

## **OFFICE OF HEALTH & HUMAN SERVICES**

### **PURCHASE OF SERVICE CONTRACT WITH UNITED WAY OF GREATER CLEVELAND**

THIS CONTRACT/AGREEMENT entered into this 1<sup>st</sup> day of July, 2011 by and between the Cuyahoga of County, Ohio (the "County"), and **United Way of Greater Cleveland**, with principal offices at 1331 Euclid Avenue, Cleveland, Ohio 44115 (the "Provider").

#### **I. TERM**

This contract will be effective from July 1, 2011 through June 30, 2012 inclusive, unless otherwise terminated or extended by formal amendment. The Agency reserves the right to exercise the option, subject to the agreement of both parties, to extend the length of this contract based upon the County's program needs, the Provider's performance, and the availability of funds.

The Provider is aware that funding for the services under this contract will not be continued after June 30, 2012.

The total amount of the contract cannot exceed \$14,000.00 over the life of this contract. If the amount of the invoices exceeds the amount of the contract, the Provider realizes that no additional funds will be paid over and above the total amount of the contract, under any circumstances, even if additional services are provided.

#### **II. PURCHASE OF SERVICE**

Subject to the terms and conditions set forth in this contract and the attached EXHIBITS (such EXHIBITS are deemed to be a part of this contract as fully as set forth herein), the Provider agrees to operate the 211 Fatherhood Line for the Cuyahoga County Fatherhood Initiative as described in Exhibit I, (Provider Program Design).

The Provider agrees to acknowledge the financial support of the County on any publications, promotional brochures, media releases, or other publicity materials produced with resources from this contract. This acknowledgement should be displayed in a prominent location.

#### **III. RECORDS AND REPORTING**

The County reserves the right to request additional reports pertaining to the specific program during the contract period. It is the responsibility of the Provider to furnish the County with reports as requested. The County may exercise this right without a contract amendment. The County reserves the right to withhold payment until such time as the requested and/or required reports to the satisfaction of the County are received.

#### **IV. BILLING AND PAYMENT**

Billing and Payment – The Provider will submit an invoice following service, with accompanying reports to the County as outlined in the Exhibits and Attachments. The County will review such invoices for completeness/correctness and any information necessary before making payment within thirty (30) calendar days after receipt of an accurate invoice. The County shall not make invoice payments for any services invoiced later than 60 days after the end of the service month without prior County approval. The County reserves the right to withhold payment until such time as requested and/or required reports are received.

The Provider will indicate on their invoices, the contract number, type of service being rendered, dates service was rendered, and the contract period. The invoice should also show the contract amount minus the invoice amount to reflect the remaining balance on the contract in order to obtain reimbursement.

The Provider warrants that the following unallowable costs were not included in determining the rate of payment and that these costs will not be included in an invoice submitted for payment. For this project, unallowable costs are: bad debt, bonding costs, contingencies, contributions or donations, entertainment costs, costs of alcoholic beverages, goods or services for personal use, fines, penalties and mischarging costs, gains and losses on disposition or impairment of depreciable or capital assets, losses on other contracts, organization costs, costs related to legal and other proceedings, goodwill, asset valuations resulting from business combinations, and legislative lobbying costs.

The Provider warrants that a separate General Ledger account has been established and will be maintained for the revenue and expenses of this contracted program in accordance with the requirements of Section IX.

#### **V. MONITORING, EVALUATION, AND QUALITY IMPROVEMENT**

The effectiveness of the Provider services shall be measured by the achievement of outcomes as identified in the Statement of Work and the Program Description, benchmarks as defined in the contract budget, and compliance with the terms and conditions of the contract.

The County will determine the overall performance of contracted services and programs through monthly monitoring activities.

Monitoring activities may consist of, but are not limited to:

- Reviewing required reports
- Reviewing required invoicing documentation and protocol
- Reviewing monthly activities such as referrals, enrollments and terminations
- Quality Improvement interventions needed to address and remedy issues discovered through the monitoring activities

Findings based on any of the aforementioned activities will be communicated to the

Provider in writing. In the event of negative findings resulting in areas in need of improvement or noncompliance, the Provider will respond in writing detailing an improvement plan and/or a corrective action plan for each issue.

Failure to achieve performance goals or to comply with the terms of this contract will be cause for or result in reduction of funding, recuperation of funds paid, or termination of this agreement in part or in whole.

#### **VI. ELIGIBILITY FOR SERVICES**

Eligibility of individuals to receive purchased services shall be determined, and units of service authorized, by the County Department of Health and Human Services (HHS), through the Fatherhood Initiative Office.

#### **VII. AVAILABILITY OF FUNDS**

This contract is conditional upon the availability of federal, state, or local funds that are appropriated or allocated for payment of this contract. If funds are not allocated and available for the continuance of the function performed by the Provider hereunder, the products or services directly involved in the performance of that function may be terminated by the County at the end of the period for which funds are available. The County will notify the Provider at the earliest possible time of any products or services that will or may be affected by a shortage of funds. No penalty shall accrue to the County in the event this provision is exercised, and the County shall not be obligated or liable for any future payments due or for any damages as a result of termination under this section.

#### **VIII. DUPLICATE BILLING**

The Provider warrants that claims made to the County for payment for services provided shall be for actual services rendered to eligible individuals and do not duplicate claims made by the Provider to other sources of public or private funds for the same service.

#### **IX. AVAILABILITY AND RETENTION OF RECORDS**

All records relating to the service provided and supporting documentation for invoices submitted to the County by the Provider shall be retained and made available by the Provider for audit by the County, the State of Ohio (including, but not limited to, ODJFS, the Auditor of the State of Ohio, Inspector General or duly appointed law enforcement officials) and agencies of the United States government for a minimum of three (3) years after payment under this contract. If an audit is initiated during this time period, the Provider shall retain such records until the audit is concluded and all issues resolved.

#### **X. CONFLICT OF INTEREST**

This contract in no way precludes, prevents, or restricts the Provider from obtaining and working under an additional contractual arrangement(s) with other parties aside from the County, assuming that the contractual work in no way impedes the Provider's ability to perform the services required under this contract. The Provider warrants that at the time

of entering into this contract, it has no interest in nor shall it acquire any interest, direct or indirect, in any contract that which will impede its ability to perform the services under this contract.

The Provider further agrees that there is no financial interest involved on the part of the County or employees of the county involved in the development of the specifications or the negotiation of this contract. The Provider has no knowledge of any situation that would be a conflict of interest. It is understood that a conflict of interest occurs when the County employee will gain financially or receive personal favors as a result of the signing or implementation of this contract.

The Provider will report the discovery of any potential conflict of interest to the County . Should a conflict of interest be discovered during the term of this contract, the County may exercise any right under the contract including termination of the contract.

#### **XI. ASSIGNMENTS**

The parties expressly agree that the contract shall not be assigned to another Provider without the prior written approval of the County.

