

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

501



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
April 5, 2011

SUBJECT: Acceptance of Song Brown Grant Award Number 11-2021 from the Office of Statewide Health Planning and Development for Family Medicine Residency Program at Riverside County Regional Medical Center.

RECOMMENDED MOTION: Move that the Board of Supervisors:

- 1) Authorize the Chairperson to accept, on behalf of the Board, \$34,410.00 in Fiscal Years 2011-12, 2012-2013, and 2013-14 for a total of \$103,230.00.
- 2) Ratify and authorize the Hospital Director to execute the agreement on behalf of the County.

BACKGROUND: Riverside County Regional Medical Center's (RCRMC) Family Medicine Residency Program was established in 1971 and is one of the oldest programs in the State of California. It was founded with the goal of improving health care access for underserved communities while increasing the primary care workforce in Riverside County and California.

(continued on Page 2)

Douglas D. Bagley

Douglas D. Bagley, Hospital Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost FY:	\$ 0	For Fiscal Year:	11/12

SOURCE OF FUNDS: Office of Statewide Health Planning and Development	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Debra Courmyer

Debra Courmyer

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS
DATE: 4/27/11
Departmental Concurrence

Poli Poli
Consent Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: District: 5 Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.28

SUBJECT: Acceptance of Song Brown Grant Award Number 11-2021 from the Office of Statewide Health Planning and Development for Family Medicine Residency Program at Riverside County Regional Medical Center.

BACKGROUND continued:

The Song-Brown program provides support funding to Family Medicine training programs and was passed by the California Legislature in September 1973 to encourage program graduates to practice in designated underserved areas of California. It has expanded the training programs of Family Medicine residencies by providing funding for over thirty years. The RCRMC Family Medicine Residency Training Program has participated with and received funding from the Song-Brown program beginning July 1, 1997.

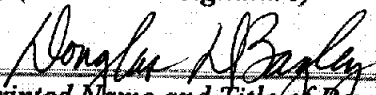
The RCRMC Family Medicine Residency Training Program has been awarded with one (1) capitation cycle renewal equal to \$51,615.00 and one (1) new capitation cycle equal to \$51,615.00 for a total award of \$103,230.00 to be received in increments of \$34,410.00 annually for fiscal years 2011/12 through 2013/14 to support the continued training of our residents at RCRMC and the Federally Qualified Health Center (FQHC) look-alike county clinics in Riverside County, along with training at community- and school-based sites.

The Song-Brown program has been critical in helping the RCRMC Family Medicine residents increase their training in the areas of outpatient Pediatrics, Women's Health, and routine prenatal care. With support from the Song-Brown program, the RCRMC Family Medicine residents will continue to gain valuable training in these areas, as well as obtain experience caring for underserved populations in a variety of community-based sites. Funding supports direct resident education, faculty development, and coordination / supervision of resident-related activities.

CCC-307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
Riverside County Regional Medical Center		11-2021 95-6000930
<i>By (Authorized Signature)</i>		
		
<i>Printed Name and Title of Person Signing</i>		
Douglas D. Bagley, Chief Executive Officer		
<i>Date Executed</i>	<i>Executed in the County of</i>	
4/13/11	Riverside	

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations,

or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

AGREEMENT NUMBER 11-2021
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:
- STATE AGENCY'S NAME
 Office of Statewide Health Planning and Development (OSHPD)
- CONTRACTOR'S NAME
 Riverside County Regional Medical Center
2. The term of this Agreement is: 07/01/2011 through 06/30/2014
 or upon DGS approval
3. The maximum amount of this Agreement is: \$ 103,230.00
 One hundred three thousand, two hundred thirty dollars and zero cents
4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	01 page(s)
Exhibit B – Budget Detail and Payment Provisions	01 page(s)
Exhibit C* – General Terms and Conditions	GTC610
Check mark one item below as Exhibit D:	
<input checked="" type="checkbox"/> Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	01 page(s)
<input type="checkbox"/> Exhibit - D* Special Terms and Conditions	
Exhibit E – Additional Provisions	05 page(s)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto

CONTRACTOR	
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) Riverside County Regional Medical Center	
BY (Authorized Signature) 	DATE SIGNED (Do not type)
PRINTED NAME AND TITLE OF PERSON SIGNING Douglas D. Bagley, Chief Executive Officer	
ADDRESS 26520 Cactus Avenue Moreno Valley, Ca 92555	
STATE OF CALIFORNIA	
AGENCY NAME OSHPD	
BY (Authorized Signature) 	DATE SIGNED (Do not type)
PRINTED NAME AND TITLE OF PERSON SIGNING Pattye Nelson, SSM I Procurement and Contract Services	
ADDRESS 400 R Street, Suite 359, Sacramento, Ca 95811	

