

**OHIO ATTORNEY GENERAL'S OFFICE  
RECIPIENT ORGANIZATION AGREEMENT**

Recipient Organization: City of Columbus, Ohio Division of Police

Maximum Amount: \$109,375.00

Award Period: Commencement Date – October 1, 2017      End Date – June 30, 2019

The parties hereto agree as follows:

I.      Funding Purpose and Recapture of Funds. In accordance with the terms hereof, the Recipient Organization (the “Recipient”) agrees to expend certain funds for the Law Enforcement Diversion Program to address the opioid epidemic in Ohio by providing necessary assistance and/or referrals to treatment options, recovery support, counseling and mental health treatment services, in accordance with the approved application attached hereto as Exhibit A and incorporated as if fully rewritten herein. The Recipient agrees that it will be liable to repay any funds spent in a manner inconsistent with this Agreement or the stated purpose as determined by the Ohio Attorney General (“Attorney General”). This Agreement may only be modified with the prior written approval of the Attorney General. All modifications to this Agreement will be in writing and signed by both parties to this Agreement. Any change from the application in Exhibit A without a modification to this Agreement will be grounds for recapture of the funds by the Attorney General.

II.      Limitations on Use of Funds. Funds received under this Agreement will not be used for any political campaign or governmental lobbying in a partisan manner. Expenses to be reimbursed under this Agreement must be performed during the Award Period stated above.

III.      Disbursement of Funds. Funds will be disbursed monthly on a reimbursement basis upon the Attorney General’s receipt of a Request for Payment Report, the form of which is attached hereto as Exhibit B, from Recipient documenting the services provided for the previous month. Request for Payment Reports are due by the tenth of each month for the previous month’s expenses. After receipt and approval by the Attorney General of a completed Request for Payment Report, payment will be made pursuant to Ohio Adm.Code 126-3-01. Unless otherwise directed by the Attorney General, completed Request for Payment Reports should be directed via email to: [Invoices@OhioAttorneyGeneral.gov](mailto:Invoices@OhioAttorneyGeneral.gov). Recipient may not make a request for payment of more than one-half of the funds awarded under this Agreement before June 30, 2018. Disbursements are contingent upon the timely submission and approval of all required program and financial reports and compliance with the requirements set forth in Paragraphs IX and XII below. Unexpended funds must be returned to the Attorney General.

IV.      Ethics/Conflict of Interest. The Recipient, by signature on this document, certifies that it has reviewed and understands the Ohio ethics and conflict of interest laws, and will take no action inconsistent with those laws.

V.      Non-Discrimination. Pursuant to Ohio Revised Code (“R.C.”) 125.111 and the Attorney General’s policy, Recipient agrees that Recipient and any person acting on behalf of Recipient shall not discriminate, by reason of race, color, religion, sex, sexual orientation, age, disability, military status, national origin, or ancestry against any citizen of this state in the employment of any person qualified and available to perform the work under this Agreement. Recipient further agrees that Recipient and any person acting on behalf of Recipient shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance of work under this Agreement on account of race, color, religion, sex, sexual orientation, age, disability, military status, national origin, or ancestry.

VI. Compliance with Law. The Recipient, in expending the funds, agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances.

VII. Authority to Bind Parties. The person signing this document on behalf of Recipient is legally authorized to contractually obligate the Recipient.

VIII. Certification of Funds. It is expressly understood and agreed by the parties that none of the rights, duties, and obligations described in this Agreement shall be binding on either party until all relevant statutory provisions of the Ohio Revised Code, including, but not limited to, R.C. 126.07, have been complied with, and until such time as all necessary funds are available or encumbered and, when required, such expenditure of funds is approved by the Controlling Board of the State of Ohio, or in the event that grant funds are used, until such time that the Attorney General gives Recipient written notice that such funds have been made available to the Attorney General by the Attorney General's funding source.

IX. Reporting Requirement. Recipient shall submit a report by January 1, 2018 and a report every six months thereafter to the Attorney General describing the use of the funds during the Award Period and the outcome received from the expenditure of the funds. These reports shall be submitted to the Attorney General no later than January 1, 2018, June 30, 2018, January 1, 2019, and June 30, 2019 and sent to the following address: [GrantsManagement@OhioAttorneyGeneral.gov](mailto:GrantsManagement@OhioAttorneyGeneral.gov). Recipient must adhere to all mandatory fiscal and program administration guidelines, including audit requirements, as determined by the Attorney General.

