



Resolution

Number 755

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SAN LUIS,
ARIZONA APPROVING THE HIGH INTENSITY DRUG TRAFFICKING AGREEMENT
BETWEEN THE CITY OF SAN LUIS AND THE ARIZONA CRIMINAL JUSTICE
COMMISSION.

Whereas, the City of San Luis desires to enter into an Agreement with the Arizona Criminal Justice Commission that assigns a San Luis Police Officer to the Yuma County Narcotics Task Force; and

Whereas, the parties to the agreement desire to enter into said agreement.

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the City of San Luis,
State of Arizona, as follows:

- Section 1: That the Agreement, as attached hereto as Exhibit "A", is hereby approved.
- Section 2: That the appropriate City officials are hereby authorized and directed to enter into said agreement on behalf of the City and take any and all actions as may be necessary to effecuate said agreement.

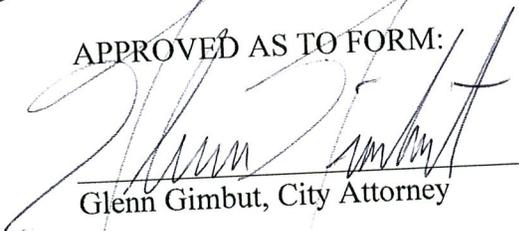
PASSED AND ADOPTED by the Mayor and Council of the City of San Luis, Arizona, this 10th
day of October, 2007.


Juan Carlos Escamilla, Mayor

ATTEST:


Sonia Cuello, City Clerk

APPROVED AS TO FORM:


Glenn Gimbut, City Attorney



ARIZONA CRIMINAL JUSTICE COMMISSION
HIGH INTENSITY DRUG TRAFFICKING AREA (HIDTA)
GRANT AGREEMENT

ACJC Grant Number HT16-06-2314

Catalog of Federal Domestic Assistance (CFDA) Number 07.999

This Grant Agreement is made this 1ST day of October, 2005, by and between the ARIZONA CRIMINAL JUSTICE COMMISSION hereinafter called "COMMISSION" and CITY OF SAN LUIS, through SAN LUIS POLICE DEPARTMENT hereinafter called "GRANTEE". The COMMISSION enters into this Agreement pursuant to its authority under the provisions of A.R.S. § 41-2405 (B) (6), and having satisfied itself as to the qualification of GRANTEE;

NOW, THEREFORE, it is agreed between the parties as follows:

1. This Agreement will commence on October 1, 2005 and terminate on September 30, 2007. This Agreement expires at the end of the award period unless prior written approval for an extension has been obtained from the COMMISSION. A request for an extension must be received by the COMMISSION sixty (60) days prior to the end of the award period. The COMMISSION in its sole discretion may approve an extension that further the goals and objectives of the program and shall determine the length of any extension.
2. The GRANTEE agrees that grant funds will be used for the Southwest Border Alliance Narcotics Task Force (SBA).
3. The COMMISSION will monitor the performance of the GRANTEE against goals and performance standards outlined in the grant application. Sub-standard performance as determined by the COMMISSION will constitute non-compliance with this Agreement. The GRANTEE shall operate in a manner consistent with and in compliance with the provisions and stipulations of the approved grant application and this Agreement. If the COMMISSION finds non-compliance, the GRANTEE will receive a written notice which identifies the area of non-compliance, and the appropriate corrective action to be taken. If the GRANTEE does not respond within thirty calendar days to this notice, and does not provide sufficient information concerning the steps which are being taken to correct the problem, the COMMISSION may suspend funding or permanently terminate this Agreement or revoke the grant. Any deviation or failure to comply with the purpose and/or conditions of this Agreement without prior written COMMISSION approval may constitute sufficient reason for the COMMISSION to terminate this Agreement, revoke the grant, require the return of all unspent funds, perform an audit of expended funds, and require the return of any previously spent funds which are deemed to have been spent in violation of the purpose or conditions of this grant.
4. This Agreement may be modified only by a written amendment signed by the Executive Director or by persons authorized by the Executive Director on behalf of the COMMISSION and GRANTEE. Any notice given pursuant to this Agreement shall be in writing and shall be considered to have been given when actually received by the following addressee or their agents or employees:
 - A. If to the COMMISSION:

Arizona Criminal Justice Commission
1110 W. Washington Street, Suite 230
Phoenix, Arizona 85007
Attn: Karen Ziegler

B. If to the GRANTEE:

SAN LUIS POLICE DEPARTMENT
 PO Box 3720
 San Luis, AZ 85349
 Attn: Mr. Gilbert Lara

5. The GRANTEE may make budget adjustments of up to ten percent of the total budget of the grantee after written notification with signature approval from Arizona HIDTA Director is provided to the COMMISSION. Adjustments or reprogramming in excess of ten percent of the grantee's budget in an initiative or any reprogramming between initiative and/or agencies; in any amount, require the approval of the Board, the Southwest Border HIDTA Director, and the Office of National Drug Control Policy.