FORM APPROVED COUNTY COUNSEL
 BY NEAL R. KIPNIS DATE 11/11/11

California Department of General Services Use Only

Exempt per:

EXHIBIT A**SCOPE OF WORK**

Contractor agrees to the following:

- A. The Riverside County Regional Medical Center Family Medicine Residency Program shall meet the Family Practice Standards adopted by the California Healthcare Workforce Policy Commission (CHWPC) and perform services in accordance with the Contract Criteria as set forth in Exhibit E, hereby attached.
- B. Under the direction of the Program Director of the Riverside County Regional Medical Center Family Medicine Residency Program, in addition to the resident/s being trained under contract 09-9032 provide family medicine training for two (2) additional family practice resident/s in the 2011-12; 2012-13 and 2013-14 fiscal years.
- C. **The residency program shall provide family medicine training for two (2) family practice resident/s for a three year cycle beginning July 1, 2011 and ending June 30, 2014.**
- D. Submission of a complete final report including data outcomes for the program at the end of the contract period.

OSHPD agrees to provide:

- A. The Program Director of the Residency Program, the current fiscal year's (07-01-2011 to 06-30-2014) master certification form and instructions by September 30th of the fiscal year.
- B. Direct all contract inquiries to:

Requesting Agency: OSHPD	Contracting Agency: Riverside County Regional Medical Center
Name: Manuela Lachica, Program Director	Name: Catherine Giannini, Director of Managed Care
Phone: (916) 326-3752	Phone: 951-486-4469
Fax: (916) 322-2588	Fax:
E-mail: mlachica@oshpd.ca.gov	E-mail: Cgiannin@co.riverside.ca.us

The project representatives during the term of this Agreement will be:

Requesting Agency: OSHPD	Training Program: Riverside County Regional Medical Center
Section/Unit: Healthcare Workforce Development Division (HWDD)	Section/Unit: Family Medicine Residency Program
Attention: Melissa Omand, Program Analyst	Attention: Asma Jafri, MD
Address: 400 R Street, Room 330 Sacramento, CA 95811	Address: 26520 Cactus Avenue Moreno Valley, Ca 92555
Phone: (916) 326-3753	Phone: (951) 486-5610
Fax: (916) 322-2588	Fax: (951) 486-5620
E-mail: momand@oshpd.ca.gov	E-mail: ajafri@co.riverside.ca.us

EXHIBIT B**BUDGET DETAIL AND PAYMENT PROVISIONS****1. Payment**

- A. For services satisfactorily rendered and upon receipt and approval of the quarterly certifications as specified in this Article, Item C., the OSHPD agrees to compensate Riverside County Regional Medical Center in accordance with the rates specified herein.
- **\$1,433.75 (One Thousand, Four Hundred Thirty Three Dollars and Seventy-Five Cents)**, per resident per month for each resident up to a total of \$34,410.00 for two (2) resident/s in the 2011-12 fiscal year. Fiscal year runs July 1, 2011 to June 30, 2012.
 - **\$1,433.75 (One Thousand, Four Hundred Thirty Three Dollars and Seventy-Five Cents)**, per resident per month for each resident up to a total of \$34,410.00 for two (2) resident/s in the 2012-13 fiscal year. Fiscal year runs July 1, 2012 to June 30, 2013.
 - **\$1,433.75 (One Thousand, Four Hundred Thirty Three Dollars and Seventy-Five Cents)**, per resident per month for each resident up to a total of \$34,410.00 for two (2) resident/s in the 2013-14 fiscal year. Fiscal year runs July 1, 2013 to June 30, 2014.
- B. The total amount payable to the Contractor under this Agreement shall not exceed \$103,230.00 (One hundred three thousand, two hundred thirty dollars and zero cents).
- C. Quarterly certifications shall include the Agreement Number, the names of the resident/s employed under this contract, a certification by the Director of the Family Practice Residency Training Program (original signature) that each resident was engaged in activities authorized by this Agreement, and shall be submitted on a quarterly basis in arrears to:

Melissa Omand, Program Analyst
Song-Brown Training Program
Office of Statewide Health Planning and Development
400 R Street, Room 330
Sacramento, CA 95811