X. Relationship of Parties. It is fully understood and agreed that Recipient is an independent contractor and neither Recipient nor its personnel shall at any time, or for any purpose, be considered agents, servants, or employees of the Attorney General for the purpose of Ohio Public Employees Retirement Systems benefits.

XI. Time of Performance. Notwithstanding the foregoing, as the current General Assembly cannot commit a future General Assembly to expenditure, this Agreement shall expire no later than June 30, 2019.

XII. Compliance with R.C. 9.23 through 9.238. Recipient agrees to comply with R.C. 9.23 through 9.238, and Ohio Adm.Code 109-3-01 through 109-3-04 (attached as Exhibit C and incorporated as if fully rewritten herein), regarding financial accountability of persons that contract with the State, including, but not limited to, the following:

A. Pursuant to R.C. 9.232(A) and Ohio Adm.Code 109-3-01, Recipient agrees that the minimum percentage of money that is to be expended on Recipient's direct costs will be 85%. As defined in Ohio Adm.Code 109-3-01, direct costs include, but are not limited to: compensation of employees for the time devoted to the performance of the agreement; cost of materials or supplies acquired, consumed, or expended for the purpose of the agreement; equipment and other capital expenditures specified in the agreement. Direct costs do not include the costs of any financial review or audit.

B. Recipient is responsible for maintaining adequate expenditure records pursuant to Ohio Adm.Code 109-3-02 and R.C. 9.232(B). Recipient agrees to file a final report pursuant to R.C. 9.234(A) which includes financial statements, documentation of the major categories of expenditure of the Funds, and a summary of the activities for which the Funds were used within 360 days of receipt of the Funds. The records that Recipient must maintain to document such direct costs pursuant to R.C. 9.232(B) and Ohio Adm.Code 109-3-02 will support the receipt and expenditure of monies under this Agreement and consist, at a minimum, of the following: payroll and related expenses; receipts for materials or supplies acquired, consumed, or expended for the purpose of this Agreement; receipts for equipment and other capital expenditures specified in this Agreement; other receipts for expenditures made for the purpose of

this Agreement. Records documenting direct costs will be available and accessible for inspection and will be maintained by Recipient for not less than one year following the financial audit or financial review.

C. Recipient will comply with the financial review and audit requirements established in R.C. 9.234 and 9.235, and the rules of the auditor of state adopted pursuant to R.C. 9.238.

D. Recipient will comply with Ohio Adm.Code 109-3-01 through 109-3-04 as established by the Attorney General under R.C. 9.237, attached hereto and incorporated by reference as Exhibit C.

E. Pursuant to R.C. 9.232(F), Recipient agrees that any funds disbursed to Recipient in excess of the contract payment earned must be repaid to the Attorney General.

[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Recipient Organization Agreement to be executed by their duly authorized officers.

**OHIO ATTORNEY GENERAL**

30 East Broad Street, 17<sup>th</sup> Floor  
Columbus, Ohio 43215-3400

By: \_\_\_\_\_

Ann O'Donnell  
Senior Advisor and Director of Policy and  
Public Affairs

Date: \_\_\_\_\_

**CITY OF COLUMBUS, OHIO DIVISION OF  
POLICE**

120 Marconi Boulevard  
Columbus, Ohio 43215

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*Approval as to Form*

By:  \_\_\_\_\_

Jessica B. Tom  
Senior Assistant Attorney General  
Executive Agencies, Business Counsel Unit

Date: 11/6/17 \_\_\_\_\_

**EXHIBIT A**  
**Approved Application**

**Ohio Attorney General Grant Program**

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**Organization Information**

Organization Name:

Address:

City:

Zip:

County:

Phone Number:

Is your organization tax exempt under Section 501 (c)(3):       Yes       No

**Head of the Organization**

Name:

Title:

Phone Number:

E-mail Address:

**Contact Person Information**

Name:

Title:

Phone Number:

E-mail Address:

Ohio Attorney General Grant Program

Work Plan Essays

The Work Plan Essays explain the connections between the different components of the program or project. It is a useful tool for planning, implementation, and evaluation and for quickly explaining to others what your program is about.