APPROVED LINE ITEM PROGRAM BUDGET	
Salaries	\$19,073
Fringe Benefits	Not Approved
Overtime	Not Approved
Services	Not Approved
Travel	\$1,500
Facilities	Not Approved
Equipment	Not Approved
Supplies	Not Approved
Other	Not Approved
TOTAL	\$20,573

6. It is agreed and understood that the total to be paid by the COMMISSION under this Agreement shall not exceed \$20,573 in Federal funds awarded to the COMMISSION by the Office of National Drug Control Policy. It is agreed and understood that funds will be used to support and enhance activities intended to deter, investigate, and/or prosecute drug offenders in conjunction with the HIDTA Initiative.
7. The GRANTEE understands that financial reports are required for reimbursement of expenditures.
8. Every payment obligation of the COMMISSION under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the COMMISSION. No liability shall accrue to the COMMISSION in the event this provision is exercised, and the COMMISSION shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
9. The GRANTEE understands that prior to the expenditure of confidential funds, an authorized official of the GRANTEE shall sign a certification indicating that he or she has read, understands, and agrees to abide by all of the conditions pertaining to confidential fund expenditures as set forth in *ONDCP Financial and Administrative Guide for Cooperative Agreements Guidelines and Exhibit B*.
10. The GRANTEE certifies that it will comply with *OMB Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* as codified in 28 CFR Part 66 and *OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments*.
- Link:** *OMB Circulars* <http://www.whitehouse.gov/omb/circulars/index.html>

11. The GRANTEE agrees to account for interest earned on Federal grant funds and shall remit interest earned in excess of the allowable amount as indicated in the *ONDCP Financial and Administrative Guide for Cooperative Agreements* and all unexpended grant funds to the COMMISSION within 30 days after receipt of a written request from the COMMISSION. The GRANTEE agrees to expend all encumbered funds within 90 days of expiration of this award.

12. The GRANTEE agrees to retain all books, account reports, files and other records, (paper and/or electronic) relating to this Agreement and the performance of this Agreement for no less than five (5) years from the last financial report submitted to the Commission. All such documents shall be subject to inspection and audit at reasonable times.

13. For the purpose of this grant, a capital expenditure is \$5,000 or above. If the GRANTEE'S policy defines a capital expenditure as less than \$5,000, the GRANTEE will use its own policy.

14. The GRANTEE agrees to follow equipment disposition policies outlined in *OMB Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* as codified in 28 CFR, Part 66.32 (e) (1-3) when the equipment is no longer needed for the grant program. When no longer needed for the original program, the equipment may be used in other activities supported by the Office of National Drug Control Policy.

Link: *OMB Circulars* <http://www.whitehouse.gov/omb/circulars/index.html>

15. The GRANTEE agrees to maintain property records for equipment purchased with grant funds and perform a physical inventory and reconciliation with property records at least every two years or more frequently based on GRANTEE policy.

16. The GRANTEE agrees to keep time and attendance sheets signed by the employee and supervisory official having first hand knowledge of the work performed by the grant funded employees.

17. The GRANTEE will comply with the audit requirements of *OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations* and provide the COMMISSION with the audit report and any findings within 90 days of receipt of such finding. If the report contains no findings, the GRANTEE must provide notification that the audit was completed.

Link: *OMB Circular A-133* <http://www.whitehouse.gov/omb/circulars/index.html>

18. The GRANTEE agrees that it will submit financial reports and supporting documentation to the COMMISSION on forms/format provided by the COMMISSION, documenting the activities supported by these grant funds. In the event reports are not received on or before the indicated date(s), funding will be suspended until such time as delinquent report(s) are received. These reports are submitted according to the following schedule:

Report Period:	Due Date:
October 1, 2005 – April 30, 2007	May 20, 2007
May 1 - 31, 2007	June 20, 2007
June 1 - 30, 2007	July 20, 2007
July 1 – 31, 2007	August 20, 2007
August 1 - 31, 2007	September 20, 2007
September 1 - 30, 2007	October 20, 2007

More frequent reports may be required for GRANTEES who are considered high risk.

19. All goods and services must be received by the GRANTEE within 60 days of the expiration of this award.
20. The GRANTEE agrees to obtain ONDCP approval through the Arizona HIDTA Director for all sole-source procurements in excess of \$100,000, and provide written notification to the COMMISSION.
21. The GRANTEE agrees to obtain ONDCP approval through the Arizona HIDTA Director prior to the expenditure of grant funds for consultant fees in excess of \$450 per day, and provide written notification to the COMMISSION.
22. The GRANTEE agrees to check the U.S. General Service Administration (GSA) Excluded Parties Listing Service as required by Executive Order 12549, as defined in 28 CFR Part 67.510 for individuals, agencies, companies and corporations debarred or suspended from doing business with recipients receiving Federal funds. The GRANTEE agrees not to do business with any individual, agency, company or corporation listed in the Excluded Parties Listing Service.
Link: *Excluded Parties Listing System* <http://epls.arnet.gov>
23. No funds shall be used to supplant Federal, State, county or local funds that would otherwise be made available for such purposes.
24. The GRANTEE assigns to the COMMISSION any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services applied by third parties to the GRANTEE in exchange for grant funds provided under this Agreement.
25. The parties agree to use arbitration in the event of disputes in accordance with the provisions of A.R.S. § 12-1501 et seq.
26. The laws of the State of Arizona apply to questions arising under this Agreement and any litigation regarding this Agreement must be maintained in Arizona courts, except as provided in paragraph 27 of this Agreement pertaining to disputes which are subject to arbitration.
27. The GRANTEE understands that grant funds will not be released until all required reports and reversion of funds from the prior year grant are submitted to the COMMISSION.
28. Each party (as "Indemnitor") agrees to indemnify, defend and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses, (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. If the GRANTEE is a State agency this paragraph does not apply.