- D. Contractor shall submit a final certification within 120 days after the Agreement has ended (i.e., Agreement ends June 30th, final certification is due by October 30th). If contractor fails to submit a final certification within 120 days after the Agreement has ended, the monies revert back to OSHPD.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the OSHPD shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the OSHPD shall have the option to either cancel this Agreement with no liability occurring to the OSHPD, or offer an agreement amendment to Contractor to reflect the reduced amount.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. RESOLUTION OF CONTRACT DISPUTES:

Any dispute arising under this agreement, which cannot be resolved at the State Program Administrator level nor at the Director's level of the Department (OSHPD) signing this contract may be submitted to non-binding arbitration after the following process, has been completed:

- (A) The Contractor first discusses a problem informally with the Family Physician Training Act Administrator. If unresolved, the problem shall be presented as a grievance to the Deputy Director, Healthcare Workforce Development Division, in writing, stating the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought.
- (B) The Deputy Director shall make a determination on the problem within ten (10) working days after receipt of the written communication from the Contractor and shall respond in writing to the Contractor indicating the decision and reasons for it.
- (C) Should the Contractor find the Deputy Director's decision an unacceptable one, a letter shall be sent to the Director within ten (10) working days of receipt of the Deputy Director's decision. The Director or designee shall meet with the Contractor within twenty (20) working days of receipt of the Contractor's letter. Should the Contractor disagree with the Director's decision, the Contractor and Director may agree to submit the matter to non-binding arbitration.

EXHIBIT E**ADDITIONAL PROVISIONS****1. Family Practice Standards Adopted by the California Healthcare Workforce Policy Commission June 11, 1999.**

- I. Each Family Practice Residency Training Program approved for funding and contracted with under the Health Care Workforce Training Act (hereinafter "the Act") shall, prior to the initiation of training and the transfer of State funds:
 - A. Meet the American Medical Association's "Essentials for Residency Training in Family Practice", and
 - B. Be approved by the Residency Review Committee on Family Practice of the American Medical Association, as documented in a formal letter of approval from the Residency Review Committee, or the Liaison Committee on Graduate Medical Education, and
 - C. Be provided by an accredited medical school or a teaching hospital, which has programs, or departments that recognize family practice as a major independent specialty,

or

For postgraduate osteopathic medical programs in family practice:

- A. Be approved by the American Osteopathic Association (AOA) Council on Postdoctoral Training and meet requirements to ensure that Osteopathic Programs are comparable to programs specified above and
 - B. Be accredited as an "Osteopathic Postdoctoral Training Institution" (OPTI) by the Bureau of Professional Education through the Council on Postdoctoral Training (COPT) and
 - C. Meet C requirement above.
- II. Each Family Practice Residency Training Program, or Post Graduate Osteopathic Medical Program in Family Practice approved for funding under the Act shall include a component of training in medically underserved multi-cultural communities, lower socioeconomic neighborhoods, or rural communities, and shall be organized to prepare family physicians for service in such neighborhoods and communities.
- III. Appropriate strategies shall be developed by each training institution receiving funds under the Act to encourage Family Physicians who are trained in the training program funded by the Act, to enter into practice in areas of unmet priority need for primary care family physicians within California as defined by the California Healthcare Workforce Policy Commission (hereinafter referred to as "areas of need"). Such strategies shall incorporate the following elements:

EXHIBIT E

- A. An established procedure to identify, recruit and match family practice residents who possess characteristics which would suggest a predisposition to practice in areas of need, and who express a commitment to serve in areas of need.
- B. An established counseling and placement program designed to encourage training program graduates to enter practice in areas of need.
- C. A program component such as a preceptorship experience in an area of need, which will enhance the potential.

2. **Family Practice Contract Criteria Adopted by the California Healthcare Workforce Policy Commission February 16, 2000.**