1. What would the grant funds be used for?

CPD would like to approach the problem of opiate addiction in the City of Columbus in a more formalized method and attempt to use any data/intelligence gained from those contacts in a more aggressive approach to enforcement of drug offenses involving those responsible for the sales, delivery, and distribution of illegal narcotics. This proposal involves placing one Crisis Intervention Trained law enforcement officer from CPD with one of the two teams assigned to Columbus Division of Fire's (CFD) Rapid Response Emergency Addiction Crisis Team (RREACT) on a full time basis for 60 days each cycle, in conjunction with the collective bargaining agreement between the City of Columbus and the Fraternal Order of Police, Lodge #9. The assigned officer will work with the RREACT team to assist with follow up on individuals identified by the RREACT team and including those that have eloped from a hospital, in-patient placement or from the mental health/addiction system. The funds would cover overtime for the CIT officer being deployed with CFD.

2. Outline at least one substantial and concrete goal this project will attempt to achieve. Goals are statements regarding the type of **broad** change that will occur in your community as a result of your program. They may be either short-range or long-range.

A substantial and concrete goal will be to reduce the number of narcotics associated police calls for service in the zip codes in Columbus experiencing the highest rate of overdose runs, from data collected by CPD and CFD. Besides actual overdose calls, both of these areas are experiencing high levels of narcotics related calls. These are typically coded as 10-49A calls. This proposal allows the officer to gain additional knowledge, skills, ability and experience from working closely on a full time basis with the EMS/RN/Outreach Coordinator model. Allows for the collection of intelligence for law enforcement purposes, both from the victim of the overdose but from family, friends and the environment. That information may be passed on to specialty units within the Division for follow up.

3. Outline objectives that will result from the proposed project. Objectives are **specific**, observable, time-framed, and measurable. They should relate to your goal.

By examining and comparing Computer Aided Dispatch Software (CAD) data related to 10-49A calls prior to the implementation of this project and throughout the project cycle, measurable data can be collected to show if the number of these type of calls decrease or not.

In addition, it will allow for a comparison as to which model is preferable: EMS/RN/Outreach Coordinator or EMS/LE/RN/Outreach Coordinator to define some best practice standards and potential future funding in the arena of opiate response .

**Ohio Attorney General Grant Program**

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4. Describe the steps necessary to accomplish your objectives including an operational schedule for the project.

1. Coordinate with Ohio Attorney General's Office on final approval and funds schedule distribution.
2. Coordinate with ADAMH Board and CFD's RREACT to solidify implementation strategy.
3. Start project
4. End of Project
5. Report Findings

5. Who will be responsible for completing the work necessary to achieve the objectives?

Lt. Dennis Jeffrey, CPD.

6. Specify the indicators and measures to be used to determine if your objectives have been met. The methodology, type of measurement utilized, and responsible individuals for collecting this data should be specified.

The collection of data and measurement will involve multiple entities. The City of Columbus Division of Police and Division of Fire will provide relevant data using our CAD system and Premier One, which is the report/case management system used by CPD. Lisa Waugh will provide the CAD data and Dale Thomas will provide the Premier One data. The CAD data will track the narcotics related calls for service in the identified zip codes. By developing a baseline of the current numbers for these areas and performing weekly/monthly audits, there will be immediate data available as to an anticipated decrease in these types of calls for service.

By providing ongoing case management, the 60% target for getting identified individuals into treatment will be measured on a daily/weekly basis.

**Ohio Attorney General Grant Program**

**Project Budget**

1. The amount of grant funding your organization was awarded:

\$109,375.00

2. Using the table below, please provide an itemized budget for the use of funds. This budget should be a specific and detailed breakdown of exactly how the funds will be used.

Item Description / Unit	# of Items	X	Unit Cost	=	Total
CPD CIT Officer using OT	1	X	108,602	=	\$108,602
	2	X		=	\$0
	3	X		=	\$0
	2	X		=	\$0

Additional Line (Limit 28 Items)

Total     \$108,602



**Ohio Attorney General Grant Program**

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3. Please provide a detailed description of the items included in the Project Budget table.

The total grant funds will be utilized to pay for overtime for a CIT Officer to be embedded with the RREACT Team.

4. Please provide a time frame in which the funds will be used, including milestones and project completion.

The funds will be utilized throughout the life of the grant. Funds will be distributed in a bi-weekly format to coincide with the normal Columbus Division of Police pay cycle.

5. Should you be using an amount of the funds, within the allowable range, for salary, what is your plan for funding the position(s) once the grant funds are exhausted?