The Provider may not subcontract any of the services agreed to in this contract without the express written consent of the County. All subcontracts are subject to the same terms, conditions, and covenants contained within this contract. The Provider is responsible for making direct payment to all subcontractors for any and all services provided by such contractor.

#### **XII. GOVERNING LAW**

This contract and any modifications, amendments, or alterations, shall be governed, construed, and enforced under the laws of Ohio.

#### **XIII. INTEGRATION AND MODIFICATION**

This instrument with exhibits embodies the entire contract of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this contract shall supersede all previous communications, representations or contracts, either written or oral, between the parties to this contract.

Also, this contract shall not be modified in any manner except by an instrument, in writing, executed by the parties to this contract.

#### **XIV. SEVERABILITY**

If any term or provision of this contract or the application thereof to any person or circumstance shall, to any extent be held invalid or unenforceable, the remainder of this contract or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this contract shall be valid and enforced to the fullest extent permitted by law.

## **XV. TERMINATION**

The County may terminate this contract, for any reason, upon 30 day written notice delivered to the Provider. The Provider may terminate this contract upon 30 day written notice delivered to the County, subject to the following:

Provider agrees that it will be considered a material breach of this contract on Provider's part if Provider terminates service on this contract without cause, which is defined as:

- The County failing to meet the terms and conditions specified in the contract, or
- The County, through action or inaction on the County's part, rendering performance by the provider impossible.

The notice should be sent to the attention of the Fatherhood Coordinator at 1276 W. 3rd St., Suite 409, Cleveland, Ohio 44113. The County and the Provider shall agree on a reasonable phase-out of the program as a condition of the termination.

The parties further agree that should the Provider become unable to provide the services agreed to in this contract for any reason or otherwise materially breach this contract, such service as the Provider has provided upon the date of its inability to continue the terms of this contract shall be eligible to be billed and paid according to the provisions of Section IV – Billing and Payment.

The parties further agree that should the Provider become unable to complete the services requested in this contract for any reason, such work as the Provider has completed upon the date of its inability to continue the terms of this contract shall become the property of the County.

The County shall not be liable to pay to the Provider any further compensation after the date of the Provider's inability to complete the terms hereof, or the date of termination of this agreement whichever is later, unless extended upon an agreement of the parties. It is agreed that even if the Provider renders services for which payments are due, that no payments will be made after the termination of this agreement, either as a result of a default in the terms hereof or the day of termination of the contract, unless extended by an agreement of the parties. Notwithstanding the above, the Provider shall not be relieved of liability to the County for damages sustained by virtue of any breach of the contract by the Provider. The County may withhold any compensation to the Provider for the purpose of off-set until such time as the amount of damages due the County from the Provider is agreed upon or otherwise terminated.

## **XVI. COMPLIANCE**

The Provider certifies that the Provider and all subcontractors who provide direct or indirect services under this contract will comply with all requirements of federal laws and regulations, applicable OMB circulars, state statutes and Ohio Administrative Code rules in the conduct of work hereunder. The Provider accepts full responsibility for

payment of any and all unemployment compensation premiums, all income tax deductions, pension deductions, and any and all other taxes or payroll deductions required for the performance of the work by the Provider's full time employees.

## **XVII. NON-DISCRIMINATION**

The Provider certifies it is an equal opportunity employer and shall remain in compliance with state and federal civil rights and nondiscrimination laws and regulations including, but not limited to Title VI, and Title VII of the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Age Discrimination Act of 1975, the Age Discrimination in Employment Act, as amended, and the Ohio Civil Rights Law.

During the performance of this contract, the Provider will not discriminate against any employee, contract worker, or applicant for employment because of race, color, religion, sex, sexual orientation, national origin, ancestry, disability, Vietnam-era veteran status, age, political belief or place of birth. The Provider will take affirmative action to ensure that during employment, all employees are treated without regard to race, color, religion, sex, sexual orientation, national origin, ancestry, disability, Vietnam-era veteran status, age, political belief or place of birth. These provisions apply also to contract workers. Such action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising, layoff, or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

The Provider agrees to post in conspicuous places, available to employees and applicants for employment, notices stating that the Provider complies with all applicable federal and state non-discrimination laws.

The Provider, or any person claiming through the Provider, agrees not to establish or knowingly permit any such practice or practices of discrimination or segregation in reference to anything relating to this contract, or in reference to any contractors or subcontractors of said Provider.

## **XVIII. INDEMNIFICATION**

The Provider agrees to protect, defend, indemnify and hold the County, their officers, employees and agents, free, clear and harmless from and against any and all losses, penalties, damages, settlements, costs or liabilities of every kind and character arising out of or in connection with any acts or omissions of the Provider, negligent or otherwise, and its employees officers, agents, or independent contractors. The Provider agrees to pay all damages, costs and expenses of the officers, agents, employees and the County in defending any action arising out of the aforementioned acts or omissions.

## **XIX. RELATIONSHIP**

Nothing in this contract is intended to, or shall be deemed to constitute a partnership, association or joint venture with the Provider in the conduct of the provisions of this contract. The Provider shall at all times have the status of an independent contractor without the right or authority to impose tort, contractual or any other liability on the County.

## **XX. DISCLOSURE**

The Provider hereby covenants that it has disclosed any information that it possesses about any business relationship or financial interest that said Provider has with a county employee, employee's business, or any business relationship or financial interest that a county employee has with the Provider or in the Provider's business.

## **XXI. INSURANCE**

The Provider shall at times during the terms of this Contract subscribe to and comply with the Worker's Compensation Laws of the State of Ohio and pay such premiums as may be required there-under, and shall save the County harmless from any and all liability arising from or under said act. The Provider shall also furnish prior to the onset and delivery of said services and at such other times as may be requested, a copy of the official certificate or receipt showing the payments hereinbefore referenced.

The Provider shall further purchase and maintain during the life of this contract to cover any loss, liability or damage alleged to have been committed by the Provider, the Provider's employees, agents, servants, volunteers, or assigns, Employment Practices Liability insurance coverage, Professional Liability insurance, and Commercial General Liability (CGL) insurance coverage, wherein the County is named as an additional insured or co-insured, as herein specified. It is understood that said CGL coverage is to include, but not be limited to standard provisions for sexual and physical abuse, broad form property damage, personal injury, advertising injury, completed operations, product liability and firm damage. Exact copies of Certificates of Liability delineating such coverage shall be deposited with Cuyahoga County prior to commencement of services under this Contract. The amounts of said insurance shall be as follows:

- Commercial General Liability coverage with limits of at least \$1,000,000 per claim and \$3,000,000 annual aggregate.
- Employment Practices Liability coverage with limits of at least \$1,000,000 per claim and \$1,000,000 annual aggregate.
- Professional Liability coverage with limits of at least \$1,000,000 per claim and \$3,000,000 annual aggregate (where applicable).

The policies for each of the requisite insurance coverage hereinabove specified shall contain the following provision: The Provider agrees that thirty (30) days prior to cancellation or reduction of the insurance afforded by this policy, with respect to the Contract involved, written notice shall be mailed to the Fatherhood Initiative Office, 1276 W. 3rd St., Suite 409, Cleveland, Ohio 44113.