-
29. Unless GRANTEE is a State agency, GRANTEE shall cause its contractor(s) and subcontractors, if any to indemnify defend, save and hold harmless the State of Arizona, any jurisdictions or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of GRANTEE'S contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Worker's Compensation Law or arising out of the failure of such contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligence or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Insurance requirements for any contractor used by GRANTEE are incorporated herein by this reference and attached to this Agreement as Exhibit "A".
30. If the GRANTEE is a governmental political subdivision, the GRANTEE agrees to utilize the *Data Dictionary*, approved and distributed by the COMMISSION, as the data entry standard for information systems when improving or updating an existing Information System. The GRANTEE agrees to utilize the *Data Dictionary* as the data entry standard in any new system or when an existing Information System is replaced.
Data Dictionary: Call for copy, we will email
31. If the GRANTEE is a governmental political subdivision, the GRANTEE should, to the extent possible and practical share criminal justice information with other authorized criminal justice agencies. The process control number (PCN) shall be used in accordance with A.R.S. § 41-1750 when sharing data with other criminal justice agencies as electronic data systems are developed or improved.
32. The GRANTEE agrees to comply with the non-discrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended; 42 USC 3789(d); Title VI of the Civil Rights Act of 1964, as amended; Section 504, Rehabilitation Act of 1973, as amended; Subtitle A, Title II of the Americans with Disabilities Act (ADA) (1990); Title IX of the Education Amendments of 1972 and the Department of Justice regulations 28 CFR Part 54; The Age Discrimination Act of 1975; Department of Justice Non-Discrimination Regulations, 28 CFR Part 42, Subparts C, D, E, G and I; Department of Justice regulations on disability discrimination 28 CFR Part 35; all applicable state laws of A.R.S. § 41-1463; and Executive Orders 1999-4 and 2000-4. These laws prohibit discrimination on the basis of race, color, religion, sex and national origin including Limited English Proficiency (LEP) in the delivery of service. In the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing against the GRANTEE, the GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the COMMISSION.

33. The GRANTEE agrees to formulate and keep on file an Equal Employment Opportunity Plan (EEO) (if grantee is required pursuant to 28 CFR 42.302). The GRANTEE certifies that they have forwarded to the Office for Civil Rights, Office of Justice Programs the EEO, or certifications that they have prepared and have on file an EEO, or that they are exempt from EEO requirements. Failure to comply may result in suspension of the receipt of grant funds. Copies of all submissions such as certifications to or correspondence with the Office for Civil Rights, Office of Justice Programs regarding this requirement must be provided to the COMMISSION by the GRANTEE.
34. The GRANTEE certifies to comply with the Drug-Free Workplace Act of 1988, and implemented in 28 CFR Part 67, Subpart F, for grantees, as defined in 28 CFR, Part 67 Sections 67.615 and 67.620.
35. The GRANTEE agrees to complete and keep on file, as appropriate, Immigration and Naturalization Form (I-9). This form is to be used by recipients to verify that persons are eligible to work in the United States.
36. The GRANTEE agrees to notify the Arizona HIDTA Director and provide written notification to the COMMISSION within ten (10) days in the event that the project official is replaced during the award period.
37. No rights or interest in this Agreement shall be assigned by GRANTEE without prior written approval of the COMMISSION.
38. The GRANTEE agrees that no funds provided, or personnel employed under this Agreement shall be in any way or to any extent engaged in conduct of political activities in violation of U.S.C. Title 5, Part II, Chapter 15, Section 1502.
39. The GRANTEE certifies that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of service required under this Agreement.
40. The Grantee certifies that no federal funds will be paid, by or on behalf of, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and for the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement. If any funds other than Federal funds are paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal award, grant loan, or cooperative agreement, the GRANTEE will complete and submit to the COMMISSION Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.
41. This Agreement is subject to cancellation pursuant to the provision of A.R.S. § 38-511.
42. This Agreement may be cancelled at the COMMISSION'S discretion if not returned with authorized signatures to the COMMISSION within 90 days of commencement of the award.
43. If any provision of this Agreement is held invalid the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall be in full force and effect.

IN WITNESS WHEREOF, the parties have made and executed the Agreement the day and year first above written.