Based on the success of this project, and once available funds are exhausted, it is our hope that this project will be a proof of concept for continuing the work that this grant allowed us to create. By reaching out to the Franklin County ADAM Board and Columbus City Council with approval from the City Safety Director's Office, we feel that there will be a desire to continue these efforts. This issue will not be going away anytime soon and in order to beat it, there will need to be an extended effort to carry on the work the grant started. Also, there are other projects in the community that are tackling this very problem. It is our desire to potentially combine efforts to provide the best possible solution for the community.

**Organization Authorization and Certification**

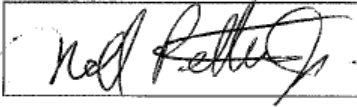
I understand that by signing this application, I grant the Ohio Attorney General's Office or its authorized agents access to any records for verification and evaluation of the information provided in this application. I understand that completion of the application does not guarantee that I will receive the requested grant.

I certify that the information I have provided in this application is, to the best of my knowledge, a true and accurate and complete disclosure of the requested information. I understand that I may be held civilly and criminally liable under Federal and State law for knowingly making false or fraudulent statements.

Organization:

City of Columbus, Department of Public Safety

Signature:



Date:

10/27/2017

Name:

Ned Pettus Jr., Ph.D.

Title:

Director of Public Safety

Columbus Division of Police/Southeast Inc.

**A. Personnel: Salary of direct project staff**

Name	Position	Computation				Cost
		Salary	Basis	% of Time	Length of Time	
Columbus Division of Police	E-Step Officer	\$ 60.48	39.70 + .62 x 1.5 (Base Pay + FLSA x OT rate)	100%	48 OT hours per pay period (30 pay periods)	87,091.20
<b>TOTAL</b>						<b>87,091.20</b>

**PERSONNEL NARRATIVE**

Personnel costs are based on current FOP Contract E-Step Base Pay Rate, FLSA Longevity Pay rate for officer w/25 years of service credit, and multiplied at an OT rate calculated at 1.5. Cost would be for one officer to work approximately 48 OT hours per pay period, for 26 pay periods.

**B. Fringe Benefits: Benefits for positions included in personnel category**

FRINGE BENEFITS			
Description	Computation		Cost
	Base	Rate	
FICA			
Pension City Share	\$ 87,091.20	19.50%	\$ 16,982.78
Pension Pick Up	\$ 87,091.20	1.50%	\$ 1,306.37
Medicare	\$ 87,091.20	1.45%	\$ 1,262.82
Workers Comp	\$ 87,091.20	2.25%	\$ 1,959.55
<b>TOTAL</b>			<b>21,511.53</b>

**FRINGE BENEFITS NARRATIVE**

Pension City Share 19.5% is current city rate; Pension Pick Up 1.5% is current FOP Contract 2017 rate; Medicare Rate 1.45% is current federal rate; Worker's Compensation is currently set at 1.0%, and scheduled to increase to 2.25% effective 1/13/2018.

**C. Travel: Appropriate and necessary travel expenses**

Purpose of Travel	Location	Computation							
		Item	Cost Rate	Basis	Quantity	# of People	# of Trip	Cost	
		Lodging							
		Micals							
		Mileage							
		Transportation							
		Local Travel							
		Airfare							
		Airport Parking							
<b>TOTAL</b>									-

**TRAVEL NARRATIVE**

**D. Equipment: Appropriate and necessary equipment. Any item costing less than \$500 should be included in the Supplies category.**

Item	Computation		Cost
	Quantity	Cost	
Cell Phone			
<b>TOTAL</b>			

**EQUIPMENT NARRATIVE**

**E. Supplies: Appropriate and necessary supplies, such as printing costs for resource booklets.**

Item	Computation		Cost
	Quantity/Duration	Cost	
<b>TOTAL</b>			-

**SUPPLIES NARRATIVE**

**F. Consultant/Contracts: Appropriate and necessary services.**

Name of Consultant	Services Provided	Fee	Basis	Quantity	Cost
<b>TOTAL</b>					

**CONSULTANT FEES NARRATIVE**

**G. Other Costs: Any other appropriate and necessary costs that do not fit into the above category**  
**OTHER COSTS**

Description	Computation				Cost
	Quantity	Basis	Cost	Length of Time	
<b>TOTAL</b>					