Cancellation of insurance will constitute a default, which if not remedied within the stated thirty (30) day notice period shall cause immediate termination of this contract by the County.

## **XXII.**

### **CONFIDENTIALITY**

The Provider agrees to comply with all federal and state laws applicable to the County and/or consumers of the County concerning the confidentiality of the County's consumers. The Provider understands that any access to the identities of any County consumers shall only be as necessary for the purpose of performing its responsibilities under this contract. The Provider agrees that the use or disclosure of information concerning the County consumers for any purpose not directly related to the administration of this contract is prohibited.

#### **Client Data Confidentiality**

By receiving client data in any form whatsoever from the County all parties to this agreement shall protect the confidentiality of said data as per the requirements of Ohio Administrative Code 5101:1-1-03, the regulations promulgated by the United States Department of Health and Human Services, the provisions of HIPAA, specifically 45 CFR 164.501, any amendments thereto, and as detailed below.

**Definition** - "Client data" is any information that is, or can be, related to an individual client including all personal health information (PHI) as defined at 45 CFR 164.501.

**Permitted Uses and Disclosures** - The Provider and its agents and subcontractors shall not use or disclose client data except as specifically stated in this agreement.

**Safeguards** - The Provider shall use appropriate safeguards to protect against use or disclosure not provided for in this agreement.

**Reporting of Disclosure** - The Provider shall promptly report to the County any knowledge of uses or disclosures of client data that are not in accordance with this Agreement or applicable law. In addition, Provider shall mitigate any adverse effects of such a breach to the extent possible.

**Agents and Subcontractors** - The Provider ensures that all its agents and subcontractors that receive client data from or on behalf of the County agree to the same restrictions and conditions that apply to Provider with respect to the use or disclosure of the client data.

**Accessibility of Information** - The Provider shall make available to the County such information as the County may require to fulfill the County's obligations to provide access to, provide a copy of, and account for disclosures with respect to client data pursuant to HIPAA and regulations promulgated by the United States Department of Health and Human Services, including, but not limited to, 45 CFR 164.154 and 164.528 and any amendments thereto.

**Amendments of Information** - The Provider shall make client data available to the County in order for the county to fulfill its obligations pursuant to HIPAA to amend the information and shall, as directed by the County, incorporate any amendments into the information held by the Provider and ensure incorporation of any such amendments into information held by its agents or subcontractors.



**Disclosure** – The Provider shall make available its internal practices, books and records relating to use and disclosure of client data received from the County, or created or received by the Provider on behalf of the County, to the County and to the Secretary of the U.S. Department of Health and Human Services for the purposes of determining the County's compliance with HIPAA and the regulations promulgated by the U.S. Department of Health and Human Services and any amendments thereto.

**Material Breach** - In the event of a material breach of Provider's obligation under this section, the County may at its option terminate this agreement. Termination of this agreement shall not effect any provision of this agreement which, by its wording or its nature, is intended to remain effective and to continue to operate in the event of termination.

**Return or Destruction of Information** - Upon termination of this Agreement, the Provider, at the County's option, shall return to the County, or destroy, all client data in its possession, and keep no copies of the information except as requested by the Agency or required by law. If Provider or its agents or subcontractors destroy any client data then the Provider will provide to the County documentation evidencing such destruction. Any client data maintained by Provider shall continue to be extended the same protections set forth in this Agreement for as long as it is maintained.

### **XXIII. AUDIT RESPONSIBILITY**

#### **OMB Circular A-133**

The Provider acknowledges that they are a subrecipient as defined in Office of Management and Budget (OMB) Circular A-133; Subject: Audits of States, Local Governments and Non-Profit Organizations.

The Provider agrees to comply with all relevant requirements of OMB Circular A-133 and is advised that a full text copy of the circular is available at [www.whitehouse.gov/omb/](http://www.whitehouse.gov/omb/)

The Provider further acknowledges responsibility for obtaining an annual single or program specific external audit, to include an assessment of the degree of compliance with the requirements contained in OMB Circular A-133 for Federal funding in excess of \$500,000.00 in a fiscal year.

The Provider agrees to provide a copy of this audit to the County each year within 30 days of receipt.

The County reserves the right to withhold payment of the final contract invoice, or subsequent invoices in the event of a contract amendment, pending receipt of the annual audit.

The Provider acknowledges that they are subject to subrecipient monitoring, as defined in OMB Circular A-133 and as implemented by the Ohio Department of Jobs and Family Services (ODJFS) OAC Rule: 5101:9-1-88; Subject: Subrecipient Annual Risk Assessment Review and Subrecipient Monitoring Process.

These monitoring activities include, but are not limited to:

- An annual risk assessment to ensure that resources and personnel are used effectively.
- An on-site or desk review of Provider records to:
  - Verify that services being provided are within the scope of the funding being received and that the Provider has an effective means to determine recipients are eligible for services being provided.
  - Provide reasonable assurance that the cost of goods, services and property are allowable and that expenditures appear to be within the budget submitted.
  - Provide reasonable assurance that the Provider has acquired goods and services in accordance with applicable local, state and federal regulations.
  - Provide reasonable assurance that reports are supported by underlying accounting or performance records and are submitted in accordance with provisions of the contract.
  - Ensure that, when applicable, appropriate cash management practices are in place; that program income is correctly earned, recorded and used; and that required audits are obtained and the Provider is in compliance with any resulting corrective action plan.

#### **Other Audits and Reviews**

The Provider agrees to accept responsibility for receiving, replying to and/or complying with any audit exception or finding resulting from any appropriate federal, state or local audit or review related to the provisions of this contract.

Audits and reviews will be conducted using a "sampling" method. Depending on the type of audit or review conducted, the areas to be reviewed using the sample method may include but are not limited to; months, expenses, total units, and billable units. If errors are found, the error rate of the sample period will be applied to the entire audit period.

The Provider agrees to repay the County amounts due that result from any audit or review finding with monetary implications contained in an audit or review conducted by any appropriate federal, state or local government entity.

The Provider agrees to repay the County the full amount of payment received for duplicate billings, erroneous billings, or false or deceptive claims.

When an overpayment is identified and the overpayment cannot be repaid in one month, the Provider will be required and hereby agrees to sign a Repayment of Funds

Agreement. The Provider recognizes and agrees that the County may withhold any money due and recover through any appropriate method any money erroneously paid under this contract if evidence exists of less than full compliance with this contract. If payments are not made according to the agreed upon terms, future checks will be held until the repayment of funds is current. Checks held more than 60 days will be canceled and will not be reissued.

The County also reserves the right to not increase the rate(s) of payment or the overall contract amount for services purchased under this contract if there is any outstanding or unresolved issue related to an audit finding.