FOR GRANTEE:



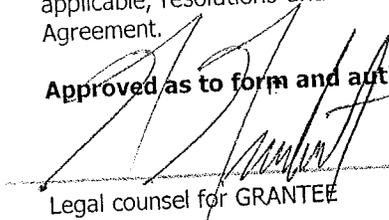
Mayor Or City Manager

10/10/07

Date

Note: If applicable, the Agreement must be approved by the appropriate county supervisory board or municipal council and appropriate local counsel (i.e. county or city attorney). Furthermore, if applicable, resolutions and meeting minutes must be forwarded to the Commission with the signed Agreement.

Approved as to form and authority to enter into Agreement:



Legal counsel for GRANTEE

Date

Statutory or other legal authority to enter into Agreement:

A.R.S. §§ 9-240; 9-274; 9-499.01; and 11-952

Appropriate A.R.S., ordinance, or charter reference

FOR CRIMINAL JUSTICE COMMISSION:

John A. B lackburn Jr., Executive Director
Arizona Criminal Justice Commission

Date



ARIZONA CRIMINAL JUSTICE COMMISSION
GRANT AGREEMENT

**Insurance Requirements
Exhibit "A"**

Insurance Requirements for Governmental Parties to a Grant Agreement:

None.

Insurance Requirements for Any Contractors Used by a Party to the Grant Agreement:

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.) The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona

in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

- A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

- | | |
|--|-------------|
| • General Aggregate | \$2,000,000 |
| • Products – Completed Operations Aggregate | \$1,000,000 |
| • Personal and Advertising Injury | \$1,000,000 |
| • Blanket Contractual Liability – Written and Oral | \$1,000,000 |
| • Fire Legal Liability | \$50,000 |
| • Each Occurrence | \$1,000,000 |

- a. The policy shall be endorsed to include the following additional insured language: **"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor"**.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. **Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor"***.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

3. **Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$500,000
Disease – Each Employee	\$500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies are to contain, or be endorsed to contain, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees *and the other governmental entity* shall be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by the Contract.
2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
3. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of its Contract with the other governmental entity(ies) party to the Grant Agreement.

- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice has been given the State of Arizona. Such notice shall be sent directly to the GRANTEE and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the GRANTEE with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the GRANTEE. The State of Arizona project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona and the Arizona Criminal Justice Commission reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

- F. **SUBCONTRACTORS:** Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the county or local government agency responsible separate certificates for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the *insurance requirements* must have prior approval from the State of Arizona Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.



ARIZONA CRIMINAL JUSTICE COMMISSION
HIGH INTENSITY DRUG TRAFFICKING AREA (HIDTA)
GRANT AGREEMENT

**Confidential Funds Certification
Exhibit "B"**

CONFIDENTIAL FUNDS CERTIFICATION

This is to certify that I have read, understand, and agree to abide by all of the conditions for confidential funds as set forth in the effective edition of the Office of National Drug Control Policy Financial and Administrative Guide.

Grant Number: HT16-06-2314

Date: 12/07/07

Signature:

Juan Escamilla
Authorized Official

PROCEDURES

Each project agency authorized to disburse confidential funds must develop and follow internal procedures which incorporate the following elements:

Deviations from these elements must receive prior approval of the ONDCP.

1. Imprest Fund. The funds authorized will be established in an imprest fund which is controlled by a bonded cashier.
2. Advance of Funds: The supervisor of the unit to which the imprest funds is assigned must authorize all advances of funds for the P/I. Such authorization must specify the information to be received, the amount of expenditures, and assume name of informant.
3. Informant Files: Informant files are confidential files of the true names, assumed names, and signature of all informants to whom payments of confidential expenditures have been made. To the extent possible, pictures and/or fingerprints of the informant payee should also be maintained. Refer to Informant Files "Documentation" (2) for a list of required documents for the informant files.
4. Cash Receipts.
 - a. The cashier shall receive from the agent or officer authorized to make a confidential payment, receipt for cash advanced to him/her for such purposes.
 - b. The agent or officer shall receive from the informant payee a receipt for cash paid to him/her.

5. Receipt for Purchase of Information. An Informant Payee Receipt shall identify the exact amount paid to and received by the informant payee on the date executed. Cumulative or anticipatory receipts are not permitted. Once the receipt has been completed no alteration is allowed. The agent shall prepare an Informant Payee Receipt containing the following information:
 - a. The jurisdiction initiating the payment.
 - b. A description of the information/evidence received.
 - c. The amount of payment, both in numeral and word form.
 - d. The date on which the payment was made.
 - e. The signature of the informant payee.
 - f. The signature of the case agent or officer making payment.
 - g. The signature of at least one other officer witnessing the payment.
 - h. The signature of the first-line supervisor authorizing and certifying the payment.
6. Review and Certification. The signed Informant Payee Receipt with a memorandum detailing the information received shall be forwarded to the agent or officer in charge. The agent or officer in charge shall compare the signatures. He/she shall also evaluate the information received in relation to the expense incurred, and add his/her evaluation remarks to the report of the agent or officer who made the expenditure from the imprest funds. The certification will be witnessed by the agent or officer in charge on the basis of the report and Informant Payee's Receipt.
7. Reporting of Funds. Each project shall prepare a reconciliation report on the imprest funds on a quarterly basis. Information to be included in the reconciliation report will be the assumed name of the informant payee, the amount received, the nature of the information given, and to what extent this information contributed to the investigation. Recipients/subrecipients shall retain the reconciliation report in their files and shall be available for review unless the State agency requests that the report be submitted to them on a quarterly basis.
8. Record and Audit Provisions. Each project and member agency must maintain specific records of each confidential fund transaction. At a minimum, these records must consist of all documentation concerning the request for funds, processing (to include the review and approve/disapprove), modifications, closure or impact material, and receipts and/or other documentation necessary to justify and track all expenditures. Refer to Informant Files Documentation (2) for a list of documents which should be in an informant's file. In projects where funds are used for confidential expenditures, it will be understood that all of the above records, except the true name of the informant, are subject to the record and audit provision of grantor agency legislation.

