



Michigan Supreme Court
State Court Administrative Office
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Office of Dispute Resolution
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M E M O R A N D U M

DATE: February 6, 2009

TO: Community Dispute Resolution Program
Center Directors and Financial Staff

FROM: Michelle Hilliker

SUBJECT: 2008 Community Dispute Resolution Program Grant Contract Close Out
and Annual Report

The Office of Dispute Resolution is in the process of preparing the 2008 Community Dispute Resolution Program Annual Report and closing out the 2008 Grants. To accomplish this task, the following reports should be completed by the center's accountant on or before the following dates:

- Final Expenditure Report of Inkind Match. Due: February 27, 2009
- CDRP Center Report of Revenue Sources. Due: February 27, 2009
- Final Expenditure Report/Agreed Upon Procedures Report. The Final Expenditure Report will be reviewed and verified by the accounting firm that prepares the center's Agreed Upon Procedures Report and will be included in this document. **Also due as part of the Agreed Upon Procedures Report is the Final Expenditure Report Check List. This report should be signed by the center director and the accountant preparing the report and placed after the report but before the corrected Final Expenditure Report.** Due: May 29, 2009.

Attached is the five page Final Expenditure Report that must be completed to close out your center's 2008 CDRP grant contract. The center's general ledger should be the source for all revenue and expenditures reported, excluding in-kind match. Please do not leave any pages blank. If something does not apply to your center, please enter \$0.00 on the total line or write "not applicable" on the form.

The center's bookkeeping staff should then forward its completed Final Expenditure Report to the accounting firm contracted to prepare the Agreed Upon Procedures Report. Do not send your 2008 Final Expenditure Report to SCAO first. **A complete and correct copy of the Final Expenditure Report will be incorporated into the accountant's Agreed Upon Procedures Report.** However, two pages of this report, *the Final Expenditure Report of Inkind Match and the CDRP Center Report of Revenue Sources*, must be completed and independently submitted to the State Court Administrative Office (SCAO), Office of Dispute Resolution by February 27, 2009.

The first two pages of the final expenditure report include columns titled "**CDRP Award**," "**Agency Application Match**," "**Other Grants Application Match**," and "**Inkind Application Match**." These should be completed using the figures found on the most recently approved SCAO form CDRP01 (CDRP Budget Application Form).

The column titled "**CDRP Award**" should be completed using the figures from the most recently approved CDRP01 form column titled "**CDRP Funds**." The column titled "**CDRP Actual**" should reflect all cash expenditures made with CDRP grant funds only, after all encumbrances and debts have been paid. The "**CDRP Actual**" column total should not exceed the amount of the CDRP grant award.

The column titled "**Agency Application Match**" should be completed using the figures from the most recently approved CDRP01 form column titled "**Agency Funds**." The column titled "**Agency Actual**" should reflect all cash expenditures made with center generated revenue including case fees, training fees, service contracts, fund-raising, interest, and donations, after all encumbrances and debts have been paid. (Please note expenses incurred for providing Access and Visitation and Special Education mediations and presentations would be reported in this column because the project is administered as a service contract and not as a grant.)

At the bottom of page 1, the center's "**Match Percentage**" should be calculated and placed on the line immediately following. This number would be calculated by adding together all match totals, (e.g., Agency Actual, Other Grants Actual, and Inkind Match) and dividing by the sum of all totals (e.g., CDRP Actual, Agency Actual, Other Grants Actual, and Inkind Match).

The column titled "**Other Grants Application Match**" should be completed using the figures from the most recently approved CDRP01 form column titled "**Other Grants**." The column titled "**Other Grants Actual**" should reflect all other expenditures of cash the CDRP center made using grant contract funding awarded to the center from governmental and other types of organizations.

The third page of the report is for documenting all inkind matches. This page titled "**Final Expenditure Report of Inkind Match**" documents all inkind matches including volunteer staff hours, donated equipment, and donated or discounted office/meeting space. This report should be emailed to SCAO in Excel format by February 27, 2009. The first five lines of this report ask for the center's total volunteer staff contribution by type of activity performed. The lines that follow may be used to report any other type of volunteer activities not previously listed (such as accounting) and any other items donated. When reporting donated space (whether for office or meetings), please list any donated office space separate from meeting space. Included would be the

number of units (e.g., 12 months), the unit price, the total match value, and the basis for calculation of the unit rate. The total value of the matched line items would be classified by the appropriate budget category and transferred to the appropriate line item on page two under the column titled “**Inkind Match Donated/Volunteer.**” **Please note: another CDRP center’s staff time or use of its office space would not be appropriate as match** if the staff person is being paid by their center or if the office space rental is paid with CDRP funds or used as match by that center.

The fourth page of the report is for documenting all sources of revenue. This report should be e-mailed to SCAO in Excel format by February 27, 2009. The documentation of revenue sources should be a cumulative total by the following categories: business/foundation grants; service contracts with organizations (including Access and Visitation Mediation and Special Education Mediation services); training revenue; fund-raising events; case fees; donations; interest; Agricultural Mediation grant; Permanency Planning Mediation grant; and other (which should include a description of the type of organization providing funding that is not already categorized above).

The fifth page of the report, the CDRP16, is for documenting all equipment purchases that exceeded \$500. If the center did not make any equipment purchases in excess of \$500, not applicable or “\$0” can be listed on the first line of the report.

We cannot underscore enough the need for accurate record-keeping and reporting, and similar measures which ensure the fiscal integrity of the center. It is recommended that all reports be recalculated and compared to supporting documentation by someone independent from the preparation process.

As in prior years, all CDRP funded centers will be required to contract, undergo, and submit to SCAO a financial review under its direction. The standards for this review, called an Agreed Upon Procedures Engagement are also enclosed. **The accountant’s final report must incorporate the auditor’s findings and a complete copy of the Final Expenditure Report. This report must be submitted to SCAO by May 29, 2009,** to close out your center’s 2008 CDRP grant. Failure to do so may jeopardize current and future funding from SCAO.

Please be sure to give your accounting firm a copy of the standards and the most recently approved CDRP01 budget form (e.g., a copy of the approved budget modification from July, 2008). Firms are also required to summarize the results of the agreed upon procedures in a report detailing all findings, including preparing a correct and complete copy of the Final Expenditure Report (FER). Many firms did not include a copy of the FER. Substandard reports will be returned to the center to obtain a corrected report from their accounting firm.

A center program summary will once again be included in the statistical supplement section of the annual report. Chris Harris will contact you directly to request that you complete your center’s program summary for 2008.

If you have any questions while preparing these materials, please contact me at 517- 373-4839.

Thank you!