OHSP. The SOM's library system will then include it in its digital archive.

PROGRAM REQUIREMENTS

1. Progress reports are required to be submitted throughout the grant period. The due dates for progress reports are specified in the grant approval letter and must be submitted in the online

grant management system. Reports shall describe activities undertaken to accomplish each project goal, reason for non-activity if necessary, activities planned for the next quarter, and obstacles encountered or anticipated. Progress reports must be submitted and approved by the OHSP program coordinator for the OHSP to process financial reimbursement. For traffic safety enforcement projects, enforcement reports must also be submitted in the online grant management system for the OHSP to process and approve financial reimbursement.

2. The final progress report is due on the date stated in the grant approval letter and shall include a summary of all activities and accomplishments for the entire grant period. Include the following information in the project summary:
 - a. A list of significant accomplishments or activities of this project that addressed the project objectives.
 - b. If no activity took place, a report must be submitted stating as such and reasons why.
 - c. If goals were not met, a statement must be provided on why the goal was not achieved.
 - d. Explanation of Impact that the project has had in the grantee's community or jurisdiction.
3. Out-of-state travel requires prior written approval by the OHSP Division Director. The OHSP Grantee Out-of-State Travel Request form, and appropriate support documentation, shall be submitted at least 30 days in advance of anticipated travel. Financial commitment (i.e., travel arrangements, conference fees, hotel reservations, etc.) shall not be made prior to the OHSP approval.
4. If a project amendment is required, the grantee shall contact the OHSP Program Coordinator for prior approval.
5. Grantees must have written, and established policies and procedures listed below, where applicable, as required by [Title 2 Code of Federal Regulations 200](#) and were outlined elsewhere in these requirements. Shall meet the standards outlined in:
 - a. [Procurement 2 CFR 200.318](#) and [2 CFR 200.320](#)
 - b. [Salary and Wages – 2 CFR 200.430](#)
 - c. [Fringe Benefits – 2 CFR 200.431](#)
 - d. [Travel – 2 CFR 200.474](#)
 - e. [Internal Controls – 2 CFR 200.303](#)
 - f. [Contracting 2 CFR 200.320](#) and [2 CFR 200.323](#)
 - g. [Indirect Costs 2 CFR 200.414](#)
 - h. [Conflict of Interest 2 CFR 200.112](#)
 - i. [Accounting/Finance 2 CFR 200.302](#) and [2 CFR 200.400](#)
6. For Overtime Traffic Enforcement Grants Only:
 - a. The grantee shall verify all officers working the OHSP federally funded overtime have completed the Standardized Field Sobriety Testing (SFST) refresher course every three years. This does not apply to administrative staff hours billed to the grant.
 - b. All law enforcement officers participating in an OHSP grant-funded traffic enforcement detail shall wear a properly fastened seat belt in accordance with state law. Officers found in violation of this requirement while working a grant-funded detail may be ineligible for funding reimbursement from the OHSP.
 - c. Law enforcement agencies are encouraged to have a written vehicle pursuit policy in place.
 - d. Traffic enforcement activity data shall be submitted to the OHSP within five days of the conclusion of the enforcement period if requested by the OHSP. Agencies shall use the enforcement report in the online grant management system, or a form provided by the OHSP.
 - e. Only [Michigan Commission on Law Enforcement Standards](#) certified police officers shall be used on enforcement projects, unless it is for commercial motor vehicle enforcement which must be commercial motor vehicle enforcement officers.
 - f. Grant funds **CANNOT** be used for activities such as response to calls for service, traffic control, property inspections, motorcades, or dignitary protection. The OHSP grant funds can only be used for activities approved in the grant.
 - g. Emergency response: A law enforcement emergency is defined as an imminent threat to life or property. If a law enforcement emergency occurs during a grant-funded detail and response is required by an officer(s) working that detail:
 - The officer is allowed up to one hour of grant-time to respond and return to the traffic enforcement patrol.
 - The agency must incur the costs (i.e. the grant cannot be charged) beyond an hour or for additional emergencies that arise during the detail.
 - Response to non-emergency calls while on grant time must be charged to the agency.
 - All emergency responses must be documented with a brief description on the officer daily.
 - h. Traffic enforcement shifts shall be scheduled for a minimum of two consecutive hours.
 - i. Traffic enforcement efforts shall be promoted to the community.
 - As applicable, the grantee shall assist the OHSP with media events that will be conducted locally.
 - Banners or other signage provided by the OHSP shall be displayed during the enforcement period.
 - Traffic safety messages provided by the OHSP shall be posted on social media.
 - j. The grantee and the chief or sheriff or post commander from each participating agency will sign the OHSP GMRs Acknowledgement and Agreement form signifying receipt of the GMRs and their agreement to comply with them as part of the online grant application process.
 - k. The grantee must keep track of funds spent. In some cases, multiple funding sources are assigned to law enforcement grants. In these situations, the grantee must assign, document, and monitor expenditures to each designated funding source separately. Separate accounts must be established for each funding source. Each grant and federal funding sources may not be used interchangeably. In the event the grantee overspends, the difference will need to be covered by the grantee. Additional funding will not be provided to support overspending of any federal program.

