



State of Missouri
Department of Social Services
Agreement Amendment

Agreement Description: IV-D County Reimbursement
Amendment Description: Agreement Extension
Effective Date: January 1, 2013

Agreement #: ER102120048

State Vendor #: 44600052404

Amendment # 001

County Information:

County Name: County of Jackson
Mailing Address: 415 E. 12th St., Fl. 11
City, State Zip: Kansas City, MO 64106

FILE
1-14-13

The above referenced agreement between the County of Jackson and the Department of Social Services is hereby amended as follows:

1. The agreement is extended through December 31, 2013.
2. The maximum funding for the agreement for the period January 1, 2013 through December 31, 2013 is \$3,235,020.06.
 - a. The maximum funding for the Prosecuting Attorney is \$3,213,461.00, and
 - b. The maximum funding for the Circuit Clerk is \$21,559.06.
3. Provision I.A.1.f) (Indirect cost allocation plan) is not applicable for January through December 2013.
4. For the purpose of this cooperative agreement the term "contractor" shall refer to the "county".
5. Attachment A (Documentation of Expenditures and Federal Claims) is hereby replaced in its entirety with the attached Attachment A (Subrecipients).
6. Attachment B (Federal Tax Information) is hereby added in its entirety and shall be incorporated as stated herein.
7. This amendment shall be effective January 1, 2013. All other terms and conditions shall remain unchanged.

In witness thereof, the parties below hereby execute this agreement.

Michael D. Sanders
Authorized Signature for the County

Michael D. Sanders, County Executive

Title

12/4/12
Date

Jean Peters Baker
Authorized Signature for the Prosecuting Attorney

Prosecutor

Title

12/7/12
Date

Jeffrey A. Eisenbeis
Authorized Signature for the Circuit Clerk

Jeffrey A. Eisenbeis, Court Administrator

Title

12/9/12
Date

Jennifer K. Isbell
Authorized Signature for the Department of Social Services

12-21-12
Date

APPROVED AS TO FORM

ATTEST

By: W. Stephen Nixon
W. Stephen Nixon
County Counselor

By: Mary Jo Spino
Mary Jo Spino
Clerk County Legislature

Attachment A - Subrecipients

It has been determined the contractor is a subrecipient as defined in Office of Management and Budget (OMB) Circular A-133, Section 210. Therefore, the contractor shall comply with all applicable implementing regulations, and all other laws, regulations and policies authorizing or governing the use of any federal funds paid to the contractor through this contract.

DISCLOSURE:

The federal funds provided as payment under the terms and conditions of this contract are provided from:

Granting Federal Agency	U.S. Department of Health & Human Services		
Grant Award #	04MO4005	Grant Award Year	2011, 2012, 2013
Catalog of Federal Domestic Assistance (CFDA) Number	93.563		
CFDA Grant Name	IV-D Administration		

FFY 2013

Grant Award (federal funds)	\$ <u>2,869,462.89</u>
Non-federal matching funds required to be provided by subrecipient	\$ <u>0.00</u>
Non-federal matching funds provided by DSS	\$ <u>365,557.17</u>
Total amount FFY	\$ <u>3,235,020.06</u>

In addition to the terms and conditions of the above grant and CFDA number, subrecipient is responsible for compliance with applicable Office of Management and Budget (OMB) Circulars including:

OMB A-133, Audits of States, Local Governments, and Non-profit Organizations;

OMB A-122, Cost Principles for Non-Profit Organizations;

OMB A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Learning, Hospitals and Other Non-Profit Organizations;

OMB A-102 – Grants and Cooperative Agreements with State and Local Governments;

OMB A-87, Cost Principles for State, Local and Indian Tribal Governments;

For-Profit Entities shall comply with the OMB Circulars applicable to Non-Profit Organizations.

The subrecipient shall not assign responsibility of this contract to another party, subcontract for the work contemplated under this contract, or transfer program services to another location without the prior written approval of the DSS. The DSS may monitor the terms and conditions of the assignment of subcontract to ensure compliance. The subrecipient shall ensure contracts with its subcontractors contain the same terms and conditions of this contract and shall be responsible for monitoring subcontractor compliance and performance in both programmatic and administrative areas. Subrecipient agrees any subaward of funds is also subject to the applicable OMB circulars and the contents of this contract.

