

Tuolumne County Children and Families Commission

Policy for Granting of Proposition 10 Funding for the Purchase of Fixed Assets

Approved 2-28-2002

Definition of a Fixed Asset:

Fixed assets are those tangible assets of significant value having a utility which extends beyond the current year that are broadly classified as land, buildings and improvements, and equipment. Significant value is defined as a cost of \$5,000.00 or more. Those items costing less than \$5,000.00 per unit, but whose total cost for units purchased for a project exceed an aggregate amount of \$5,000.00 will be considered a fixed asset.

Scope of Policy:

This policy should apply to any entities entering into contracts with the Commission for the purchase of fixed assets, as defined above.

Policy Guidelines:

1. Contract Duration

- a. Contracts for the purchase of fixed assets of \$50,000 or less: These contracts should have a timeline of one contract year for every \$5,000 awarded, with a maximum timeline of 10 years, or the useful life of the asset, as determined by IRS guidelines. For awards that fall between increments of \$5,000, if the additional amount is \$2,500 or over, an additional 6 months shall be added to the contract duration. (For example, a contract for \$12,500 would have a duration of 2 years, 6 months; a contract for \$12,000 would have a duration of 2 years.)
- b. Contracts for the purchase of fixed assets of \$50,000 or more: These contracts should have a timeline of one contract year for every \$10,000 awarded. For awards that fall between increments of \$10,000, if the additional amount is \$5,000 or over, an additional 6 months shall be added to the contract duration.

2. Payment

Wherever possible, funds for the purchase of a fixed asset shall be paid by the Commission directly to the supplier of the asset upon receipt of invoice.

3. Contract Default / Repayment Clause

The contract will include the following provisions.

- a. The fixed asset must be used for the purposes described in the grant agreement.
- b. If the fixed asset is not used for the purposed described in the grant agreement, or if the grantee does not meet the provisions of the grant agreement, then the grantee shall reimburse the Commission the amount equal to the value remaining on the grant award, plus 6.5% interest on that amount. This will be calculated by dividing the total award amount by the number of months in the agreement, with repayment for each month in the grant agreement where provisions were not met.
- c. The repayment and the interest will be due within 30 days following the Grantee's cessation of the program or the date that the Commission has notified the Grantee that it is due, pursuant to the violation of the agreement.
- d. Violations of the provisions of a grant agreement which would result in repayment include, but are not limited to:
 1. Grantee significantly reduces or ceases operation of the program for which the fixed asset was purchased;
 2. Grantee uses the fixed asset for a different purpose, in a manner which results in the program operation to be significantly reduced or terminated;
 3. Grantee sells, leases, encumbers, or transfers title to the fixed asset without prior written Commission approval;
 4. Grantee fails to provide benchmark reports or evaluation reports to the Commission in a complete or timely fashion;
 5. Benchmark reports do not demonstrate that the level of services to families with children, ages 0 through age 4, meet the benchmark provisions specified in the grant agreement.

4. Insurance Requirements

Grantee shall provide at its own expense, and maintain at all times, insurance coverage at a level approved by the County of Tuolumne Risk Manager for the specific components of the grant activity. This insurance shall include Worker's Compensation, General Liability and Automotive Liability (when vehicle use is a material part of the performance of the grant agreement).

5. Compliance with Laws: Prevailing Wages

Children and Families Commission funding used for construction-type purposes (broadly defined) must comply with state prevailing wage laws. The contract for all construction projects will contain the following language:

Grantee understands that use of Commission funds in connection with its projects may require the payment of prevailing wages in accordance with the Labor Code of the State of California. Grantee agrees to comply with all applicable laws and regulations affecting its projects, and agrees to provide reasonable documentation of such compliance promptly upon Commission's request.

6. Evaluation Requirements

Grantee shall be required to provide outcome evaluation data for the project throughout the term of the contract or for five years, whichever is less. For contracts extending more than five years, grantee shall be required to provide annual benchmark data only, which will generally be process-type data on the number of families or young children served as a result of the purchase of the fixed asset.