

CITY OF STRONGSVILLE, OHIO

ORDINANCE NO. 2017 – 178

By: Mayor Perciak and All Members of Council

AN ORDINANCE APPROVING THE ACCEPTANCE OF AN AWARD OF FUNDING FROM THE OHIO ATTORNEY GENERAL'S OFFICE, AND AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT IN CONNECTION WITH THEIR LAW ENFORCEMENT DIVERSION PROGRAM RELATING TO THE OPIOID EPIDEMIC, AND DECLARING AN EMERGENCY.

WHEREAS, similar to many cities across the country, the City of Strongsville has experienced an exponential rise in drug overdoses directly related to the opioid epidemic; and

WHEREAS, therefore, by and through Ordinance No. 2017-159, this Council approved and authorized the filing of an application for financial assistance from the Ohio Attorney General's Office in connection with their law enforcement diversion programs relating to the opioid epidemic, in order that the City can proceed to form and implement a Quick Response Team; and

WHEREAS, the City has been notified that its application for the reimbursement of certain funds expended under the program has been approved in the amount of up to \$73,100.00.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STRONGSVILLE, COUNTY OF CUYAHOGA, AND STATE OF OHIO:

Section 1. That this Council hereby approves the acceptance of the award of certain funds under the Ohio Attorney General's Law Enforcement Diversion Program in the maximum amount of up to \$73,100.00, and hereby authorizes the Mayor, Director of Finance, Chief of Police and other appropriate officers of the City to enter into a Recipient Organization Agreement, a copy of which is attached hereto as Exhibit A, and to do all things necessary in furtherance thereof.

Section 2. That the funds required to meet the City's obligation under said grant have been appropriated and shall be paid from the General Fund.

Section 3. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council; and that all deliberations of this Council, and any of its committees, that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 4. That this Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare of the City, and for the further reason that it is immediately necessary to accept the funds awarded under the aforesaid grant in order to implement law enforcement diversion programs to combat the opioid epidemic, and to conserve public funds. Therefore, provided this Ordinance receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise from and after the earliest period allowed by law.

Kenneth M. Dooner
 President of Council

Approved: Thomas R. Buehl
 Mayor

Date Passed: October 16, 2017

Date Approved: October 17, 2017

	<u>Yea</u>	<u>Nay</u>
Carbone	<input checked="" type="checkbox"/>	_____
Daymut	<input checked="" type="checkbox"/>	_____
DeMio	<input checked="" type="checkbox"/>	_____
Dooner	<input checked="" type="checkbox"/>	_____
Schonhut	<input checked="" type="checkbox"/>	_____
Short	<input checked="" type="checkbox"/>	_____
Southworth	<input checked="" type="checkbox"/>	_____

Attest: Aimee Pientka
 Clerk of Council

ORD. No. 2017-178 Amended: _____
 1st Rdg. 10-16-17 Ref: _____
 2nd Rdg. Suspended Ref: _____
 3rd Rdg. Suspended Ref: _____

 Pub Hrg. _____ Ref: _____
 Adopted: 10-16-17 Defeated: _____

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

Recipient Organization: Strongsville Police Department

Maximum Amount: \$73,100.00

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. 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.

EX.A

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. 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, 17th Floor
Columbus, Ohio 43215-3400

By: _____

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

Date: _____

**CITY OF STRONGSVILLE
STRONGSVILLE POLICE DEPARTMENT**

18688 Royalton Road
Strongsville, Ohio 44136

By: 

Name: Thomas P. Perciak

Title: Mayor

Date: 10-17-17

Approval as to Form

By:  _____

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

Date: 10/4/17

**Approved as to legal form only by the
Law Department of the City of Strongsville.**

By:  _____
Law Director

Date: 10-17-17

EXHIBIT A
Approved Application

Ohio Attorney General Grant Program

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?

The grant funds will be used for police officer and fire medic wages and fringe benefits. These personnel will be sent to the residences of survivors of an overdose. Contact will be made with the survivor and their family. Assistance will be provided to survivors and their families. The ultimate goal is to have the survivor get the appropriate treatment for their addiction.

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 goal of this program is to get survivors of an overdose into the most appropriate treatment for their addiction. By placing these individuals into treatment they can get the help they need to beat their addiction and ultimately save their lives. This program will offer assistance to the families of those with addictions. The survivor will be provided with a card providing information on the program at the time of the overdose. There will be resource information on the back of this card. This card can also be given to any family members at the residence. Later a response team will go to the residence and offer to assist the survivor to receive treatment for their addiction. Resources can also be provided to family members by counselors.