KEY CONSIDERATIONS FOR COST ALLOWABILITY/RECORDKEEPING

1. All costs must satisfy the general provisions for allowability of costs as defined in the applicable OMB Circular.
2. All costs whether reimbursed from Federal or non-federal sources must satisfy the specific provisions for allowability of costs as defined by all applicable Federal program rules.
3. DSS shall only reimburse the allowable Federal share specified by the program unless specified in the disclosure of non-federal funds to be provided by DSS. All non-federal shares must be for the same allowable costs as specified in the Federal grant.
4. Federal funds provided under this agreement and required matching funds cannot be used as matching funds for any other federal grant unless specifically allowed by that grant.
5. Any deferrals, disallowances, questioned costs, or other items not allowed for Federal Financial participation, claimed by DSS on behalf of the Subrecipient, shall be returned within six months, either to DSS or directly to the federal agency (as determined by DSS) by the subrecipient.
6. Billings will be based on the actual cost incurred and must identify the federal share to be reimbursed to the subrecipient. Subrecipient submission of an invoice or other request for payment constitutes certification that the items included on the invoice represent reasonable, allocable, and allowable costs associated with performing the project defined in the contract.
7. For employees that work solely on activities funded for the purposes specified under this agreement, employee payroll records will support the documentation requirements. OMB Circular A-87 provides that state and local governmental agencies may periodically certify that these employees worked solely on that program in lieu of personnel activity reports. Other entities must maintain personnel activity reports described below.
8. For employees that work on multiple activities or cost objectives in addition to the activities funded for the purposes specified under this agreement, distribution of their salaries or wages will be supported by personnel activity reports that:
 - a. reflect an after-the-fact distribution of the actual activity reimbursable under the purposes of this agreement of each employee, and;
 - b. account for the TOTAL activity for which each employee is compensated; and
 - c. are prepared at least monthly and coincide with one or more pay periods; OR
 - d. are supported by a statistical sampling system or other substitute system. *[If the cost will be supported by a statistical sampling system or other substitute system, a detailed description of the allocation methodology must be submitted and approved by DSS. Any changes to that methodology implemented after execution of this agreement shall require an amendment to this agreement.]*
9. Materials acquired, consumed or expended must be claimed either:
 - a. To benefit only the purposes specified under this agreement; or
 - b. As costs chargeable or assigned in part for the purposes authorized under this agreement in accordance with relative benefits received. *[If expense and equipment items are allocable, a detailed description of the methodology utilized to assign those costs in accordance with the relative benefits received under this agreement must be attached. Any changes to that methodology implemented after execution of this agreement shall require an amendment to this agreement.]*
10. Automated data processing costs in excess of \$1,000,000 must receive prior written approval and must comply with the provision of 45 CFR Part 95, Subpart F.
11. If indirect costs are included as part of the reimbursement under this contract, those costs must be approved in either a Federal or State Approved Indirect Cost Negotiation Agreement. The Department of Social Services (DSS) has an established Contract Administrative Rates policy which outlines maximum administrative rates allowable under any DSS contract with public or other governmental entities. *[If*

indirect costs are included, attach a copy of your current Approved Indirect Cost Negotiation Agreement. The annual or bi-annual changes to indirect cost rates - provided they have been approved in your Federal or State Approved Indirect Cost Negotiation Agreement - will be allowed and will not require an amendment to this agreement, provided that a copy of the newly approved agreement is provided to the DSS Division of Finance and Administrative Services.]

12. Subrecipients must maintain an accounting system that, at a minimum, provides for the following:
 - a. Itemization of each expenditure in a manner that the purpose of the expenditure is readily identifiable to the grant activities;
 - b. The expenditures for the grant recorded in the sub-recipients accounting system must be in a format that required federal financial reports can be prepared from and identified back to the system entries.

AUDIT REQUIREMENT

In the event the subrecipient expends \$500,000 or more in federal awards in its fiscal year, the subrecipient must have a single or program-specific audit conducted in accordance with provisions of the Single Audit Act Amendments of 1996 and Circular A-133, including subsequent amendments or revisions. In determining the federal awards expended in its fiscal year, the subrecipient shall consider all sources of federal awards, including federal resources received from the DSS. The determination of amounts of federal awards expended should be in accordance with the provisions of OMB Circular A-133, as revised.

If the subrecipient expends less than \$500,000 in federal awards in its federal year, an audit conducted in accordance with the provisions of A-133, as revised, is not required. In the event the subrecipient elects to have an audit conducted in accordance with the provision of OMB Circular A-133, as revised, the cost of the audit must be paid from non-federal resources.

AUDIT REPORTS

If the subrecipient is required to complete an audit as described in OMB Circular A-133, a copy of the final audit report shall be sent to the DSS, immediately, to the below address:

Department of Social Services
Division of Finance and Administrative Services
Attn: A133
P.O. Box 1082
Jefferson City, MO 65102

In cases of noncompliance, the subrecipient shall provide the DSS with copies of responses to auditors' reports and a detailed plan for corrective action(s). The Subrecipient shall cooperate with DSS in resolving questions that DSS may have concerning the auditors' report and plans for corrective action(s). Additionally, the subrecipient further agrees to provide the DSS, in a timely manner, access to any independent auditors' reports that present instances of noncompliance with federal laws and regulations that bear directly on the performance or administration of this contract. All reports prepared in accordance with the requirements of OMB Circular A-133 shall be available for inspection by representatives of the DSS during normal business hours. The subrecipient agrees that it shall keep all records for a period of five (5) years following completion of the project, or until all litigation, claims or audit findings have been resolved and final action is taken, such records as may be reasonably necessary to facilitate an effective audit.

