

2. Definitions

A. The Grantee's Grant Application submitted to and approved by the State Court Administrative Office for 2010 funding, and documents submitted in addition to or in clarification of that document at the request of the State Court Administrative Office, shall be referred to as the "Grant Application."

B. The budget submitted with the Grantee's Grant Application and as required for the receipt of funding in 2011, as approved by the State Court Administrative Office, shall be referred to as the "Budget."

3. Contract Administration

The State Court Administrator or his/her agent shall have full authority to act for the Grantor in the Administration of this Contract, consistent with the following provisions.

4. Term of Contract

This Contract shall be effective January 1, 2010, when signed by the parties and approved by all necessary government agencies, and shall terminate on December 31, 2011, unless terminated earlier or extended pursuant to its terms. The Grantee understands that funding under this Contract does not give rise to a charge for Community Dispute Resolution Program funding in any later funding year.

5. Scope of Services and Contract Funding

The Grantee agrees to provide community dispute resolution services pursuant to 1988 PA 260, as amended, according to policies and procedures published by the State Court Administrative Office as the "CDRP Policies & Procedures Manual." These services include outreach, case intake and development, conciliation, mediation by volunteer mediators, and follow-up. Mechanisms for supporting these services include volunteer recruiting, training, and evaluation, development of an active governance board, and ensuring fiscal integrity. These and other services are outlined in greater detail in the "CDRP Policies & Procedures Manual."

Upon approval of the Grantee's annual budget, the State Court Administrative Office agrees to provide funding for the counties the Grantee serves. In no event does this contract create a charge against any other funds of the State Court Administrative Office or the Michigan Supreme Court. The Grantee will be notified of its 2011 grant amount in November 2010.

6. Conduct of Project

A. The Grantee shall abide by all terms and conditions imposed and required by the Grant Application Guidelines and requirements detailed in the "CDRP Policies & Procedures Manual."

B. The Grantee shall operate its community dispute resolution center in accordance with the Community Dispute Resolution Program Act, 1988 Public Act 260, as amended.

C. The Grantee shall comply with all applicable Federal, State and local laws, rules, and regulations.

7. *Cash and In-Kind Match*

The Grantee shall annually make a cash or in-kind match from non-Community Dispute Resolution Program Fund sources in an amount equal to or more than thirty-five (35) percent of the total amount of the Community Dispute Resolution Program costs as specified in the Grantee's Budget.

8. *Assignments and Subcontracts*

The Grantee may not enter into sub-contract(s) for the performance of this Contract without receipt of written consent of the State Court Administrator or his/her designee. All appropriate provisions and requirements of this Contract shall apply to any sub-contracts or agreements. The Grantee is and shall be held responsible by the State Court Administrator for the performance of any sub-contractor.

9. *Independent Contractor Status*

A. Both parties to this Contract will be acting in an independent capacity and not as agents, employees, partners, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose.

B. The Grantee understands and agrees that all persons furnishing services pursuant to this Contract are, for purposes of Workers Compensation liability or other actions of employee-related liability, employees solely of the Grantee and not of the State Court Administrative Office or Supreme Court. The Grantee bears the sole responsibility and liability for furnishing Workers Compensation benefits to any person for injuries arising from or connected with services performed pursuant to this Contract.

10. Indemnification

The Grantee agrees to indemnify, defend and hold harmless the Michigan Supreme Court, the State Court Administrative Office, their agents, officers, and employees, from and against any and all liability expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage, arising from or connected with the Grantee's operations or services performed pursuant to this Contract.

11. Acquisition, Accounting, Recordkeeping and Inspection

A. The Grantee agrees that all expenditures from this Contract, including the acquisition of personnel services, contractual services, supplies, and equipment, shall be in accordance with (1) the standard procedures of the Grantee's unit of government or non-profit agency or organization and (2) the "CDRP Policies & Procedures Manual."

B. The Grantee agrees to maintain accounting records following generally accepted accounting principles for the expenditure of funds for the purposes identified in the Grant Application, Budget, and any applicable approved contract addendum and/or budget amendment. The Grantee agrees to maintain detailed employee and volunteer time documentation for individuals working on the dispute resolution program funded under this contract.