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

Objectives from this proposed project include making contact with 80% of survivors of an overdose in the city of Strongsville who are also residents of the city of Strongsville within 72 hours of the overdose, have 60% of the overdose survivors who are contacted within the 72 hour period into treatment for their addiction within 30 days of the overdose, make at least 12 yearly visits to treatment or detoxification facilities, and decrease the amount of repeat overdoses as the program progresses. These objectives will be measured on a monthly, quarterly, yearly, and length of the project basis. Based on these measurements, adjustments could be made to improve the project.

Ohio Attorney General Grant Program

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

To accomplish the objectives of this project, members of the response team will convene twice a week (Tuesday and Friday). On these scheduled days members will respond to the residence of survivors to offer assistance. It is imperative that officers who initially respond to all overdose calls obtain current information about all survivors and provide the QRT information cards. The QRT information cards will also provide a phone number that a survivor can call to make an appointment for the response team. If the survivor makes an appointment, this will ensure a higher probability that contact will be made because of the commitment they have made. If a survivor decides not to go to treatment at the time of first contact by the response team, follow up will be done with the survivor and/or the family. The survivor will also be provided information for our Safe Passages Program. If the survivor decides later they wish to go to treatment, they can come to our police station and they can be placed into the most appropriate treatment. If there is not a reported overdose between meetings of the response team, follow up can be done with other survivors or treatment centers can be visited. By visiting these centers, it increases the amount of centers we can use to refer survivors.

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

The responsible parties to complete the work necessary to achieve the objectives will be the police officers and fire medics who work on this project and the support services lieutenant of the police department.

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.

Metrics of the preceding month will be recorded by the 15th day of each month. The month following an overdose (at least 30 days after an overdose) the measure of survivors who have enrolled in treatment will be calculated. Each case will be tracked on a spreadsheet. The spreadsheet will be accessible to all of those officers involved with this project. The officers involved with each contact or attempted contact will be responsible for updating this spreadsheet. As a backup, these activities will also be logged using our CAD (computer assisted dispatching) system.

After the data is compiled for the previous month and finalized, a monthly report summary will be generated. The monthly report will contain overdoses, overdose deaths, repeat overdose contacts, contacts with overdose survivors, number of overdose survivors referred to treatment and criminal intelligence obtained. There will also be a report summary completed quarterly, yearly, and total for the duration of the project to accurately show trends and how the program could be improved.

Ohio Attorney General Grant Program

Project Budget

1. The amount of grant funding your organization was awarded: \$83,542.00
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
Police officer wages	1	X	35,128	=	\$35,128
Police Lieutenant wages	1	X	9,437	=	\$9,437
Fire Fighter wages	1	X	29,250	=	\$29,250
Police officer fringe benefits	1	X	3,506	=	\$3,506
Police Lieutenant fringe benefits	1	X	2,119	=	\$2,119
Fire Fighter fringe benefits	1	X	4,087	=	\$4,087

Additional Line (Limit 28 Items)

Total \$83,527

Ohio Attorney General Grant Program

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

Both a police officer and firefighter plan on devoting approximately 6 hours per week to this program. All individuals participating in this project will be performing duties that may be on a call out basis and outside of their normal duties. These individuals will be paid an overtime rate (1.5 times normal pay rate). The formula used to calculate the cost of the personnel wages was their overtime rate, multiplied by 6 (hours per week), multiplied by 52 (weeks in a year), multiplied by 2 (for a 2 year grant). Fringe benefits were calculated according to collective bargaining contracts in place through the year 2018.

***A mistake was made on the original grant proposal where the salary and fringe benefits were listed, but not computed in the final total. To compensate for this error, the amount budgeted for the police lieutenant was reduced.

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

The funds will be used over a two year period to pay for wages and fringe benefits of those involved with this project. A milestone will be reducing the amount of overdose calls for service for our police department to the level in 2015 (20). If this can be achieved, the next milestone would be to reduce the amount of overdose calls for service to the level in 2014 (5), when the opiate problem was first observed. The project will be considered complete should this second milestone be achieved.

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?

Our plan is to continue this program after this grant has expired for as long as the problem persists in our region. The successes and failures will dictate any changes to the program and how it is administered. The Mayor of Strongsville has pledged to continue to fund resources after the administration of this grant.

Ohio Attorney General Grant Program

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:

Strongsville Police Department

Signature:

LT. Michael J. Schell #7162

Date:

Sep 15, 2017

Name:

Michael Campbell

Title:

Lieutenant



MIKE DEWINE

★ OHIO ATTORNEY GENERAL ★

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.