TRANSPARENCY REPORTING

The Federal Funding Accountability and Transparency Act (FFATA) reporting requirement took effect on October 1, 2010. This law, passed in 2006 and amended in 2008, requires any person or entity receiving a contract or grant award totaling more than \$25,000, to provide certain information. This information is captured on Attachment B/Appendix 1. Unless previously provided, subrecipient must supply the above information to DSS within five business days of contract execution. Any changes to transparency information must be provided to DSS within five business days of the change.

Attachment B/Appendix 1



**Missouri Department of Social Services (DSS)
Federal Funding Accountability and Transparency Act (FFATA)
Data Form**

Please print or type

1. Legal Business Name	Jackson County Prosecutor's Office
2. Doing Business As	Family Support Division
3. Street Address 1*	324 East 11th Street, Suite 1100
4. Street Address 2	
5. City	Kansas City
6. State	MO
7. Zip Code with 4 digit extension*	64106-2421
8. Congressional District*	5th
9. Federal Grant Award Number*	04MO4005
10. Contract Number*	ER102120048
11. Amount of Contract*	\$3,235,020.06
12. Contract Description*	Provide Child Support Services
13. Contract Obligation Date*	12/07/2012
14. Principal Place of Performance*	N/A
15. Contact Person's Name	Melissa Mauer-Smith
16. Contact Phone Number	816-881-3488
17. Contact E-Mail	MMauer-Smith@jacksongov.org
18. DUNS Number*	020741896
19. Parent Organization's DUNS Number*	073134868
<p>20. Executive Compensation Information</p> <p><i>Executive</i> means officers, managing partners, or any other employees in management positions.</p> <p><i>Total compensation</i> means the cash and non-cash dollar value earned by the executives during the recipient's or subrecipient's preceding fiscal year and includes items such as salary, bonuses, stock awards, incentive plans, pension plans, deferred compensation, etc. For more information about reporting compensation, please see https://www.fsrs.gov/documents/OMB Guidance on FFATA Subaward and Executive Compensation Reporting 08272010.pdf</p>	

In order to determine whether you are required to report executive compensation information, please answer the following questions:

1. In your business or organization's preceding completed fiscal year, did your business or organization receive
 - a. 80 percent or more of its annual gross revenues from federal procurement contracts (and subawards) and federal financial assistance submit to the Transparency Act, as defined in 2 CFR 170.320; and
 - b. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act? Yes No

If the answer to both 1a and 1b is "Yes", proceed to Question 2.

If the answer to either Question 1a or 1b is "No", your organization's compensation information is not required.

2. Does the public have access to the information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 [15 U.S.C. 78M(a), 78o(d)] or section 6104 of the Internal Revenue Code of 1986? (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission's total compensation filings at <http://www.sec.gov/answers/excomp.htm>)

Yes No

If the answer is "Yes", your organization's executive compensation information is not required.

If the answer is "No", your organization's top five most highly compensated executives for the preceding completed fiscal year is required. Complete the following information:

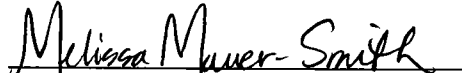
Name	Amount
1.	
2.	
3.	
4.	
5.	

While not required, the DSS encourages registration in the federal government owned and operated System for Award Management (SAM) to record information about the organization, including executive compensation data. This system is a secure, single repository of data. You only need to register once and renew annually. You have access to update your information whenever necessary. Additional information is available at www.sam.gov.

Certification:

I attest the facts stated above are true and correct. I understand the information provided will be reported by the Department of Social Services to the FFATA Subaward Reporting System (FSRS) and the information will be accessible to the public.


Authorized Representative's Signature


Printed Name

Director
Title

12-10-12
Date

***Most of the data elements included in this form are self explanatory. However, instructions for specific data elements are included for your convenience:**

