

ADDENDUM 1 TO EXHIBIT A
Fixed Administrative Allocation Methodology
Baldwin County Opioid Settlement Funding Program

1. Purpose

This Addendum establishes Baldwin County's **Fixed Administrative Allocation Methodology** for internal administrative and clinical review costs associated with the Baldwin County Opioid Settlement Funding Program. This methodology ensures consistent, transparent, and auditable administration of opioid settlement funds in accordance with Resolution 2026-081, the Alabama Opioid Settlement Fund (Act 2023-384), and applicable federal cost principles.

2. Authority and Compliance Basis

This methodology is authorized under:

- **Resolution 2026-081**, adopting the Baldwin County Opioid Settlement Funding Program
- **Act 2023-384**, establishing the Alabama Opioid Settlement Fund
- **2 CFR Part 200**, including:
 - §200.404 (Reasonable Costs)
 - §200.405 (Allocable Costs)
 - §200.412–415 (Classification of Costs)
 - §200.414(f) (De Minimis Rate)

Federal guidance permits the use of **reasonable, consistently applied allocation methodologies** for administrative and oversight costs. State guidance does not impose a cap on administrative costs but requires documentation, oversight, and monitoring.

3. Fixed Administrative Allocation Methodology

Baldwin County will apply a 15 percent de minimis indirect cost rate, consistent with 2 CFR 200.414(f), to recover allowable administrative and clinical review costs associated with oversight of each opioid settlement award. This rate is applied to the modified total direct costs (MTDC) of each award and does not reduce the organization's approved direct program funding.

This allocation methodology and certification simplifies and streamlines documentation as compared to strictly individual employee timekeeping for personnel performing intermittent administrative or clinical oversight functions.

Allocation Breakdown

- **7.5% – Grants Administration**
Covers program intake, eligibility review, scoring, award processing, compliance monitoring, reimbursement review, and state-required annual reporting.
- **7.5% – Clinical Review**
Covers clinical or subject-matter review of opioid-related classifications, validation of programmatic reports, and confirmation that funded activities align with opioid-related treatment, prevention, and recovery outcomes.

This function may be performed by the Coroner's Office or another qualified clinical reviewer designated by the County.

4. Written Justification for the Fixed Allocation

Baldwin County has determined that a fixed administrative allocation is the most efficient, transparent, and auditable method for capturing internal administrative and clinical review costs. This methodology:

- Ensures **consistent application** across all awards
- Reduces administrative burden for County staff
- Aligns with the **15% de minimis administrative cost standard** under 2 CFR Part 200
- Reflects the actual structure of program oversight shared between Grants Administration and a designated Clinical Reviewer
- Provides a predictable basis for budgeting and reporting
- Avoids the need for individual employee timekeeping when staff perform intermittent oversight activities

No federal or state guidance requires timekeeping when a **reasonable, documented allocation methodology** is used.

5. Allowable Costs Under the Allocation

Costs covered by the fixed allocation may include:

- Salaries and wages of personnel performing administrative or clinical review functions
- Fringe benefits (health, retirement, FICA, workers' comp, etc.)
- Costs associated with review, monitoring, reporting, and compliance
- Costs associated with clinical/technical validation of program activities

6. Documentation and Recordkeeping Requirements

To support the fixed allocation, the County will maintain:

- This Addendum and written justification
- A Commission-approved resolution adopting the methodology
- A description of duties performed under each allocation
- Quarterly calculations showing the 15% allocation applied to each award
- Clinical Review Certification Forms supporting the 7.5% clinical allocation
- Records retained for **five (5) years**

7. Clinical Review Certification Form

Baldwin County – Opioid Settlement Funding Program

(For 7.5% Clinical Review Allocation)

Awarded Organization: _____

Award Amount: _____

Quarter: _____

7.5% Clinical Review Allocation: _____

Section 1 — Checklist of Review Activities

The Clinical Reviewer affirms that the following activities were performed for this award period (check all that apply):

- Reviewed programmatic reports for alignment with opioid-related treatment, prevention, or recovery outcomes
- Validated opioid-related classifications or service descriptions
- Reviewed supporting documentation submitted by the funded organization
- Assessed whether expenditures align with approved opioid-related activities
- Identified any concerns requiring follow-up or clarification
- Confirmed compliance with the County’s Eligibility & Program Standards

Section 2 — Documents / Materials Reviewed

*(Reviewer **must** list all documents, reports, logs, or other materials examined)*

1. _____
2. _____
3. _____
4. _____
5. _____

Section 3 — Certification and Record Retention

By signing below, I certify that:

1. I performed the clinical or subject-matter review activities necessary to validate opioid-related classifications, programmatic reports, or treatment/prevention/recovery activities funded under the Baldwin County Opioid Settlement Funding Program.
2. The activities reviewed fall within the “Administration, Monitoring, and Oversight” category permitted under the Alabama Opioid Settlement Fund.
3. I understand that **all documents reviewed or generated as part of this certification must be retained for a minimum of five (5) years**, and that:
 - Baldwin County,
 - the County’s authorized agents, and
 - the Alabama Examiners of Public Accounts

may request access to these documents for audit or compliance purposes at any time during the retention period.

4. I am entitled to the fixed **7.5% Clinical Review allocation** for the award listed above.

Reviewer Certification

Reviewer Name: _____

Title/Role: _____

Signature: _____

Date: _____