I. Contract Awards

- A. Each contract entered into, pursuant to the Song-Brown Health Care Workforce Training Act, Health and Safety Code, Sections 128200, etc seq., (hereinafter "the Act"), shall be based on the recommendation of the California Healthcare Workforce Policy Commission to the Director of the Office of Statewide Health Planning and Development recorded in the California Healthcare Workforce Policy Commission official minutes.
- B. Each contract shall be for a purpose authorized by the California Healthcare Workforce Policy Commission Standards for Family Practice Residency Training Programs.
- C. Each contract shall be between the Office of Statewide Health Planning and Development and a Contractor authorized to apply for funds by the California Healthcare Workforce Policy Commission Standards for Family Practice Residency Training Programs.
- D. Purpose for Which Contract Funds May be Expended
 - 1. Contract funds may be expended for any purpose which the training institution judges will most effectively advance the training of family practice residents, but may not be expended for any purpose specifically prohibited by State law, by these contract criteria, or by the contract with the training institution.
 - 2. Contract funds may be used for expenses incurred for the provision of training, including faculty and staff salaries, family practice resident's stipends, alterations and renovations necessary to the provision of the residency training programs, and supplies and travel directly related to the training program.
 - 3. Contract funds may be used for new construction only when such construction is specifically provided for in the contract.

EXHIBIT E

E. Maintenance of Effort

Training institutions approved for funding under the Act shall, as a minimum, maintain a level of expenditures equivalent to that expended on the family practice residency training programs during the 1973-74 fiscal year. Capitation contracts that begin July 1, 2003 or thereafter will have no resident maintenance of effort requirement beyond the number of Song-Brown cycles awarded.

II. Contract Terms

- A. Funds must be expended during such months and in accordance with such provisions as are provided in the Contract, which shall be in accordance with recommendations of the California Healthcare Workforce Policy Commission.
- B. Payment shall be made quarterly in arrears on the basis of amounts set forth by the Contractor with final certification submitted within 120 days of contract's end to the Healthcare Workforce Development Division. The certification shall include the name of the person employed under this contract, certification by the Program Director that the person was engaged in activities authorized by this agreement, and costs to the Contractor for the services for which reimbursement is sought. The required quarterly certification format shall be provided to the Contractor prior to the effective date of the Contract.
- C. Each Contract shall specify the total amount allowable under the Contract and allowable in each budget category authorized under the Contract, and shall be in accordance with recommendations of the California Healthcare Workforce Policy Commission.
- D. Method of Payment

Payment under the Act shall be at a capitation rate of \$17,205 per year for each full-time family practice resident enrolled in the training program as a result of a training contract funded under this Act.

EXHIBIT E**III. Accounting Records and Audits****A. Accounting**

Accounting for contract funds will be in accordance with the training institution's accounting practices based on generally accepted accounting principles consistently applied regardless of the source of funds. Supporting records must be in sufficient detail to show the exact amount and nature of expenditures.

Training institutions may elect to commingle capitation funds received under the Act with any other income available for operation of the family practice residency training program provided that the institution maintains such written fiscal control and accounting procedures as are necessary to assure proper disbursement of, and accounted for, such commingled funds, including provisions for:

1. the accurate and timely separate identification of funds received under the Act.
2. the separate identification of expenditures prohibited by the contract criteria.
3. an adequate record of proceeds from the sale of any equipment purchased by funds received under the Act.

B. Expenditure Reporting

Reports of training program expenditures and enrollment of family practice residents under the contract must be submitted as requested by the Commission or the Director of the Office of Statewide Health Planning and Development for purposes of program administration, evaluation, or review.

C. Record Retention and Audit

1. The training institution shall permit the Director of the Office of Statewide Health Planning and Development, or the Auditor General, or the State Controller, or their authorized representatives, access to records maintained on source of income and expenditures of its family practice residency training program for the purpose of audit and examination.
2. The training institution shall maintain books, records, documents, and other evidence pertaining to the costs and expenses of this contract (hereinafter collectively called the "records") to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this contract.

EXHIBIT E

3. The training institution agrees to make available at the office of the training institution at all reasonable times during the period set forth in subparagraph 4 below any of the records for inspection, audit or reproduction by an authorized representative of the State.
4. The training institution shall preserve and make available its records (a) for a period of three years from the date of final payment under this contract, and (b) for such longer period, if any, as is required by applicable statute, by any other clause or this subcontract, or by subparagraph a or b below:
 - a. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
 - b. Records which relate to (1) litigation of the settlement of claims arising out of the performance of this contract, or (2) costs and expenses of this contract as to which exception has been taken by the State or any of its duly authorized representatives, shall be retained by the training institution until disposition of such appeals, litigation, claims, or exceptions.
5. Except for the records described in subparagraph 4 above, the training institution may in fulfillment of its obligation to retain the records as required by this clause substitute photographs, microphotographs, or other authentic reproductions of such records, after the expiration of the two years following the last day of the month or reimbursement to the training institution of the invoice or voucher to which such records relate, unless a charter person is authorized by the State or its duly authorized representatives.