**OTHER COSTS NARRATIVE**

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**Budget Summary**

<b>Budget Category</b>	<b>State Request</b>	<b>Non-State</b>	<b>Total</b>
A. Personnel	\$87,091.20	\$0.00	\$87,091.20
B. Fringe Benefits	\$21,511.53	\$0.00	\$21,511.53
C. Travel	\$0.00	\$0.00	\$0.00
D. Equipment	\$0.00	\$0.00	\$0.00
E. Supplies	\$0.00	\$0.00	\$0.00
F. Consultants/Contracts	\$0.00	\$0.00	\$0.00
G. Other	\$0.00	\$0.00	\$0.00
Total Direct Costs	\$0.00	\$0.00	\$0.00
<b>TOTAL PROJECT COSTS</b>	<b>\$108,602.73</b>	<b>\$0.00</b>	<b>108,602.73</b>



## EXHIBIT B

### LAW ENFORCEMENT DIVERSION GRANT REQUEST FOR PAYMENT REPORT

Reporting Period \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_

Payment Request \$\_\_\_\_\_

Purchase Order Number \_\_\_\_\_

Agency \_\_\_\_\_

Street Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Budget Cost Categories	Approved Budget	Current Expenditures	Total YTD Expenditures
Personnel Salaries			
Other			
Total Costs			

Must attach documentation for justification of above request for payment ;  
i.e. timesheets & ledger sheets reflecting date of expenditures.

#### Status of Objectives

Please describe the progress toward the objectives for this project.

#### Certification & Signature

I certify that all information and transactions I have reported in this report is, to the best of my knowledge, a true and accurate and complete disclosure of the requested information.

Typed Name & Title of Designated Official:	Signature of Designated Official:
Attorney General's Office Use Only	Report Approved By:
	Date:

**EXHIBIT C**  
**Ohio Administrative Code 109-3-01 through 109-3-04**

**109-3-01. Definitions and guidelines for direct and allocable non direct costs and routine business services.**

(A) "Direct costs" are defined as those costs associated with providing services that directly benefit a patient, client or the public as set forth in any contract entered into pursuant to section 9.231 of the Revised Code. Typical direct costs chargeable to a contract include, but are not limited to:

- (1) Compensation of employees for the time devoted to the performance of the contract;
- (2) Cost of materials or supplies acquired, consumed, or expended for the purpose of the contract;
- (3) Equipment and other capital expenditures specified in the contract; and
- (4) Travel expenses incurred to carry out the contract.

(B) "Direct costs" shall not include the costs of any financial review or audit required under section 9.234 of the Revised Code.

(C) Direct costs, at a minimum, shall be:

- (1) Necessary and reasonable;
- (2) Allocable to the contract;
- (3) Authorized or not prohibited under federal, state or local law;
- (4) In conformity with any limitations specified in the contract;
- (5) Accorded consistent treatment;
- (6) Determined in accordance with generally accepted accounting principles;
- (7) Net of all applicable credits; and
- (8) Adequately documented.

(D) The guidance provided in 2 CFR 200 (as in effect on the effective date of this rule), to the extent applicable, shall be followed for direct costs unless otherwise agreed to by the parties in a written contract. Costs not specified in 2 CFR 200 (as in effect on the effective date of this rule) may be included as direct costs if specifically identified and agreed to by the parties in a written contract.

(E) "Allocable non direct costs" as defined in division (A) of section 9.23 of the Revised Code are considered the equivalent of indirect costs.

(F) For the purposes of division (B)(2)(f) of section 9.231 of the Revised Code, "routine business services other than administrative or management services" shall be determined on a case-by-case basis depending on the accepted and relevant business or trade standards that may apply to the type of business and services under consideration.

**109-3-02. Maintenance of records documenting direct costs.**

(A) Records documenting direct costs for contracts entered into pursuant to section 9.231 of the Revised Code shall be maintained in the following manner:

- (1) Adequate records shall be maintained by the recipient as defined in division (G) of section 9.23 of the Revised Code to support the receipt and expenditure of monies under contract. Records may be maintained in a paper media or an electronic media, or both.

- (2) Records shall be available and accessible for inspection by an independent public accounting firm or by the auditor of state during a financial audit or review consistent with sections 9.234 and 9.235 of the Revised Code.
- (3) Records supporting the receipt or expenditure of contract funds shall be maintained by the recipient for a period of not less than one year following the financial audit or financial review of recipient records.
- (4) Nothing in this rule is intended to supersede or change any rule, regulation or statute that requires a longer retention period.