- I. Law enforcement agencies receiving funding for overtime traffic enforcement cannot offer comp time in lieu of overtime pay.
- m. A daily activity log with a listing of activities performed must be completed for all time requested for reimbursement. It must include the following information in the body of the document to be acceptable documentation: The start time of the grant-funded enforcement detail, A brief description of every stop, and the end time of the grant-funded detail. All grant time must be accounted for and documented at a minimum of every hour, regardless of whether a traffic stop is made. This includes time spent on traffic stops, arrest, transporting and lodging of arrested subjects, report writing, serving as "zone spotters."
- n. Total personnel hours billed to the grant reported on the enforcement reports must match the hours requested for reimbursement on the financial report.
- o. The time on the daily must match the hours requested for reimbursement and supervisor approval must be documented electronically or in writing. If supervisor approval is given by means other than a signature on the daily, explanation of the approval process must be provided at the OHSP's request and kept as grant documentation records.

GENERAL FINANCIAL REQUIREMENTS

Compliance with the [Federal Funding Accountability and Transparency Act \(FFATA\) of 2006](#) is required. Signed into law on September 26, 2006, the Federal Funding Accountability Act provides the public with a single, searchable database of federal awards. The OHSP is responsible for reporting data into the FFATA database for each NHTSA award that equals or exceeds \$25,000. The FFATA reporting procedure also requires each grantee agency is to maintain current registration in the federal SAM at <https://www.sam.gov/> and obtain their [Unique Entity Identifier \(UEI\)](#) in FY2024.

The following are financial requirements for the grantees.