INFORMANT FILES

1. Security. A separate file should be established for each informant for accounting purposes. Informant files should be kept in a separate and secure storage facility, segregated from any other files, and under the exclusive control of the supervisor or an employee designated by him/her. The facility should be locked at all times when unattended. Access to these files should be limited to those employees who have a necessary legitimate need. An informant file should not leave the immediate area except for review by a management official or the handling agent, and should be returned prior to the close of business hours. Sign-out logs should be kept indicating the date, informant number, time in and out, and the signature of the person reviewing the file.
2. Documentation. Each file should include the following information:
 - a. Informant Payment Record - kept on top of the file. This record provides a summary of informant payments.
 - b. Informant Establishment Record - including complete identifying and location data, plus any other documents connected with the informant's establishment.
 - c. Current photograph and fingerprint card (or FBI/State Criminal Identification Number).
 - d. Agreement with cooperating individual.
 - e. Receipt for P/I.
 - f. Copies of all debriefing reports (except for the Headquarters case file).
 - g. Copies of case initiation reports bearing on the utilization of the informant (except for the Headquarters case file).
 - h. Copies of statements signed by the informant (unsigned copies will be placed in appropriate investigative files).
 - i. Any administrative correspondence pertaining to the informant, including documentation of any representations made on his behalf or any other nonmonetary considerations furnished.
 - j. Any deactivation report or declaration of any unsatisfactory informant.

INFORMANT MANAGEMENT AND UTILIZATION

All persons who will be utilized as informants should be established as such. The specific procedures required in establishing a person as an informant may vary from jurisdiction to jurisdiction but, at a minimum, should include the following:

1. Assignment of an informant code name to protect the informant's identity.

2. An informant code book controlled by the supervisor or his/her designee containing:
 - a. Informant's code number.
 - b. Type of information (i.e. informant, defendant/informant, restricted use/informant).
 - c. Informant's true name.
 - d. Name of establishing law enforcement officer.
 - e. Date the establishment is approved.
 - f. Date of deactivation.
3. Establish each informant file in accordance with Informant File Documentation (2).
4. For each informant in an active status, the agent should review the informant file on a quarterly basis to assure it contains all relevant and current information. Where a MATERIAL face that was earlier reported on the Establishment Record is no longer correct (e.g. a change in criminal status, means of locating him/her, etc.), a supplemental establishing report should be submitted with the correct entry.
5. All informants being established should be checked in all available criminal indices. If verified FBI number is available, request a copy of the criminal records from the FBI. Where a verified FBI number is not available, the informant should be fingerprinted with a copy sent to the FBI and appropriate State authorities for analysis. The informant may be utilized on a provisional basis while awaiting a response from the FBI.

PAYMENTS TO INFORMANTS

1. Any person who is to receive payments charged against PE/PI funds should be established as an informant. This includes a person who may otherwise be categorized as sources of information or informants under the control of another agency. The amount of payment should be commensurate with the value of services and/or information provided and should be based on the following factors:
 - a. The level of the targeted individual, organization or operation.
 - b. The amount of the actual or potential seizure.
 - c. The significance of the contribution made by the informant to the desired objectives.
2. There are various circumstances in which payments to informants may be made.
 - a. Payments for Information and/or Active Participation. When an informant assists in developing an investigation, either through supplying information or actively participating in it, he/she may be paid for his/her service either in a lump sum or in staggered payments. Payments for information leading to a seizure, with no defendants, should be held to a minimum.

- b. Payment for Informant Protection. When an informant needs protection, law enforcement agencies may absorb the expenses of relocation. These expenses may include travel for the informant and his/her immediate family, movement and/or storage of household goods, and living expense at the new location for a specific period of time (not to exceed 6 months). Payments should not exceed the amounts authorized by law enforcement employees for these activities.
 - c. Payments to Informants of Another Agency. To use or pay another agency's informant, he/she should be established as an informant. These payments should not be a duplication of a payment from another agency; however, sharing a payment is acceptable.
3. Documentation of payments to informants is critical and should be accomplished on a Informant Payee Receipt. Payment should be made and witnessed by two law enforcement officers and authorized payment amounts should be established and reviewed by at least the first line supervisory level. In unusual circumstances, a non-officer employee or an officer of another law enforcement agency may serve as witness. In all instances, the original signed receipt must be submitted to the project director for review and record keeping.