C. The Grantee agrees that the Supreme Court, State Court Administrative Office, the local government audit division of the Michigan Department of Treasury, the State Auditor General, or any of their duly authorized representatives, including program evaluators and auditors, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, books, accounts, data, time cards, or other records related to this Contract.

Such materials, including case files and quarterly reports, all pertinent cost reports, accounting and financial records, shall be kept and maintained by the Grantee for a period of seven (7) years after completion of this Contract, or until all State Court Administrative Office audits are complete for the fiscal period, whichever is later. Failure of the Grantee to comply with requirements of this section shall constitute a material breach of this Contract upon which the State Court Administrator may cancel, terminate, or suspend this Contract.

D. The Grantee's accounting system must maintain a separate fund or account which segregates CDRP contract receipts and expenditures.

12. Accountability for CDRP Funds

The Grantee agrees that it will not expend funds obtained under this contract for any purpose other than those authorized in the "CDRP Policies & Procedure Manual" and specified in the Budget, and will expend grant funds only during the period covered by the Contract, unless prior written approval is received from the State Court Administrative Office. Fee receipts from providing dispute resolution services and mediator training conducted by the Grantee shall be applied to the dispute resolution program. Contract funds shall not be used as security or to guarantee payments for any non-program obligations, as loans for program or non-program activities, as staff bonuses, or invested in agencies not insured by federal institutions.

13. Program Evaluation and Review

The Grantee shall allow appropriate Supreme Court and State Court Administrative Office representatives to evaluate, audit, inspect, and monitor its facilities and program operations. The inspection methods that may be used include: on-site visits; interview of the Grantee's staff and program participants, with or without the Grantee project directors or board members present; attendance at meetings of Board of Directors, Advisory Board and/or Advisory Committee; and review of case records, receipts, client/user complaints, monthly/quarterly statistical reports, and fiscal records.

14. Reports

A. The Grantee agrees to provide reports as listed in the "CDRP Policies & Procedures Manual" to the State Court Administrative Office.

B. Failure to submit all required reports by the required submission dates may result in assessment of a penalty. Upon the first missed due date, a warning letter will be sent to the Grantee. For each subsequent missed due date, a penalty of five (5) percent of the contract dollar amount will be deducted from the next occurring quarterly payment. The five (5) percent penalty will revert to the CDRP Fund and will not be available for application by the Grantee in a future contract period. Repeated instances of late reporting may also result in contract termination, according to Section 21, below.

15. Annual Release of Funds

The payment schedule will be as follows: thirty (30) percent of the total amount will be advanced at the start of the annual grant period; twenty-five (25) percent of the total will be

advanced at the beginning of the second quarter, contingent on timely receipt of required quarterly reports; twenty (20) percent of the total will be advanced at the beginning of the third quarter, contingent on timely receipt of required quarterly reports; twenty-five (25) percent of the total will be advanced at the beginning of the fourth quarter, contingent on timely receipt of required quarterly reports.

16. Audit and Return of Unexpended Funds

The Grantee agrees to provide an audit or agreed upon procedures review conducted by a licensed accountant or accounting firm that follows the standards provided by the State Court Administrative Office. The Grantee agrees to return to the State Court Administrative Office all funds resulting from a determination of unexpended funds or disallowed expenditures by the State Court Administrative Office.

17. Nepotism and Conflict of Interest

A. The Grantee shall not hire nor permit the hiring of any person in a position funded under this Contract if a member of the person's immediate family is employed in an administrative capacity by the Grantee. For the purposes of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, step-parent, and step-child. The term "administrative capacity" means persons who have overall administrative responsibility for the program, including selection and hiring of staff, or supervisory responsibilities.

B. The Grantee agrees and will ensure that CDRP funds will not contribute to any portion of the salary of staff serving as a mediator, conciliator, arbitrator, or alternative dispute resolution trainer or consultant in a private capacity. For purposes of this program, it is a prohibited conflict of interest for staff members, whether full-time or part-time, of a CDRP-funded center to in any way receive personal remuneration for providing dispute resolution services, including training, mediation, conciliation, arbitration, or other facilitation, during their tenure of employment with a CDRP-funded center.