1. Only program activities and expenses detailed in the approved grant budget and incurred during the grant period are eligible for reimbursement. Expenses incurred that are not detailed in the approved grant budget or outside of the grant period will not be reimbursed. **Costs cannot EXCEED the approved grant award.**
2. Goods purchased through the grant shall be received in acceptable condition. If goods are not received in acceptable condition within 30 days prior to the grant ending date, the grantee shall contact the OHSP program coordinator.
3. The grantee shall use generally accepted accounting principles.
4. Costs charged to this grant cannot be charged to any other program.
5. All costs shall be actual and supported by source documentation. Financial reimbursement will be delayed until all backup documentation is received by the OHSP. A document entitled "Acceptable Backup Documentation for Federal Cost Claims" is available from the OHSP to assist with identifying adequate backup documentation.
6. A separate account or fund must be established for this project. A separate account is required to be maintained by all agencies receiving grant funds from the OHSP regardless of the dollar amount. In addition, the grantee receiving funds from the OHSP for multiple grant projects must have a separate account for each grant project and funding type. It is the responsibility of the lead agency to ensure all sub-agencies meet this requirement. The general ledgers of the sub-agencies are not required to be submitted with requests for payment unless specifically requested by the OHSP.
7. Costs reported on the final Financial Status Report (FSR) must match the agency's separate account or fund that has been established for this project inside the agency's accounting system.
 - **Financial documents must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.**
8. Comingling of funds on either a program-by-program or project-by-project basis is prohibited. The grantee's accounting system must maintain a clear audit trail for each source of funding for each fiscal budget period and include the following:
 - a. Separate accountability of receipts, expenditures, disbursements and balances.
 - b. Itemized records supporting all grant receipts, expenditures, and match contributions in sufficient detail to show exact nature of activity.
 - c. Data and information for each expenditure and match contribution with proper reference to be a supporting voucher or bill properly approved.
 - d. Maintenance of payroll authorization and vouchers.
 - e. Maintenance of records supporting charges of fringe benefits.
 - f. Maintenance of inventory records for equipment purchased, rented, and donated.
 - g. Maintenance of billing records for consumable supplies (i.e., paper, printing) purchased.
 - h. Provisions for payment by check.
 - i. Maintenance of travel records (i.e., mileage logs, parking, hotels, meal receipts).
 - j. Lease agreements, contracted services, and equipment purchases that adhere to established procurement processes.
9. Costs must be net of all applicable credits such as purchase discounts, rebates or adjustments of overpayments, or erroneous charges.
10. The following deviations from the approved budget require PRIOR approval from the OHSP: Once approved, appropriate amendments will need to be made to the grant agreement in the MGX.
 - a. A specific item of cost not included in the approved budget.
 - b. An increase in the number of a specific item over and above the total authorized.
 - c. A transfer between major budget categories in excess of 10 percent of the budget category title being increased. (Personnel Costs, Contractual Services, Supplies & Operating Costs, Equipment, and Indirect – not the individual budget line-item titles.)
11. **Procurement Methods**
 - a. Competition: The grantee shall conduct all procurement and contractual transactions, without regard to dollar value, to provide maximum, open, and free competition. Maximum, open, and free competition shall be assured through the distribution of an adequate number of proposal solicitations.
 - b. Small Purchase Procedures: Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$25,000 in total. If small purchase procedures are used, price or rate quotations must be obtained from at least three (3) Buy America Act qualified sources.
 - c. The grantees shall follow their competitive bid process providing it is at least as restrictive as the process required by the [Title 2 Code of Federal Regulations 200.320](#), the State of Michigan and complies with the Buy America Act. (A copy of the State of Michigan procurement policy is available upon request.) The grantee agrees to ensure that minority business enterprises, as defined in [49 CFR Part 23](#), have the maximum opportunity to participate in the performance of contracts and subcontracts financed, in whole or in part, with funds provided under this agreement. The grantee must document that multiple bid were sought in a competitive bidding process. When two or more responses were not received, the grantee shall indicate the selected bid was the only response.
 - d. No employee or agent of the grantee shall participate supported by Federal funds if a conflict of interest, real or apparent, would be involved.
 - e. A copy of the sub-recipient's established procurement procedures must be readily available for audit purposes upon request from the OHSP. Records must sufficiently detail the procurement history for all purchases and should detail the rationale for the method of procurement and selection of contract type, written selection procedures, documented reasons

for rejections, and the basis for the contract price.

12. Documentation for costs shall be maintained for three years following final reimbursement.
13. Any program income received shall be used exclusively to further traffic safety project activities. Program income is defined as gross income earned by the prospective primary participant from grant supported activities. Some examples are proceeds from the sale of items purchased or developed with grant funds, or revenue received from attendees at trainings or conferences paid for with grant funds. Program income must be netted against costs incurred within the grant or returned to the OHSP, unless prior permission is obtained from the OHSP to use the funds for other traffic safety projects. Contact the OHSP for further information.
14. Local Match: non-federal, in-kind costs that the grantee contributes to the grant project. The FAST Act 405(h) Nonmotorized Safety grant funds and the 2024 BIL 405(g) Nonmotorized Safety grant funds require a minimum 20 percent local match for the entire grant project cost. Local match costs must be supported with documentation. With prior approval from the OHSP, program income may be used to meet the cost sharing or matching requirement of the Federal award. For additional information on local match or "cost sharing" please reference [2 CFR 200.306](#).
15. General Cost of Business (formerly referred to as Supplanting): The replacement of routine and/or existing expenditures with the use of state or federal grant funds for costs of activities that constitute general expenses required to carry out the overall responsibilities of a state or local agency or other grantee is general cost of business and is not allowable.