The County may allow a change in the terms of the Repayment of Funds Agreement. Any change will require a formal amendment to the Repayment of Funds Agreement that must be signed by all parties. An amendment to the Repayment of Funds Agreement may also be processed if any additional changes or issues develop or need to be addressed.

#### **Other Deliverables**

Within 30 days of receipt, the Provider agrees to give the County a copy of Provider's annual independent audit report and any associated management letters.

#### **XXIV. WARRANTY**

The Provider warrants that its services and/or goods shall be performed and/or provided in a professional manner in accordance with applicable professional standards.

#### **XXV. ACTS OF GOD**

If by reason of Acts of God, the parties are unable in whole or in part to act in accordance with this contract, the parties shall not be deemed in default during the continuance of such inability provided, however, that Provider shall only be entitled to the benefit of this paragraph for fourteen (14) days if the event of force majeure does not affect the County's property or employees which are necessary to the Provider's ability to perform.

The term "Acts of God" as used herein shall mean without limitation: strikes or lockout; acts of public enemies; insurrections; riots; epidemics; lightening; earthquakes; fire; storms; flood; washouts; droughts; arrests; restraint of government and people; civil disturbances; and explosions.

The Provider shall, however, remedy with all reasonable dispatch any such cause to the extent within its reasonable control that which prevents the Provider from carrying out its obligations contained herein.

#### **XXVI. COORDINATION**

The Provider will advise the County of any significant fund raising campaigns contemplated by the Provider within Cuyahoga County for supplementary operating or capital funds during the term of this contract so that the same may be coordinated with

any planned promotion of public or private funds by the County for the benefit of this and other agencies within the community.

**XXVII. LEGAL ACTION**

Any legal action brought pursuant to the contract will be filed in the state courts located in Cuyahoga County, Ohio and Ohio law will apply.

**XXVIII. CHILD SUPPORT ENFORCEMENT**

The Provider agrees to cooperate with the County, ODJFS and any other Child Support Enforcement Agency in ensuring that the Provider's employees meet child support obligations established under state law. Further, by executing this contract, the Provider certifies present and future compliance with any order for the withholding of child support payments that are issued pursuant to Sections 3113.21 and 3113.214 of the Ohio Revised Code.

**XXIX. PUBLIC RECORDS**

Subject to Article XXII Confidentiality, this contract is a matter of public record under the laws of the State of Ohio. The Provider agrees to make copies of this contract promptly available to any requesting party. Upon request made pursuant to Ohio Law, the County shall make available the contract and all public records generated as a result of this contract.

By entering into this contract, the Provider acknowledges and understands that records maintained by the Provider pursuant to this contract may be deemed public record and subject to disclosure under Ohio law. Provider shall comply with the Ohio public records law.

**XXX. DRUG-FREE WORKPLACE**

The Provider certifies and affirms that the Provider will comply with all applicable state and federal laws regarding a drug-free workplace. The Provider will make a good faith effort to ensure that all employees performing duties or responsibilities under this contract, while working on state, county or private property, will not purchase, transfer, use or possess illegal drugs or alcohol, or abuse prescription drugs in any way.

**XXXI. AMENDMENTS**

All amendments shall be in writing and executed by both parties. All amendments and changes shall be dated and become part of the original contract.

**XXXII. WAIVER**

Any waiver by either party of any provision or condition of this contract shall not be construed or deemed to be a waiver of any other provision or condition of this contract, nor a waiver of a subsequent breach of the same provision or condition.

**XXXIII. PROVIDER SOLICITATION OF COUNTY EMPLOYEES**

The Provider warrants that for one (1) calendar year from the beginning date of this contract with the County, the Provider and its employees will not solicit the County's employees to work for the Provider. The term Provider includes all staff personnel.

**XXXIV. MAINTENANCE OF SERVICE**

The Provider certifies the services being reimbursed are not available from the Provider on a non-reimbursable basis or for less than the unit cost and that the level of service existing prior to the contract shall be maintained. The Provider further certifies that Federal funds will not be used to supplant non-federal funds for the same service.

**XXXV. GRIEVANCE PROCESS**

The Provider will notify the County in writing on a monthly basis of all grievances initiated by participants that involve the services provided through this contract. The Provider shall submit any and all facts pertaining to the grievance and the resolution of the grievance to the program contact person.

The Provider will post their organizational grievance policy and procedure in a public or common area at each contracted site so all participants are aware of the process.

**XXXVI. PROPERTY OF THE OFFICE OF HEALTH & HUMAN SERVICES**

Any item produced under this contract or with funds provided under this contract, including any documents, data, photographs and negatives, electronic reports/records, or other media, are the property of the Office of Health & Human Services, which has an unrestricted right to reproduce, distribute, modify, maintain, and use the deliverables. The Provider will not obtain copyright, patent, or other proprietary protection for the deliverables. The Provider will not include in any deliverable any copyrighted matter in the manner provided in this contract. The Provider agrees the deliverables will be made freely available to the general public unless the County determines, pursuant to state or federal law, that such materials are confidential.

**XXXVII. DEBARMENT AND SUSPENSION**

For contracts valued at greater than \$100,000.00, the County may not contract with Providers on the non-procurement portion of the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs: (hereinafter known as List) in accordance with Executive Order 12549 and 12689. By signing this contract, the Provider warrants that the Provider will immediately notify the County if the Provider is added to the List at any time during the life of this contract. Upon receipt of notice, the County will issue a termination notice in accordance with the terms of the contract. If the Provider fails to notify the County, then the County reserves the right to immediately suspend payment and terminate the contract.

By entering into this contract I agree on behalf of the contracting business to conduct this transaction by electronic means by agreeing that all documents requiring County signatures may be executed by electronic means, and that the electronic signatures affixed by the county to said documents shall have the same legal effect as if that signature was manually affixed to a paper version of the document. I also agree on behalf of the aforementioned entities and persons, to be bound by the provisions of chapters 304 and 1306 of the Ohio Revised Code as they pertain to electronic transactions, and to comply with the electronic signature policy of Cuyahoga County.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date below written.

**CUYAHOGA COUNTY, OHIO**  
Edward FitzGerald, County Executive

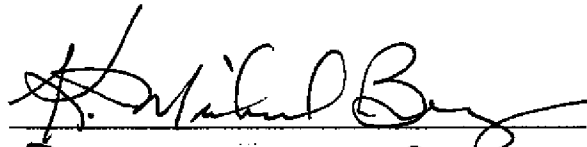


BY: 2011-11-08 09:13:18

**Edward FitzGerald, County Executive**

**UNITED WAY OF GREATER CLEVELAND**

BY:

  
President & CEO

## **EXHIBIT I**

### **PROGRAM DESIGN (Provider)**

The County agrees to enter into a contract with United Way of Greater Cleveland, hereinafter referred to as Provider, for the period from July 1, 2011 to June 30, 2012 to provide the 211 Fatherhood Line for the Cuyahoga County Fatherhood Initiative.