### **109-3-03. Remedies in the event of a breach of contract.**

(A) In the event of a breach of a contract entered into pursuant to section 9.231 of the Revised Code, a governmental entity shall have remedies including but not limited to the following:

(1) A governmental entity may bring a civil action for the recovery of money due to the governmental entity from a recipient under division (A) of section 9.236 of the Revised Code. In such an action, any person with which the recipient has contracted for the performance of the recipient's material obligations to a group of beneficiaries under the recipient's contract with the governmental entity may be made a party defendant if the person is unable to demonstrate to the satisfaction of the governmental entity that the person has materially complied with the terms of the contract with the recipient. In such a case, the person may be made a party defendant and the governmental entity may obtain a judgment against the person in accordance with division (B)(2) of section 9.236 of the Revised Code.

(2) If a governmental entity obtains a judgment against a recipient in a civil action brought under division (B)(1) of section 9.236 of the Revised Code and the judgment is uncollectible, the governmental entity may recover from the person with which the recipient contracted an amount not exceeding the lesser of the following:

- (a) The unsatisfied amount of the judgment;
- (b) The total amount received by the person from the recipient minus the total amount spent by the person on direct costs for services actually performed and retained by the person as allocable non direct costs, associated with those direct costs, as those terms are defined in section 9.231 of the Revised Code.

(3) If a governmental entity, pursuant to section 9.236 of the Revised Code, obtains a judgment against a recipient or against a person with which the recipient contracted and that judgment debtor does not voluntarily pay the amount of the judgment, that judgment debtor shall be precluded from contracting with a governmental entity to the extent provided in divisions (A) and (B) of section 9.24 of the Revised Code for a debtor against whom a finding for recovery has been issued.

(4) In addition to other remedies provided in divisions (A) to (C) of section 9.236 of the Revised Code and paragraph (A)(1) to (A)(3) of this rule, a governmental entity may void a contract between a recipient and another person for the performance by the other person of the recipient's obligations under the recipient's contract with the governmental entity to the extent that the other person has not yet performed its obligations under the contract or cannot demonstrate that the money it received was expended on direct costs or retained as allocable non direct costs.

(5) If a recipient is liable to repay money to a governmental entity under section 9.236 of the Revised Code and the judgment obtained by the governmental entity against the recipient is uncollectible, then in addition to other remedies provided in divisions (A) to (C) of section 9.236 of the Revised Code, and after the governmental entity has obtained a judgment against any necessary third party, the governmental agency may void any of the following contracts:

- (a) A contract made not more than one hundred eighty days before the judgment against the recipient became uncollectible between the recipient and a director, trustee, or officer of the recipient

or a business in which a director, trustee, or officer of the recipient has a material financial interest, if either of the following applies:

- (i) The recipient has paid substantial value for the property received and the property can be returned to the other person. If the property has experienced only normal wear and tear, the person shall be liable to the governmental entity for the full amount the recipient paid for the property. Otherwise, the person shall be liable to the governmental entity only for the market value of the property.
  - (ii) The person with whom the recipient contracted has received money that the recipient obtained pursuant to the contract with the governmental entity and the money was not expended on direct costs or retained as allocable non direct costs. In such a case, the governmental entity may void the contract to the extent the money was not expended on direct costs or retained as allocable non direct costs, and the person shall be liable to the governmental entity for that amount.
- (b) A contract made not more than one hundred eighty days before the judgment against the recipient became uncollectible between the recipient and an employee of the recipient or a business in which an employee of the recipient has a material financial interest, if the employee has direct knowledge of the use of the money that the recipient obtained pursuant to the contract with the governmental entity and either division (E)(1)(a) or (E)(1)(b) of section 9.236 of the Revised Code applies;
- (c) A contract is entered into between the recipient and another person pursuant to which the recipient has paid or agreed to pay money to the other person to the extent that the other person has not yet performed its obligations under the contract;
- (d) A contract made not more than one year before the judgment against the recipient became uncollectible between the recipient and a person other than the governmental entity if the other person has not given or agreed to give consideration of reasonable and substantial value for the consideration given by the recipient.

**109-3-04. Terms to be included in contracts between recipients and persons other than the governmental entity.**

(A) All contracts between recipients and persons other than the governmental entity shall contain the following:

- (1) A clause giving notice of the remedies available to the governmental entity if the money under the contract between the recipient and persons other than the governmental entity is not expended on direct costs or retained as allocable non-direct costs or, with respect to any contract described in division (A)(3) of section 9.231 of the Revised Code, is not earned under the terms of the contract with the governmental entity.
- (2) A clause requiring the person with whom the recipient is contracting to maintain records documenting direct costs and how long those records must be maintained consistent with the requirements for maintenance of such records under rule 109-3-02 of the Administrative Code.