The grantees shall not use grant funds to replace state or local funds, or other resources that would otherwise have been made available for this program. Further, if a position created by a grant is filled from within, the vacancy created by this action must be filled within 30 days. If the vacancy is not filled within 30 days, the grantee must stop charging the grant for the new position. Upon filling the vacancy, the grantee may resume charging the grant position.

The Financial Officer or Authorizing Official's straight time costs may not be funded under this grant.

16. All other financial management requirements as listed in [Title 2 Code of Federal Regulations 200.302](#) (Financial Management).

COST REIMBURSEMENT

1. All OHSP projects are based on the cost reimbursement concept; i.e., state, local, or private funds shall be expended before reimbursement is provided.
2. Reimbursement is based on submission and approval of progress, enforcement, and financial reports. All requested information should be submitted electronically through the online grant management system MGX. Otherwise backup information may be submitted via US mail, by fax, or by email. A financial report submitted to the OHSP by the grantee shall contain the following to be considered complete:
 - a. Electronic signatures for the agency's Financial Officer, Project Director, Authorizing Official, or employee(s).
 - b. A copy of a report for the current period generated by the grantee's official accounting system which shows a description of the item and the actual amount spent. Some examples of acceptable reports include a detailed general ledger, a transaction ledger, a payroll journal, or a detailed budget/expenditure report. The report must match the amount being requested for reimbursement.
 - c. For enforcement grants: Officer names, dates, and amounts paid for each agency participating in grant funded patrols.
 - d. For non-enforcement grants with personnel costs: Activity logs as described in "Personnel Costs" under "Budget Cost Category Requirements."
 - e. Copies of invoices must be included.
 - f. Additional documentation as requested by the OHSP.
3. Financial reports are due, at a minimum, on a quarterly basis. Financial report due dates are specified in the grant approval letter. Financial reports must be submitted even when the project experiences no costs. In this case, a "zero" financial report shall be submitted. The submission of financial reports is mandatory, and non-compliance can result in termination of the grant. Financial reports will be considered delinquent if not submitted by the due dates specified in the grant approval letter.
4. The Project Director shall ensure that financial reports are submitted in compliance with reporting deadlines. If the financial report is submitted electronically without backup documentation, the financial report is not considered submitted and the grantee will receive a delinquent letter stating the same.
5. A delay in submitting support documentation may result in the suspension of all grant activity.
6. Failure to submit cost statements with adequate supporting documentation prior to the fiscal year close out deadline will result in non-reimbursement of those costs. Costs from one fiscal year cannot be paid in a subsequent fiscal year.

AUDIT REQUIREMENTS

This section applies to grantees designated as sub-recipients by the OHSP.

1. Required Audit or Audit Exemption Notice. Grantees must submit to the OHSP either a Single Audit, Financial Related Audit, or Audit Exemption Notice as described below. A Financial Related Audit is applicable to for-profit and not for profit grantees that are designated as sub-recipients. If submitting a Single Audit or Financial Related Audit, grantees must provide explanations in writing for any audit findings that impact the OHSP-funded programs submit a Corrective Action Plan to address each finding on how they will correct the issues.
 - a. Single Audit. Grantees, sub-recipients, and contractors that are a state, county/local government, or non-profit or not for profit organization that expend \$750,000 or more in federal awards during the grantee's, sub-recipient's, and contractors fiscal year, must submit a Single Audit to the OHSP, regardless of the amount of funding received from the OHSP. The Single Audit must comply with the requirements of [Title 2 Code of Federal Regulations, Subpart F](#). The Single Audit reporting package must include all components described in [Title 2 Code of Federal Regulations, Section 200.512\(c\)](#).
 - b. Financial Related Aid. Grantees that are for-profit organizations that expend \$750,000 or more in federal awards during the grantee's fiscal year must submit either a financial related audit prepared in accordance with Government Auditing Standards relating to all federal awards; or an audit that meets the requirements contained in [Title 2 Code of Federal Regulations, Subpart F](#), if required by the federal awarding agency.
 - c. Audit Exemption Notice. Grantees exempt from the Single Audit and Financial Related Audit requirements (a. and b. above) must submit an Audit Exemption Notice that certified these exemptions.