#### **Program Model and Design**

The program model is designed to link fathers to services that will help them become closer to their children. Fathers may call 2-1-1, 24 hours a day 365 days per year to talk with an information and referral specialist anonymously. The specialist will assess the father's needs and link them to services both public and private that may include job training, counseling, healthcare, reentry assistance, child support and custody issues, housing and education. It should be noted that men generally do not know the public and private health and human service system well. Our average call is about four minutes, Our average fatherhood call is fifteen minutes,

Information and Referral specialists will respond to calls coming in from our 211 line. When the caller asks about or has heard about help for fathers, they will click on the "Fatherhood" check box in our Refer web based client tracking system, thereby allowing us to be able to track all fatherhood clients. Then after assessing the clients needs and linking him to various services based on age, gender, community, zip code (all recorded in the client tracking database). We will ask if we can send a follow up survey. If the client agrees we will send the client a five question survey about his experience with 211 and the services he was referred to.

We are able to refer fathers to quite a few services, as United Way's 211 maintains information on over 1,200 health and human service agencies; 2,000 sites; 4,000 programs and nearly 10,000 services in Cuyahoga County and is updated daily. No other vendor offers comprehensive information using Refer as its database, of which we are the sole licensee for Cuyahoga County. We are able to do this as we have four data resource specialists who maintain the resource side of the database. We have developed a close relationship with the Fatherhood Programs and we are constantly updating information. Our entire database is updated annually. The following information is collected:

#### **AGENCY and SITE INFORMATION**

- Agency and Site Names (legal, AKA and former)
- Agency and Site Addresses (street and mailing)
- Agency and Site Phone and Fax Numbers
- Agency Executive Director / CEO
- Site Manager
- Agency Type (non-profit, state, county, etc.)
- Agency Web Site Address (URL)
- Agency E-mail
- Agency Funding Sources
- Agency and Site Descriptions
- Agency and Site Hours and Days of Operation
- Agency - Number of Paid Staff
- Agency - Year Organized
- Agency and Site Wheelchair Accessibility

- Agency and Site Public Transportation Access (yes/no)

**PROGRAM / SERVICE INFORMATION**

- Program Name (if applicable)
- Service Type (soup kitchen, transitional shelter)
- Location of Service
- Description
- Method of Service Delivery (on-site, in the home, transportation offered, etc.)
- Eligibility
- Fee Type (sliding scale, free, etc.)
- Hours of Service
- Intake Method
- Documents
- Supports for Persons with Special Requirements (Braille, large type, etc.)
- Languages
- Contact Person (title only)
- Phone Number
- Travel Instructions

**Client/Request/Referral Data Gathering:**

We are able to take client data and develop quarterly reports that are given to the Fatherhood Initiative. We collect the following information regarding fatherhood callers: call volume, service requests, service referrals, zip code, city and county of the caller, age, and referral source. We will report it out in a quarterly.



## EXHIBIT II

### BUDGET

The County agrees to reimburse the Provider for the costs described below to the degree that they are determined to be fair and reasonable to provide the **211 Fatherhood Line for the Cuyahoga County Fatherhood Initiative** in an amount not to exceed **\$14,000.00**.

- I. The County agrees to reimburse the Provider for the costs incurred for salaries, fringe benefits and consultation fees in an amount not to exceed **\$14,000.00**

To receive reimbursement for these costs, the Provider must submit an invoice detailing the actual expenses incurred during the billing month with the appropriate supporting documentation. The Agency anticipates that salaries and fringe benefits will be invoiced on an approximately equal basis each month.

- I. The Provider understands that failure to comply with these provisions may result in the Provider refunding any funds received from the County that were in violation of any provisions contained above.
- II. Invoices must be submitted by the 15<sup>th</sup> of the month following the month services were provided and should be sent to:

Cuyahoga County Fatherhood Initiative  
1276 W. 3<sup>rd</sup> St., Suite 409  
Cleveland, Ohio 44113  
Attn: Aldonis Grimes, Fatherhood Coordinator  
Ph: (216) 698-2869; Fax: (216) 443-7276  
Email: agrimes@cuyahogacounty.us



## NON-COLLUSION AFFIDAVIT

(THIS AFFIDAVIT MUST BE EXECUTED FOR THIS BID TO BE CONSIDERED)

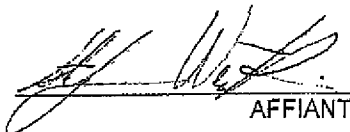
REF # 19868

STATE OF OHIO                     )  
  ) SS.  
COUNTY OF CUYAHOGA         )

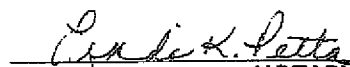
STEPHEN C. WERTHEIM being first duly sworn, deposes  
and says that he/she is

DIRECTOR 211  
(sole owner, partner, president, etc.)

making the foregoing proposal or bid; that such bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person to put in a sham bid, or that such other person shall refrain from bidding and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to fix any overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the County of Cuyahoga or any persons interested in the proposed contract; and that all statements contained in said proposal or bid are true; and further that such bidder has not, directly or indirectly submitted this bid; or contents thereof, or divulged information relative thereto to any association or to any member or agent thereof.

  
AFFIANT

Sworn to and subscribed before me this 17 day of MAY 2002.

  
NOTARY PUBLIC

(SEAL)

My commission expires: LINDA K. PETTA  
Notary Public, State of Ohio  
Recorded in Lorain County  
My Comm. Expires 1-7-2013

# **United Way of Greater Cleveland and The Cleveland Community Fund**

**Combined Financial Statements  
for the Years Ended  
December 31, 2009 and 2008**



CPAs and Business Advisors  
Expect More®

## Independent Auditors' Report

Board of Directors  
United Way of Greater Cleveland

We have audited the accompanying combined statements of financial position of United Way of Greater Cleveland and The Cleveland Community Fund (collectively, the "Organization"), both of which are under common management, as of December 31, 2009 and 2008, and the related combined statements of activities and changes in net assets, of allocations, contributions, and functional expenses and of cash flows for the years then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organization as of December 31, 2009 and 2008, and the combined changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 28, 2010, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our 2009 audit.