ACCOUNTING AND CONTROL PROCEDURES

Special accounting and control procedures should govern the use and handling of confidential expenditures, as described below:

1. It is important that expenditures which conceptually should be charged to PE/PI/PS are so charged. It is only in this manner that these funds may be properly managed at all levels, and accurate forecasts of projected needs be made.
2. Each law enforcement entity should apportion its PE/PI/PS allowance throughout its jurisdiction and delegate authority to approve PE/PI/PS expenditures to those offices, as it deems appropriate.
3. Headquarters management should establish guidelines authorizing offices to spend up to a predetermined limit of their total allowance on any buy or investigation.
4. In exercising his/her authority to approve these expenditures, the supervisor should consider:
 - a. The significance of the investigation.
 - b. The need for this expenditure to further the investigation.
 - c. Anticipated expenditures in other investigations.

Funds for PE/PI/PS expenditures should be advanced to the officer for a specific purpose. If they are not expended for that purpose, they should be returned to the cashier. They should not be used for another purpose without first returning them and repeating the authorization and advance process based on the new purpose.

5. Funds for PE/PI/PS expenditure should be advanced to the officer on suitable receipt form. Informant Payee Receipt or a voucher for P/E should be completed to document funds used in the purchase of evidence or funds paid or advanced to an informant.
6. For security purposes there should be a 48-hour limit on the amount of time funds advanced for PE/PI/PS expenditure may be held outstanding. If it becomes apparent at any point within the 48-hour period that the expenditure will not materialize, the funds should be returned to the cashier as soon as possible. An extension of the 48-hour limit may be granted by the level of management that approved the advance. Factors to consider in granting such an extension are:
 - a. The amount of funds involved.
 - b. The degree of security under which the funds are being held.
 - c. How long an extension is required.
 - d. The significance of the expenditure.

Such extensions should be limited to 48 hours. Beyond this, the funds should be returned and readvanced, if necessary. Regardless of circumstances, within 48 hours of the advance, the cashier should be presented with either the unexpended funds, an executed Informant Payee Receipt or purchase of evidence or written notification by management that an extension has been granted.

7. P/S expenditures, when not endangering the safety of the officer or informant, need to be supported by canceled tickets, receipts, lease agreements, etc. If not available, the supervisor, or his immediate subordinate, must certify that the expenditures were necessary and justify why supporting documents were not obtained.

ARIZONA CRIMINAL JUSTICE COMMISSION

GRANT AGREEMENT INSTRUCTIONS

To help expedite your agency's receipt of grant funds, please review the grant agreement and then forward to the appropriate approval authority for execution. Funds cannot be disbursed to your agency until the Agreement is properly and fully executed.

Your agency is the GRANTEE for the purposes of this grant agreement. On the signature page, under the heading FOR GRANTEE, there are 3 lines that must be completed (Non-Profit does not need Legal Council approval).

- A. The first line is the signature of the individual **authorized to make agreements** for your governmental subdivision.
1. For County Offices, the Chairman of the County Board of Supervisors **must** sign the grant agreement. If someone other than the Chairman is designated to sign agreements, please enclose a copy of the resolution authorizing this. If the Board's rules require an attestation or certification of the signature by the Clerk of the Board, it may be typed in anywhere it is convenient on the signature page.
 2. For City Offices, the Mayor or the City Manager must sign the grant agreement. If someone other than the Mayor or City Manager is designated to sign agreements, please enclose a copy of the resolution authorizing this. If the Council rules require an attestation or certification of the signature by the Clerk, it may be typed in anywhere it is convenient on the signature page.
 3. A signed copy of the Board of Supervisors or City Council's approved agenda item or resolution listing this grant agreement must be attached to the signed agreement when it is returned to the Criminal Justice Commission.
 4. For State Agencies, the Director or Chief Executive Officer of the Agency must sign the grant agreement where indicated.
 5. For Non-Profit Agencies, the Executive Director or Chairman of the Board must sign the agreement where indicated.
- B. The line requesting the signature of the **Legal counsel for GRANTEE** should be signed by the Deputy County Attorney or Assistant Attorney General who provides legal counsel to the governing body. This individual is approving the agreement as to form and attesting to the legal authority of the governing body to perform the agreement activities. State Agencies should check if this is required by their legal counsel. Non-Profit Agencies this field is not required.
- C. The final line under FOR GRANTEE refers to the Arizona Revised Statute that gives the governing body legal authority to perform the agreement activities.

Please note that effective November 1, 1999, Arizona grant applications are no longer subject to review by state executive order 12372. There is no need to contact the clearinghouse for a State Application Identification (SAI) number. If there are any questions regarding the execution of this agreement, please contact the Grant Coordinator at (602) 364-1146.