2. Financial Statement Audit

Grantees exempt from the Single Audit and Financial Related Audit requirements (that are required to submit an Audit Exemption Notice as described above) must also submit to the OHSP a Financial Statement Audit prepared in accordance with generally accepted auditing standards if the audit includes disclosures that may negatively impact the OHSP-funded programs including, but not limited to fraud, ongoing concern uncertainties, financial statement misstatements, and violations of contract and grant provisions. If submitting a Financial Statement Audit, grantees must also submit a corrective action plan for any audit findings that impact the OHSP-funded programs.

3. Other Audits. The OHSP or federal agencies may also conduct or arrange for "agreed upon procedures" or additional audits to meet their needs.

BUDGET COST CATEGORY REQUIREMENTS

(Refer to the following for specific requirements of budget cost categories. Only requirements for cost categories contained within your approved grant budget apply.)

PERSONNEL COSTS

1. Includes itemized monthly or hourly salary rate. Fringe benefits are included under personnel costs.
2. Payments for salaries and wages shall be supported by a time and attendance report, based on an after-the-fact distribution of time, which shows details of the activities performed. All time and attendance reports must be signed by the employee and supervisor. Electronic signatures are accepted.
3. Federal guidelines prohibit using federal grant funds to pay for routine and/or existing state or local expenditures.
4. If the grant contains personnel services as part of the award, a job description for each position listed in the budget must be available to the OHSP upon request.

For enforcement grants (grantee) - See program requirements Section 5.

For non-enforcement grants – The grantees must maintain activity logs which document the actual amount of time spent on the grant project and describe the nature of the activities performed. If the grant is funded from multiple sources, the logs must show the activity by fund source. This documentation must be submitted with the financial reimbursement request.

5. Reimbursement for wages and fringe benefits shall be based on actual costs NOT budgeted rates. Only those fringe benefit costs that increase because of hours worked on this project can be claimed for reimbursement. For overtime wages, those costs typically include FICA, workers comp, and retirement, but if any of these costs are structured so that they do not increase with overtime, they cannot be reimbursed. For straight-time grant-funded positions, all fringe benefits associated with the position may be claimed to the extent that the position has been approved for reimbursement (e.g., if 50 percent of the position is grant funded, 50 percent of the fringes benefits can be claimed.) Fringe benefit rates must be reasonable and in accordance with federal cost principles.
6. The rate of pay for grant-funded enforcement shall be determined according to the grantee's contract or employment agreement. Overtime rates must be applied consistently to all activities of an agency – higher rates may not be established just for federal grants.
7. Agencies shall comply with all state labor laws.

CONTRACTUAL SERVICES

The grantee must have a written and established contracting policy that it will utilize when engaging in contracting services. At a minimum this policy should include cost or price analysis, bid vs buy decision process, bid acquisition methods, and contractor monitoring. The contracting policy should follow [Title 2 Code of Federal Regulations part 200.318, 200.321, 200.323, 200.326, 200.330, and Appendix II to Part 200.](#)

Contractual services are services of individual consultants or consulting firms engaged in performing special services pertinent to highway safety. Contracts are allowable when necessary, to achieve the goals of the grant agreement. Costs are allowable for products, highway safety consultants, personal services, and/or individuals for support services, provided applicable state and local procurement procedures are followed and documentation is available that describes the official contract and procurement practices. Contracts and procurements must include "special provisions" as provided by the OHSP. The grantee is responsible for verifying contractor eligibility by checking the national List of Parties Excluded from Federal Procurement and Non-Procurement Programs list available at www.govinfo.gov or adding a self-certification clause or condition to the contract.