3. *Street Address 1* - Use the physical location associated with the reported DUNS number reported in 14. No PO boxes, please.
7. *Zip Code plus 4 digit extension* - A four digit zip code extension is required. To locate the four digit zip code extension, access <http://zip4.usps.com/zip4/welcome.jsp>
8. *Congressional District* - To locate the two digit congressional district, access <https://writerep.house.gov/writerep/welcome.shtml>
9. *Federal Grant Award Number* - The number of the federal grant that is being used to fund the contract.
10. *Contract Number* - An identifying number issued by the DSS. It is typically located on the first page of the contract.
11. *Amount of Contract* - The total amount of funding that will be paid for the contracted services.
12. *Contract Description* - A summary of what is being purchased with the contact.
13. *Contract Obligation Date* - The date the contract is signed by both the DSS and the awardee.
14. *Principal Place of Performance* - The physical location of the primary place of the performance (city, state and congressional district). Record N/A if primary place of performance is the same as the physical location reported in 9-13.
18. *DUNS Number* - Dun & Bradstreet (D&B) provides a D-U-N-S Number, a unique nine digit identification number, for each physical location of your business. D-U-N-S Number assignment is FREE for all businesses required to register with the US Federal government for contracts or grants. <http://fedgov.dnb.com/webform>
19. *Parent Organization's DUNS Number* - See 18 above. This is typically used by large organizations with multiple facilities in several locations. The parent organization's number is number assigned to the headquarters for the operation.

Please contact Division of Finance and Administrative at 573/751-2170 if you have any questions about the completion of this form. **Completed forms may be faxed to (573) 751-7598.**

Attachment B – Federal Tax Information

The contractor shall comply with the federal tax information requirements stated in the Safeguarding IRS/SSA Restrictions/Penalties (**Attachment B-1**) document attached hereto. In addition, the contractor shall:

- a. require all new hire and tenured personnel to certify and complete the Department's security policy and IRS penalties for unauthorized disclosure of federal tax information . The training can be located at: (<http://10.60.16.57//DisclosureForm/>);
- b. complete and print the electronic *Internal Inspections Report* annually (<http://dsswebapp2.cds.state.mo.us/InspectionReport/>) and retain for five (5) years;
- c. not send or receive any federal tax information by electronic mail (e-mail) or facsimile;
- d. not disclose or release any form of protected federal tax information to any non-custodial parent attorney involved in the referred case under the contractor's control;
- e. provide a visitor access log the must not contain personal identification information (i.e. social security number, case number, or other personal identifying information) that may be viewable by other visitors; provide all visitors with visitor badges; and all visitors must be accompanied by contractor personnel at all times;
- f. only provide key/combination locks to authorized personnel that have a need to access federal tax information; maintain key/combination accountability records; change key/combination locks when authorized personnel changes occur or at a minimum annually; and
- g. must immediately report an unauthorized inspection or disclosure of federal tax information via email or hardcopy, including breaches and security incidents, to the compliance coordinator or designee. The compliance coordinator can be contacted at gary.h.hinzpeter@dss.mo.gov.

Attachment B-1 – Safeguarding IRS/SSA Restrictions/Penalties

1. PERFORMANCE

- 1.1 In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
- a. All work will be performed under the supervision of the contractor or the contractor's responsible employees.
 - b. Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone other than an officer or employee of the contractor is prohibited.
 - c. All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.
 - d. No work involving returns and return information furnished under this contract will be subcontracted without prior written approval of the IRS.
 - e. The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
 - f. The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

2. CRIMINAL/CIVIL SANCTIONS

- 2.1 Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than the \$1,000 with respect to each instance of unauthorized disclosure.
- a. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- 2.1 Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee (United States for Federal employees) in an amount equal to the sum of the greater of \$1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.

- 2.3 Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- 2.4 Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213 and 7213A (see Exhibit 6, IRC Sec. 7431 *Civil Damages for Unauthorized Disclosure of Returns and Return Information* and Exhibit 5, IRC Sec. 7213 *Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

3. INSPECTION

- 3.1 The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

4. CONTRACT LANGUAGE FOR TECHNOLOGY SERVICES

4.1 Performance:

- 4.1.1 In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
- a. All work will be done under the supervision of the contractor or the contractor's employees.
 - b. Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
 - c. All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
 - d. The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
 - e. Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
 - f. All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the

security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

- g. No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- h. The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- i. The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

4.2 **Criminal/Civil Sanctions:**

- 4.2.1 Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- 4.2.2 Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee (United States for Federal employees) in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.
- 4.2.3 Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- 4.2.4 Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213 and 7213A (see Exhibit 6, IRC Sec. 7431 *Civil Damages for Unauthorized Disclosure of Returns and Return Information* and Exhibit 5, IRC Sec. 7213 *Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for

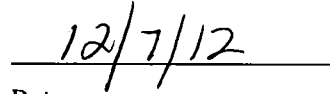
reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

4.3 Inspection:

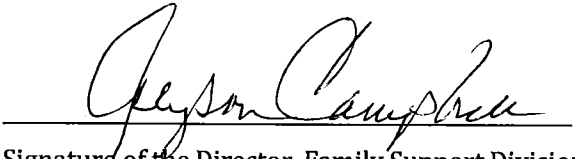
4.3.1 The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.



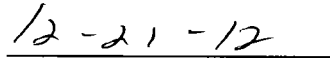
Authorized Signature for the County Prosecuting Attorney



Date



Signature of the Director, Family Support Division



Date