BUDGET CATEGORY DEFINITIONS

Encumbrance

An obligation to pay for something you ordered through a purchase order, contract, or other commitment to pay. For instance, submitting a request for payroll checks that have not yet been paid by the end of the reporting period would be listed as an encumbrance on the report. It is no longer an encumbrance when it is paid or canceled, so remember to enter the transaction in the expense column when it is paid in future months. The balance of the grant award is not an encumbrance.

Salaries

Regular Base Pay including On-Call; Incentive Pay; High Risk (Hazardous) Duty; Shift Differential; Annual Leave; Sick Leave; Military Leave; Other Compensated Leave (Jury Duty, etc.).

Fringe Benefits

Insurance (FICA Taxes, Medical Insurance, Basic Life, Long Term Disability, Unemployment compensation, Dental Insurance, Workers' Compensation); Retirement Plan; Uniform Allowance; Other Employee Related Expenditures.

Overtime

Charges for any time worked which is in excess of normally set limits (either straight or time and one-half pay) including Compensation Time.

Services

All lease and rental equipment
Phones (local and long distance charges), pagers, radios, copiers, vehicles, computers, data lines, and audio/visual.
Contractual Services
Compensation to workforce under contract for specific projects
Consultants {computer (planning, installation), investigative, litigation}
Insurance (planes, vehicles, professional)
Photo processing
Repairs and maintenance (all except facilities) including service agreements
Training and tuition including fees, course-related books and supplies
Postage and shipping, including overnight shipping such as FedEx

Travel

Operational (witness interviews and managerial meetings)
Seminars
Conference/training/local
Costs of travel in connection with above, including transportation, lodging, meals and incidentals.

Facilities

Lease of office space, warehouse, and other facilities
Facilities-related services, including utilities, janitorial and alarm; and improvements, upgrades, and maintenance (e.g. repairs, fumigation)

Equipment

Purchase of equipment such as:

Communications

Audio, phones, pagers, and radios

Office

Furniture, computer work stations, equipment such as computers and accessories, copiers, fax machines, and others (e.g. shredders)

Surveillance

Electronics, specialized audio and phone equipment, lens, scopes, pen register, night vision, automatic dialed number recorder.

Photo

Cameras, lenses, and related equipment

Transportation

Vehicles, vans, planes, boats, motorcycles, as well as accessories

Video

Video and infrared night vision cameras and lenses, microwave, video monitor, VCR, transmitter, and other equipment (pinhole video and lenses).

Supplies

Books, directories, subscription to journals, etc.

Computer software and updates and computer supplies (paper, toner, etc.)

Vehicle fuel, lubricants, repair parts

Uniforms, safety glasses, riot equipment

Other (films, office and analytical supplies)

Other

Purchase of information and evidence: Adequate controls over disbursement of confidential funds **must be** established to safeguard against the misuse of such funds, consistent with the *Office of National Drug Control Policy*. The Confidential Funds certification must be submitted to the Commission office.

Purchase of Services (P/S). Travel or transportation of an informant; the lease of an apartment, business front; luxury-type automobiles; aircraft or boat used to create or establish the appearance of affluence; and/or meals, beverages, entertainment (including buy money and flash rolls, etc.) For undercover purposes, within reasonable limits.

Purchase of Evidence (P/E). This is the purchase of evidence and/or contraband, such as narcotics and dangerous drugs, firearms, stolen property, counterfeit tax stamps, etc., required to determine the existence of a crime or to establish the identity of participant in a crime.

Purchase of Specific Information (P/I). This is the payment of monies to an informant for specific information. All other informant expenses would be classified

Items not covered elsewhere.

Other Federal Grant Program materials that should be referenced are the *OMB Circulars*. *OMB circular A-87 Cost Principles for Governments, A-122 Cost Principles for Non-Profit Organizations, A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and Indian Tribes, A-110 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations. A-133 Audit of Federal Grants and Cooperative Agreements*

These along with the **Grant Agreement** will give guidance to manage your grant program.

Link: <http://www.whitehouse.gov/omb/circulars/index.html>

INSTRUCTIONS

Each agency receiving funds from the Arizona Criminal Justice Commission is required to complete to submit a reimbursement package that includes a Financial Report and supporting documentation. The frequency of reporting is outlined in the Grant Agreement.

- T Respond to all sections of the Report.
- T Report a zero (0) in any space requiring a numerical response wherever no data exists.
- T Enter the period date of the report.
- T A completed report must be received on or before the due date listed in your Grant Agreement.

Send to:
AZ HIDTA FINANCIAL MANAGER
Arizona High Intensity Drug Trafficking Area
6868 S Plummer
Tucson, Arizona 85706

PART I - FINANCIAL DETAIL

Requests an accounting of what you paid (This Period Expenses) and encumbrances (This Periods Encumbrances) for each budget category. Do not encumber the balance of your grant award (see the encumbrance definition for further explanation).

Line Number:

- 1. Salaries:** Charges for time worked by regular employees paid through your payroll system.
- 2. Fringe Benefits:** Charges for payment of the employer's portion of FICA, health and accident insurance, retirement, etc.
- 3. Overtime:** Charges for overtime worked by regular employees paid through you payroll system.
- 4. Services:** Charges for outside services for non-employees to provide services.
- 5. Travel:** Charges for employee per diem cost and other related travel expenses.
- 6. Facilities:** Charges for lease of office space, warehouse, and other facilities.
- 7. Equipment:** Cost associated with the purchase of equipment such as furniture, computers, software, licensing etc.