All grantees awarding contracts or sub-contracts shall comply with the terms and conditions of [Title 49 Code of Federal Regulations, Part 18-Uniform Administrative Requirements for Grant and Cooperative Agreements to State and Local Governments, §18.36 Procurement](#). A signed copy of the contract, including the fully listed federal certifications and assurances, shall be submitted to the OHSP upon completion and is required for processing and approval of financial reimbursement requests.

The grantee awarding is responsible for managing all contracts issued using the OHSP grant funds including:

- a. Ensuring the contractor complies with all contract provisions.
- b. Ensuring services are performed according to the quality, quantity, objectives, timeframes, and manner specified in the contract.
- c. Ensuring that all work is completed and accepted before the contract expires.
- d. Assessing and requesting amendments, renewals or new contracts as required allowing sufficient time to process and execute these changes before the contract expires to prevent lapse in service.
- e. Ensuring that contracts are amended after any grant agreement amendment that affects the contract terms.
- f. Reviewing and approving invoices for payment, ensuring payments are made in accordance with contract terms, all costs are budgeted and allowable, and work has been performed.
- g. Monitoring contract expenditures to ensure there are sufficient funds to pay for all services rendered as required by the contract.
- h. Verifying all requirements of the contract are fulfilled before submitting the final invoice.
- i. Ensuring that all Personnel Activity log requirements are met.

SPECIAL PROVISIONS

The grantee awarding must insert in all contracts and funding agreements the following clause:

During the performance of this contract/funding agreement, the contractor/funding recipient agrees—

(insert this clause, including paragraphs a through d in every subcontract and sub-agreement and in every solicitation for a subcontract or sub-agreement, which receives Federal funds under this program.)

- a. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time.

- b. Not to participate directly or indirectly in the discrimination prohibited by any Federal non-discrimination law or regulation, as set forth in Appendix B of 49 CFR part 2 herein.
- c. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the OHSP, US DOT, or NHTSA.
- d. That, in the event a contractor/funding recipient fails to comply with any nondiscrimination provisions in this contract/funding agreement, the OHSP will have the right to impose such contract/agreement sanctions as it or the NHTSA determine are appropriate, including but not limited to withholding payments to the contractor/funding recipient under the contract/agreement until the contractor/funding recipient complies; and/or cancelling, terminating, or suspending a contract or funding agreement, in whole or in part.

OPERATING COSTS

1. Only eligible operating costs specifically listed in the approved grant budget will be reimbursed. These are costs not covered under other budget categories, including services not requiring contractual agreements and minor equipment such as office supplies, printing, and educational materials.
2. Automotive expenses submitted shall be based on actual costs incurred. In most cases, this will be calculated by multiplying actual miles driven times a mileage rate. The rate will be determined when the grant is approved but will generally be the Internal Revenue Service (IRS) business mileage rate. With prior approval, reimbursement may be allowed based on the actual costs incurred for gasoline, maintenance, insurance, and other vehicle expenses.
3. Postage, telephone, and grant-related travel costs shall be documented by log or meter and submitted with the reimbursement request.

TRAVEL COSTS

Out-of-state travel funded by federal grant funds requires prior written approval by the OHSP Division Director. A written request shall be submitted on the form provided. Requests shall be submitted at least 30 days in advance of anticipated travel. Financial commitment (i.e., travel arrangements, conference fees, hotel reservations, etc.) shall not be made prior to the OHSP approval.

REIMBURSEMENT

The grantee will be reimbursed for travel cost (including mileage, meals, and lodging) budgeted and incurred related to services provided under this agreement. The grantee will have established and follow documented Travel Policies.