*Ciuni & Panichi, Inc.*

Cleveland, Ohio  
June 28, 2010



C&P Advisors, LLC  
Ciuni & Panichi, Inc.  
Joel Strom Associates LLC  
C&P Wealth Management, LLC

25201 Chagrin Boulevard  
Cleveland, Ohio 44122-5683  
p. 216.831.7171  
f. 216.831.3020  
[www.cp-advisors.com](http://www.cp-advisors.com)

A member of CPA-USA

# United Way of Greater Cleveland and The Cleveland Community Fund

## Combined Statements of Financial Position (continued)

December 31, 2009 and 2008

	<u>Liabilities and Net Assets</u>	
	<u>2009</u>	<u>2008</u>
Liabilities:		
Custodial funds	\$ 1,542,032	\$ 2,478,851
Due to donor-designated agencies	10,521,596	10,344,177
Accounts payable:		
Agencies	13,662,317	16,961,918
Other	334,243	276,567
Other liabilities	2,688,099	4,048,721
Deferred grants and program income	1,061,059	1,201,961
Deferred compensation	475,146	502,486
Total liabilities	<u>30,284,492</u>	<u>35,814,681</u>
Net assets:		
Unrestricted:		
Undesignated	15,049,318	10,682,322
Board-designated	<u>10,569,464</u>	<u>8,366,283</u>
Total unrestricted	25,618,782	19,048,605
Temporarily restricted	7,162,142	9,066,941
Permanently restricted	<u>250,000</u>	<u>250,000</u>
Total net assets	<u>33,030,924</u>	<u>28,365,546</u>
	<u>\$ 63,315,416</u>	<u>\$ 64,180,227</u>

The accompanying notes are an integral part of these combined financial statements

# United Way of Greater Cleveland and The Cleveland Community Fund

## Combined Statement of Activities and Changes in Net Assets (continued)

For the year ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Combined Total</u>
Allocations, contributions and expenses:				
Funds allocated to agencies	20,604,557	-	-	20,604,557
Contributions of earnings	<u>126,442</u>	<u>-</u>	<u>-</u>	<u>126,442</u>
Total allocations and contributions	20,730,999	-	-	20,730,999
Functional expenses:				
Educational development programs	1,827,192	-	-	1,827,192
Planning and agency relations	1,444,889	-	-	1,444,889
Fundraising	2,912,615	-	-	2,912,615
Management and general	<u>4,472,500</u>	<u>-</u>	<u>-</u>	<u>4,472,500</u>
Total functional expenses	<u>10,657,196</u>	<u>-</u>	<u>-</u>	<u>10,657,196</u>
Total allocations, contributions and expenses	<u>31,388,195</u>	<u>-</u>	<u>-</u>	<u>31,388,195</u>
Pension-related changes other than net periodic pension cost	<u>(1,894,850)</u>	<u>-</u>	<u>-</u>	<u>(1,894,850)</u>
Change in net assets	6,570,177	(1,904,799)	-	4,665,378
Net assets — beginning of year	<u>19,048,605</u>	<u>9,066,941</u>	<u>250,000</u>	<u>28,365,546</u>
Net assets — end of year	\$ <u>25,618,782</u>	\$ <u>7,162,142</u>	\$ <u>250,000</u>	\$ <u>33,030,924</u>

The accompanying notes are an integral part of these combined financial statements

# United Way of Greater Cleveland and The Cleveland Community Fund

## Combined Statement of Activities and Changes in Net Assets (continued)

For the year ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Combined Total</u>
Allocations, contributions and expenses:				
Funds allocated to agencies	28,942,650	-	-	28,942,650
Contributions of earnings	<u>176,018</u>	<u>-</u>	<u>-</u>	<u>176,018</u>
Total allocations and contributions	29,118,668	-	-	29,118,668
Functional expenses:				
Educational development programs	1,590,204	-	-	1,590,204
Planning and agency relations	1,407,449	-	-	1,407,449
Fundraising	2,806,639	-	-	2,806,639
Management and general	<u>4,625,712</u>	<u>-</u>	<u>-</u>	<u>4,625,712</u>
Total functional expenses	10,430,004	-	-	10,430,004
Loss on disposal of equipment	<u>112,198</u>	<u>-</u>	<u>-</u>	<u>112,198</u>
Total allocations, contributions and expenses	<u>39,660,870</u>	<u>-</u>	<u>-</u>	<u>39,660,870</u>
Pension-related changes other than net periodic pension cost	<u>3,355,358</u>	<u>-</u>	<u>-</u>	<u>3,355,358</u>
Change in net assets	(15,115,019)	(1,246,367)	-	(16,361,386)
Net assets — beginning of year	<u>34,163,624</u>	<u>10,313,308</u>	<u>250,000</u>	<u>44,726,932</u>
Net assets — end of year	\$ <u>19,048,605</u>	\$ <u>9,066,941</u>	\$ <u>250,000</u>	\$ <u>28,365,546</u>

The accompanying notes are an integral part of these combined financial statements

# United Way of Greater Cleveland and The Cleveland Community Fund

## Combined Statement of Allocations, Contributions, and Functional Expenses

For the year ended December 31, 2008

	<u>Allocations and Contributions</u>	<u>Educational Development Programs</u>	<u>Planning and Agency Relations</u>	<u>Fund- raising</u>	<u>Management and General</u>	<u>Combined Total</u>
Allocation and contributions	\$ 29,118,668	\$ -	\$ -	\$ -	\$ -	\$ 29,118,668
Salaries	-	839,078	953,817	1,560,627	2,314,379	5,667,901
Payroll taxes and benefits	-	234,907	205,042	422,599	600,228	1,462,776
Total personnel expenses	-	1,073,985	1,158,859	1,983,226	2,914,607	7,130,677
Fees and contract services	-	284,360	51,852	127,471	257,273	720,956
Supplies	-	10,246	9,303	29,580	52,503	101,632
Telephone	-	40,442	6,792	4,207	93,137	144,578
Postage and shipping	-	15,832	7,762	26,849	27,433	77,876
Occupancy	-	15,665	20,907	-	437,106	473,678
Printed, promotional and visual	-	58,316	29,869	387,766	41,107	517,058
Transportation	-	12,099	11,998	16,894	22,713	63,704
Local meetings	-	15,640	15,893	107,785	30,792	170,110
Conferences	-	1,005	7,913	500	5,928	15,346
Dues and subscriptions	-	1,966	2,628	3,107	16,482	24,183
Equipment rental and maintenance	-	43,293	38,834	42,609	269,029	393,765
Miscellaneous	-	17,355	4,141	16,976	271,536	310,008
Redistribution of department expenses	-	-	-	(3,233)	(173,866)	(177,099)
Depreciation and amortization	-	-	40,698	62,902	359,932	463,532
Total	\$ <u>29,118,668</u>	\$ <u>1,590,204</u>	\$ <u>1,407,449</u>	\$ <u>2,806,639</u>	\$ <u>4,625,712</u>	\$ <u>39,548,672</u>

The accompanying notes are an integral part of these combined financial statements



# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements

December 31, 2009 and 2008

### Note 1: Summary of Significant Accounting Policies

#### Nature of Activities

The United Way of Greater Cleveland is a non-profit corporation located in Cleveland, Ohio. The Organization's primary function is to solicit private and corporate contributions and to allocate the contributions to not-for-profit organizations in the Greater Cleveland area. The primary sources of revenue are individual and corporate contributions, primarily generated in Northeastern Ohio during the Organization's annual fundraising campaign.

The combined financial statements include the accounts of United Way of Greater Cleveland and The Cleveland Community Fund, an organization affiliated through common management. Interorganization transactions and accounts have been eliminated upon combination.