8. **Supplies:** Cost associated with purchase of books, computer software and updates, vehicle fuel, uniforms, and other supplies.
9. **Other:** Cost associated with the purchase of information and evidence and items not covered elsewhere.
10. **Total Paid this period Expenses column:** This figure will reflect actual funds spent. This number must reflect official financial records.
11. **Total Encumbrances this period:** This figure will reflect ACJC funds encumbered (see definition) for this period. This number must reflect official financial records.
12. **SUBTOTAL Period Expenses:** This figure will reflect subtotal of actual expenses.
13. **SUBTOTAL Period Encumbrances:** This figure will reflect subtotal of actual encumbrances.

PART II - FINANCIAL SUMMARY

Requests a summary of how you spent your grant funds.

Line Number:

- A. **Total funds spent from the prior report:** If this is the first reporting period, this line will be zero (\$0). In all periods following the first, the number you enter here will come from line C of Part II, of your prior Financial Report.
- B. **Total funds spent this period:** This information is the **Total Paid this period** from page 1 line 10 on your report. In other words, this is how much funds you spent this report period.
- C. **Total funds spent to date:** This is how much funds you have spent since the beginning of the award period.
- D. **Total encumbered this period:** This information is the **Total Encumbrances this period** from page 1 line 11 on your report. In other words, this is how much funds you have encumbered to pay this period but which have not yet been paid (see the definition on page 1).
- E. **Total spent and encumbered to date:** This is how much funds you have spent and encumbered.
- F. **Total grant award:** This is the amount of your total grant award The award amount is in paragraph 6 of your Grant Agreement.

G. **Balance of grant:** Subtract line F from line E and enter results. This is the grant balance that you have either spent or encumbered.

H. **Interest earned this period:** All interest, if earned must be reported for all programs receiving **federal** funds. See paragraph 6 of the Grant Agreement to see if federal money is involved in the grant. All interest earned on federal funds must be reported to the Arizona Criminal Justice Commission. Funds must be reverted to the Commission if applicable.



High Intensity Drug Trafficking Area (HIDTA)

Arizona Criminal Justice Commission - FINANCIAL REPORT

Grant CYCLE 16

OCTOBER 2005 THRU SEPTEMBER 2006

PART I FINANCIAL DETAIL

Provide the following **DETAILED** budget information

Name of Agency: _____

Name of Initiative: _____

Grant Number: _____

Report Period: _____

	Category	This Period Expenses	This Period Encumbrances
1.	Salaries	\$	\$
2.	Fringe Benefits	\$	\$
3.	Overtime	\$	\$
4.	Travel	\$	\$
5.	Services	\$	\$
6.	Facilities	\$	\$
7.	Equipment	\$	\$
8.	Supplies	\$	\$
9.	Other	\$	\$
10.	Total paid this period (Enter on Page 2, Line B)	\$	\$
11.	Total Encumbrances this period (Enter on Page 2, Line D)	\$	\$
12.	SUBTOTAL	\$	\$

Type of Equipment Purchased: List Each Item Included Above (Written Approval is Required)			Quantity	Amount Each (\$)
Capital	Non-Capital	Type of Equipment		
				\$
				\$
				\$
				\$

**High Intensity Drug Trafficking Area (HIDTA) Grant
CYCLE 16**

PART II FINANCIAL SUMMARY

Provide information as requested below

Name of Agency: _____
 Name of Initiative: _____
 Grant Number: _____
 Report Period: _____

Line #	Status of Funds	Current Period
A	Total funds spent from prior report (Enter the number from Line C page 2 from your previous report)	\$
B	Total funds spent this period (Enter the number from Line 10 Page 1)	\$
C	Total funds spent to date (Add Lines A+B)	\$
D	Total encumbrances this period (Enter the number from Line 11 Page 1)	\$
E Tot	Total spent and encumbered to date (Add Line C+D)	\$
F	Total grant award	\$
G	Balance of grant (Line F-E)	\$
H	Interest earned this period**	\$

All interest, if earned, must be reported for all programs receiving federal monies. **All interest in excess of the allowable amount as indicated in the *ONDCP Financial and Administrative Guide for Cooperative Agreements* must be reverted to the Arizona Criminal Justice Commission within 30 days after receipt of a written request from the COMMISSION. To check if a vendor or contractor has a debarment or suspension as required in the Grant Agreement check the Excluded Parties Listing System web site at <http://epls.arnet.gov>

CERTIFICATION: I certify that to the best of my knowledge and belief, this report is correct and complete and that all outlays and unpaid obligations are for the purposes set forth in the grant award documents.

Prepared by: _____
 Typed Name/Date/Telephone/Fax Number

Certified by: _____
 Signature of Authorized Official Date

Authorized by: _____
 Signature of Task Force Commander Date