1. Reimbursements for travel (meals, lodging, mileage, etc.) cannot exceed the lesser of the grantee's published travel rates or the allowable State of Michigan travel rates. Exceptions require the OHSP approval during the grant application process. Grantees requesting an exception will attach their organization's travel policy when the first grant draft is submitted. The policy must be applicable to all organization travel. Policies will be reviewed by the OHSP fiscal manager for approval and cannot exceed the current federal travel reimbursement rates.
2. SOM travel rates may be found at the following website: <https://www.michigan.gov/dtmb/services/travel>

EQUIPMENT (INCLUDES SOFTWARE)

Items purchased for direct use by an agency or contractor (rather than for public distribution) are categorized as equipment. Please reference the federal law definition at 23 CFR 1300.31. Equipment is closely tracked pertaining to both federal and state regulations based on value and usable life.

In 2016, the NHTSA released a memorandum clarifying equipment purchases for federal highway safety grant projects. Equipment is eligible for reimbursement as a direct expense chargeable to a specific project agreement, provided the equipment is needed to perform that project. A project for which equipment is needed must be based on identification of a specific safety problem in Michigan.

In other words, a project must first be established based on problem identification. If that project requires the use of equipment for its performance, the cost of that equipment may be reimbursed under the grant. No project may be created solely to purchase equipment. Fundamentally, the NHTSA-funded highway safety grants are for safety activities, and equipment serves a supporting role in accomplishing those activities through defined projects.

The OHSP maintains an equipment log to track equipment purchased with federal funds based on use and value. When an agency needs to dispose of equipment, the OHSP must be contacted immediately, and appropriate disposal policy must be followed. Specific attention must be given to disposal of equipment that is still within its useful life. Department of Technology, Management, and Budget's policy indicates a maximum useful life of 10 years and is valued at over \$5,000.

1. Only eligible equipment specifically listed in the equipment section of the approved grant budget will be reimbursed. Equipment costs shall be reimbursed according to the match requirements as specified in the approved grant budget.
2. Equipment purchases shall be initiated within the time period specified in the approved grant. "Initiated" means bids were solicited, accepted, and items have been ordered. If there is a reason a grantee is unable to meet this requirement, the OHSP program coordinator shall be contacted immediately.
3. Equipment purchased through this grant shall be used only for highway safety activities throughout its useful life, whether the project or program continues to be supported by the Federal award.
4. Equipment with a cost of \$5,000 or more shall be tracked by the grantee for inventory control purposes. In addition, the OHSP Equipment Record System Form with all applicable information completed shall be submitted with the prospective participant's or sub-recipient's reimbursement request. The grantee shall make the item available for physical review by the OHSP staff when requested.
5. All equipment purchases with the NHTSA funds shall comply with the Buy America Act requirements before costs will be reimbursed. Please refer to section eleven under the heading Grant Management Requirements for specific terms of the Buy America Act.

DIRECT COST ALLOCATION PRINCIPLES

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, the costs may be allocated or transferred to benefited projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

DISPOSITION OF EQUIPMENT

1. If the equipment is to be disposed of or ceases to be used for highway safety activities the grantee is required to contact the OHSP prior to such disposition action. The OHSP reserves the right to follow [2 CFR 200.331\(e\) Disposition](#). This section gives the awarding agency the right to transfer the property to another grantee who could utilize the equipment for their grant related project. If no grantee can be found, the OHSP will contact the NHTSA for disposition instruction as the NHTSA could transfer the property to another state for utilization of the equipment. If the equipment is determined to have a Current Fair Market Value of \$5,000 or more, the OHSP must contact the NHTSA for disposition instructions. If no response is provided within 120 days, the OHSP reserves the right to retain or transfer title of all items.

If the equipment is then sold, the OHSP will deduct \$500 or ten percent of the proceeds, whichever is less, for the selling and handling expenses. The OHSP will decide whether to share those proceeds with the grantee.