#### Basis of Presentation

On September 30, 2009, the Organization adopted authoritative guidance issued by the Financial Accounting Standards Board ("FASB") which established the FASB Accounting Standards Codification ("ASC") as the single source of authoritative accounting principles generally accepted in the United States of America. The Organization has modified its disclosures in this report to comply with these requirements. Accordingly, references to authoritative accounting principles after the effective date will reference the Codification and not the previous accounting guidance. The adoption of the guidance did not have a material effect on the Organization's financial position, results from operations, or cash flows.

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed restrictions. These include net assets designated by the Board of Directors to be set aside to be used for specific purposes over which the Board retains control and may, at its discretion, subsequently be used for other purposes.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions. If donor-imposed restrictions are met in the same year as they are imposed, the net assets are reported as unrestricted.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed restrictions that they be maintained by the Organization in perpetuity. Permanently restricted net assets include endowment funds received by United Way of Greater Cleveland for which only the income can be expended for specific purposes designated by the donor. Income received from permanently restricted net assets is available for the designated purpose as specified by the donor.

# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements (continued)

December 31, 2009 and 2008

### Note 1: Summary of Significant Accounting Policies (continued)

#### Contributions and Pledges Receivable

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence and/or nature of any donor restrictions. Unconditional promises to give are recorded at their fair market value in the period in which the Organization was notified of the promise. Conditional promises to give are not included in support until such time as the conditions are substantially met. Allowances are provided for uncollectible pledges based upon prior experience, current economic factors, and knowledge of donors and their characteristics. Promises to give are not collateralized. All pledges receivable are due within one year.

#### Marketable Securities

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statements of financial position. Unrealized gains and losses arising during the year are included in unrealized gains (losses) on investments in the accompanying combined statements of activities.

#### Land, Building, and Equipment

Building and equipment are depreciated utilizing the straight-line method over their estimated useful lives ranging from 3 to 40 years. The Organization capitalizes purchases of land, building, and equipment that exceed \$1,000. Land, building, and equipment are stated at cost.

#### Donated Materials and Services

Donated items and equipment are not reflected as contributions in the accompanying combined financial statements because they are not material. No amounts have been reported in the combined financial statements for donated services as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services and to its fundraising campaigns.

#### Due to Designated Agencies

Contributions received that have been designated for specific recipient agencies are reported as amounts due to designated agencies in the combined statements of financial position and as a reduction of contributions in the combined statements of activities and changes in net assets in the period in which the related contribution is recognized.

# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements (continued)

December 31, 2009 and 2008

### Note 1: Summary of Significant Accounting Policies (continued)

#### Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and temporary investments, investment securities, and pledges receivable.

The Organization has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Investments are managed by investment advisors who are overseen by a committee. Though the market value of investments is subject to fluctuations on a year to year basis, the committee believes that the investment policy is prudent for the long-term welfare of the Organization.

Concentrations of credit risk with respect to campaign receivables are limited due to the large number of contributors comprising the Organization's contributor base and their dispersion across different industries and geographic areas.

At various times during the years ended December 31, 2009 and 2008, the Organization's cash in bank balances may exceed the federally insured limits. The Organization places its cash and temporary investments with creditworthy, high-quality financial institutions. Effective November 21, 2008, the Federal Deposit Insurance Corporation ("FDIC") adopted a Final Rule to implement its Temporary Liquidity Guarantee Program ("TLGP"). The Transaction Account Guarantee Program ("TAGP"), which is part of the FDIC's TLGP, provides an unlimited U.S. government-backed guarantee on all dollars in non-interest bearing deposit transaction accounts held in the U.S. offices of FDIC insured institutions. The TAGP, originally scheduled to expire on December 31, 2009, was extended through June 30, 2010, provided that a FDIC-insured institution does not specifically opt out. The financial institution with which the Organization holds its main operating and sweep accounts elected to opt out of the TAGP. Thus, after December 31, 2009, funds held in non-interest bearing transaction accounts will no longer be guaranteed in full under the TLGP, but will be insured up to \$250,000 under the FDIC's general deposit insurance rules.

#### Reclassification

Certain accounts in the prior year combined financial statements have been reclassified for comparative purposes to conform with the presentation in the current year combined financial statements.

#### Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 28, 2010, the date the combined financial statements were available to be issued.

# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements (continued)

December 31, 2009 and 2008

### Note 3: Fair Value Measurements (continued)

Financial assets consisted of the following at December 31, 2009 and 2008:

	Level 1	Level 2	Level 3	Total at December 31, 2009
Cash and cash equivalents	\$ 13,682,959	\$ -	\$ -	\$ 13,682,959
Certificate of Deposit	-	341,592	-	341,592
Equity Securities	5,579,569	6,189,108	-	11,768,677
U.S. Government Securities	2,698,077	-	-	2,698,077
Alternative Investment	-	-	1,002,275	1,002,275
Held at Community Foundation	-	-	443,389	443,389
Fixed Income Bond Fund	-	3,009,053	-	3,009,053
Corporate Bonds	-	3,121,198	-	3,121,198
	<u>\$ 21,960,605</u>	<u>\$ 12,660,951</u>	<u>\$ 1,445,664</u>	<u>\$ 36,067,220</u>

	Level 1	Level 2	Level 3	Total at December 31, 2008
Cash and cash equivalents	\$ 15,301,069	\$ -	\$ -	\$ 15,301,069
Certificate of Deposit	-	341,592	-	341,592
Equity Securities	3,822,966	5,030,231	-	8,853,197
U.S. Government Securities	6,677,598	-	-	6,677,598
Corporate Bonds	-	3,941,848	-	3,941,848
	<u>\$ 25,801,633</u>	<u>\$ 9,313,671</u>	<u>\$ -</u>	<u>\$ 35,115,304</u>

The table below sets forth a summary of the changes in the fair value of the Organization's Level 3 assets for the year ended December 31, 2009:

	Alternative Investment	Held at Community Foundation
Balance, December 31, 2008	\$ -	\$ -
Purchases, sales, issuances and settlements (net)	1,000,000	407,863
Realized losses	-	(2,236)
Unrealized gains relating to instruments still held at December 31, 2009	<u>2,275</u>	<u>37,762</u>
Balance, December 31, 2009	<u>\$ 1,002,275</u>	<u>\$ 443,389</u>

# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements (continued)

December 31, 2009 and 2008

### Note 4: Retirement Plans (continued)

Reclassifications to net periodic benefit cost of amounts previously recognized as changes in unrestricted net assets but not included in net periodic benefit cost when they arose were as follows for the years ended December 31:

	<u>2009</u>	<u>2008</u>
Net loss	\$ 483,246	\$ 73,575
Prior service cost credit	<u>(26,675)</u>	<u>(30,744)</u>
	<u>\$ 456,571</u>	<u>\$ 42,831</u>

Amount recognized in changes in net assets but not yet included in net periodic benefit cost are as follows for the years ended December 31:

	<u>2009</u>	<u>2008</u>
Net loss	\$ 2,367,996	\$ 4,377,818
Prior service credit	<u>-</u>	<u>(114,972)</u>
	<u>\$ 2,367,996</u>	<u>\$ 4,262,846</u>

The estimated net loss and prior service cost credit for the defined benefit pension plan that will be amortized into period benefit cost over the next fiscal year are \$184,011 and \$-0-, respectively.