The Grantee agrees that any funds generated by the provision of dispute resolution services, in the name of a funded CDRP center or by its staff, will become CDRP center resources. Compensation for travel and expense reimbursement incurred in conjunction with such activities shall be paid directly to the center, and remitted to center participants in accordance with approved expense reimbursement procedures.

Staff members whose salaries are derived from CDRP funding may not also serve as mediators and/or alternative dispute resolution consultants in a private capacity.

The Grantee agrees that CDRP funds will not be used to pay staff mediators; mediators at CDRP-funded centers shall serve as volunteers and without remuneration.

Although staff may not serve as paid mediators, they may attend approved mediation training, complete internships, and occasionally mediate to maintain and develop skills or to substitute for a volunteer mediator unable to keep a scheduled mediation session.

18. Availability of Materials Developed under this Grant and Copyright

The Grantee agrees that all training manuals, video-tapes, films, computer software, and similar materials produced using funds provided by the State Court Administrative Office shall be made available to other community dispute resolution programs in Michigan upon request. The Grantee may charge other community dispute resolution programs the reasonable direct costs incurred to transport the training materials. No charges may be made for development or production of the training materials paid for with funds awarded by the State Court Administrative Office. Original material may be copyrighted but must be subject to the right of the State Court Administrative Office to reproduce it, publish it, and authorize others to do so.

19. Modification

Program Modification: This Contract fully expresses the agreement between the parties. No modification of the Grantee's Contract can be made without prior written approval of the State Court Administrative Office. The State Court Administrative Office reserves the right to unilaterally and without prior notice to the Grantee adjust the contract amount should funds currently available through the Community Dispute Resolution Program be reduced by the Michigan Supreme Court or Michigan State Legislature during the contract year. Budget Modification: Expenditures over approved amounts in line item categories within the Budget may be made up to \$3,000 without prior written approval of the State Court Administrative Office, provided the grant application narrative description details such expenses. Modifications of line item categories in excess of \$3,000 require prior written approval of the State Court Administrative Office. An Application for Budget Amendment must be made pursuant to guidelines in the "CDRP Policies & Procedures Manual" by the Grantee and approved by the State Court Administrative Office before a program expenditure modification can be made.

Grant Amount Modification: The SCAO reserves the right to unilaterally and without prior notice amend the grant amount should funding for the Community Dispute Resolution Program be reduced or eliminated by the Michigan Legislature or Michigan Supreme Court.

20. Disputes Involving Grantees and Disputes between Grantees

In keeping with the statutory mandate of the Community Dispute Resolution Program to provide mediation and other forms of dispute resolution as an alternative to the judicial process, the Grantee agrees to submit any dispute to which the Grantee is a party to mediation prior to seeking a judicial remedy. Selection of a mediator should be by mutual agreement of the parties, unless a request by all parties to the dispute is sent in writing to the State Court Administrative Office requesting the recommendation or appointment of a mediator.

Should a dispute arise between Grantees of the Community Dispute Resolution Program, which in the determination of the State Court Administrator or his/her designee in any way affects the provision of services contracted for, the State Court Administrator or his/her designee may direct the Grantees to engage in mediation of the dispute. Selection of a mediator should be by mutual agreement of the parties; however the State Court Administrative Office may recommend a mediator.

21. Funding Hold and Termination

The State Court Administrative Office may, at its election, place a funding hold on contracted amounts not yet disbursed, or terminate the contract, if the State Court Administrative Office concludes that the Grantee is not in compliance with the conditions and provisions of this Grant Contract, its Grant Application, or the "CDRP Policies & Procedures Manual." The State

Court Administrative Office may extend an opportunity for the Grantee to demonstrate compliance. Notification of funding hold or termination will be in writing.

22. Notice

All notices under this Contract to the State Court Administrative Office shall be deemed given upon delivery, if delivered by hand against receipt, or five days after posting if sent by regular mail, to:

Community Dispute Resolution Program
State Court Administrative Office
P.O. Box 30048
Lansing, MI 48909

Authorized By:

Dawn Monk, Deputy State Court Administrator (Signature)

Date

Acceptance by the Grantee:

Board President/Authorizing Official (Signature)

Date

Please Type or Print Board President/Authorizing Official Name