2. The OHSP may allow the holder of the equipment to retain title of the equipment and reimburse the federal or State share of the fair market value of such equipment. The Current Fair Market Value shall be determined as follows:
 - a. Appraisal by an independent source with expertise in valuation of similar items is the preferred method of valuation for equipment.
 - b. For vehicles, [Kelley Blue Book](#), [National Automobile Dealer Association \(NADA\) Guides](#), or a similar third-party vehicle valuation service, may be used when valuing the condition of the vehicle.
 - c. If a fair market value based on appraisal or a third-party valuation service cannot be determined, the value may be based on [IRS depreciation schedules](#). Only straight-line depreciation may be used.

COLLECTION OF UNALLOWABLE COSTS

Payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise. See also [Subpart D—Post Federal Award Requirements](#) of this part, and [Part 200.300 Statutory and National Policy Requirements through 200.309 Period of Performance](#).

INDIRECT COSTS

Title 2 CFR 200 provides guidance on indirect cost as follows:

[Section 200.414 Indirect \(F&A\) Cost -\(F\)](#): In addition to the procedures outlined in the appendices in paragraph (e) of this section, any non-Federal entity that has not negotiated an indirect cost rate, except for those non-Federal entities described in [Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals](#), paragraph D.1.b, paragraph D.1.b, may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC) which may be used indefinitely. As described in [§200.403](#) factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

CONFLICT OF INTEREST AND CODE OF CONDUCT STANDARDS

1. The grantee is subject to the provisions of [1968 PA 317](#), as amended, [1973 PA 196](#), as amended, and [Title 2 Code of Federal Regulations Section 200.318 \(c\) \(1\) and \(2\)](#). [2 CFR 1201.112](#).
2. The grantee must have established conflict of interest policies, in accordance with [Title 2 Code of Federal Regulations Section 200.112](#).
3. The grantee will uphold high ethical standards and is prohibited from:
 - a. Holding or acquiring an interest that would conflict with this agreement.
 - b. Doing anything that creates an appearance of impropriety with respect to the award or performance of this agreement.
 - c. Attempting to influence or appearing to influence any state employee by the direct or indirect offer of anything of value;
or,
 - d. Paying or agreeing to pay any person, other than employees and consultants upon the award of this agreement.

TERMINATION

The OHSP retains the right to terminate a grant for failure to meet the grant management requirements or for not satisfying project goals or objects, which is to be decided by an OHSP management review. When a grant is terminated by the OHSP, the grantee shall not be eligible to seek grant funding for a period of two years. To obtain a grant after the two-year period, the grantee will be required to submit written assurance that the identified deficiencies have been corrected. Additionally, the agency may be required to submit monthly financial reports to allow for increased financial monitoring.

MANDATORY DISCLOSURES

1. Disclose to the Department in writing within 14 days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "proceeding") involving grantee, a subcontractor, or an officer or director of grantee or subcontract, or that arises during the term of this agreement including:
 - a. All violations of federal and state criminal law involving fraud, bribery, or gratuity violations potentially affecting the agreement.
 - b. A criminal proceeding;
 - c. A proceeding under the [Sarbanes-Oxley Act](#);
 - d. A civil proceeding involving a claim that might reasonably be expected to adversely affect grantee's viability or financial stability; or
 - e. A governmental or public entity's claim or written allegation of fraud;
2. Notify the OHSP, at least 90 calendar days before the effective date, of a change in grantee's ownership and/or executive management.

REFERENCES

Statutes

Highway Safety Act of 1996: [U.S.C. Chapter 4](#)

Rules

The rules which govern the Highway Safety Grant Programs is available at:

[Part 1300 - Uniform procedures for state highway safety grant programs](#)


Title 2: Grants and agreements Part 200 (2 CFR 200) [Uniform administrative requirements, cost principles, and audit requirements for federal awards](#)

[Federal Electronic Code of Regulations](#)

[NHTSA allowable and unallowable costs](#)

[NHTSA Highway Safety Grants Program Resource Guide](#)

Draft Application Signature Approval

Project Director Agreement 

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[Click here to affirm that you have read and agree to comply with the Grant Management Requirements.](#)

Final Application Signature Approval

Authorized Official Agreement 

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[Click here to affirm that you have read and agree to comply with the Grant Management Requirements.](#)