The accumulated benefit obligation of the pension plan is \$9,989,542 and \$8,520,228 at December 31, 2009 and 2008, respectively.

	<u>2009</u>	<u>2008</u>
Weighted-average actuarial assumptions used to determine net periodic benefit cost for the years ended December 31:		
Discount rate	6.25%	6.50%
Expected return on plan assets	8.00%	8.00%
Rate of compensation increase	4.00%	4.00%

Weighted-average actuarial assumptions used to determine benefit obligations as of December 31:		
Discount rate	5.75%	6.25%
Rate of compensation increase	4.00%	4.00%

# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements (continued)

December 31, 2009 and 2008

### Note 4: Retirement Plans (continued)

The investment objective of the pension plan is to assure the timely payment of promised benefits at a minimum cost consistent with prudent standards of investment, the adequacy of the plan's funding, and the age of the work force. The plan utilizes a diversified investment portfolio and seeks to earn returns consistent with a reasonable level of risk. The long-term expected return on plan assets is based upon the plan's investment allocation and anticipated returns for specific investment classes.

As long-term asset allocation is recognized as the primary determinant of performance, United Way of Greater Cleveland generally utilizes the following asset allocation targets to achieve its plan investment objectives: 70% equity securities and 30% fixed income instruments (which can include debt securities as well as U.S. government securities). Allocations are reviewed periodically and adjusted as necessary.

The market values of pension plan assets are compared periodically to the value of plan benefit obligations.

The future value of assets, as calculated based on the expected long-term rate of return, are also compared to expected future plan benefit distributions and contributions to determine the sufficiency of expected plan funding levels. Investment asset allocations are revised as appropriate.

Plan assets are invested principally in marketable equity securities and fixed income instruments. The allocation of pension plan assets by major asset class is shown below:

Asset Category:	Percentage of Plan Assets at December 31	
	2009	2008
Equity securities	63.0%	56.8%
Debt securities	26.5	35.5
Cash and equivalents	3.7	7.7
Other	6.8	-
Total	100.0%	100.0%

United Way of Greater Cleveland also sponsors a 403(b) defined contribution plan that covers all full-time employees. The plan provides for employee contributions with no matching by the employer. As such, there was no expense recognized during the years ended December 31, 2009 and 2008.

# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements (continued)

December 31, 2009 and 2008

### Note 8: Obligations under Leases

The Organization has operating leases for office equipment that expire at various dates through 2013.

At December 31, 2009, minimum future lease payments are due during the years ending December 31 as follows:

2010	\$ 90,769
2011	72,828
2012	60,116
2013	<u>13,353</u>
	\$ <u>237,066</u>

Rental expense related to operating leases for equipment and facilities was \$144,612 and \$147,926 for the years ended December 31, 2009 and 2008, respectively.

### Note 9: Promises to Give

The Organization has made conditional promises of approximately \$1,892,000 in grants related to Vision Council initiatives. Of this amount, approximately \$1,537,503 and \$1,467,000 had been recognized through December 31, 2009 and 2008, respectively. The remaining amounts will be paid once the grantees satisfy the conditions of the grant.

In June 2008, the Organization approved transitional funding for agencies that will receive reduced funding in future years due to the Organization's new funding allocation process. The transitional funding was approved to be paid during the 2009, 2010 and 2011 allocation periods in an amount equal to 50%, 30% and 15%, respectively, of the decrease in funding between the 2008 and 2009 allocation periods (July through June). The remaining commitment has been included in accounts payable – agencies on the combined statements of financial position. Payments are due during the years ending December 31 as follows:

2010	\$ 1,311,692
2011	<u>437,231</u>
	\$ <u>1,748,923</u>

# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements (continued)

December 31, 2009 and 2008

### Note 10: Net Asset Classification of Endowment Funds (continued)

During the year ended December 31, 2008, United Way of Greater Cleveland had the following endowment-related activities:

	Donor-Restricted Endowment Funds	Board-Designated Quasi-Endowment Funds	Total
Investment return			
Investment income	\$ 8,375	\$ 488,186	\$ 496,561
Net depreciation	-	(3,949,525)	(3,949,525)
Total investment return	8,375	(3,461,339)	(3,452,964)
Amounts appropriated for expenditure	(8,375)	(257,899)	(266,274)
Investment management fees	-	(33,157)	(33,157)
Total change in endowment funds	\$ -	\$ (3,752,395)	\$ (3,752,395)

### Endowment Net Asset Composition by type of Fund

As of December 31, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ -	\$ 250,000	\$ 250,000
Board-designated endowment funds	10,569,464	-	-	10,569,464
Total funds	\$ 10,569,464	\$ -	\$ 250,000	\$ 10,819,464

### Endowment Net Asset Composition by type of Fund

As of December 31, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ -	\$ 250,000	\$ 250,000
Board-designated endowment funds	8,366,283	-	-	8,366,283
Total funds	\$ 8,366,283	\$ -	\$ 250,000	\$ 8,616,283



# United Way of Greater Cleveland and The Cleveland Community Fund

## Notes to Combined Financial Statements (continued)

December 31, 2009 and 2008

### Note 10: Net Asset Classification of Endowment Funds (continued)

	<u>2009</u>	<u>2008</u>
Permanently Restricted Net Assets:		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA	\$ <u>250,000</u>	\$ <u>250,000</u>
Total endowment funds classified as permanently restricted net assets	\$ <u>250,000</u>	\$ <u>250,000</u>

### Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for the Collective Fund that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the assets. Assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board designated funds. Under this policy, as approved by the Board of Directors, investments of all Organization assets are directed by the Investment Committee of the Organization using professional managers. The standard for the Investment Committee with regard to the Collective Fund assets shall be the preservation of corpus while prudently maximizing real growth. The Organization will conduct a quarterly monitoring of the portfolio. Investment performance will be measured against comparative market indices including Standard & Poor 500 Index and the Lehman Brothers Aggregate Bond Index. The performance of the overall portfolio will also be monitored quarterly and compared against appropriate benchmarks.

### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

### Spending Policy

Recommendations for the use of Collective Fund assets free of donor restriction shall be the responsibility of the Board of Directors. Recommendations of the Board of Directors shall be executed by the management of the Organization. The Board of Directors have indicated that use of funds will be for the capital needs of the Organization, and other such purposes as the Board of Directors shall deem appropriate. Except in special circumstances, and except for recommending specific uses of generally restricted donor funds, the Board of Directors shall limit recommendations in the aggregate to an amount which shall not exceed 4% of a three-year rolling average of the Collective Fund assets.



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**Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
United Way of Greater Cleveland

We have audited the combined financial statements of United Way of Greater Cleveland and The Cleveland Community Fund (collectively, the "Organization"), both of which are under common management, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's combined financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.