

Van Buren County

Opioid Settlement Fund Policies

Section 1: Administrative Expenses Policy

Exhibit E of the National Opioid Settlement explicitly allows for “reasonable related administrative expenses” when such costs support the planning, implementation, or oversight of eligible opioid remediation activities. Van Buren County recognizes that these administrative functions are essential to the delivery of compliant and impactful programming.

1. County Administrative Expense Allowance

Van Buren County may allocate up to 10% of the total annually budgeted settlement funds toward staff time and indirect expenses that are directly tied to the development, oversight, monitoring, and evaluation of opioid remediation strategies, as outlined in Exhibit E.

2. Grantee Indirect Expense Allowance

Applicants may allocate up to 10% of their total grant award to indirect expenses, as long as those costs are clearly tied to eligible opioid remediation activities described in Exhibit E of the National Opioid Settlement Agreement.

Indirect costs must support the implementation, oversight, or administration of approved opioid-related work. Examples include IT support, accounting services, HR functions, facility overhead, and other shared operational costs that directly benefit the funded project.

All indirect expenses must be:

- Justified within the proposal narrative as necessary to carry out opioid-related work
- Included in the project budget with supporting detail
- Tied to the implementation, coordination, or evaluation of proposed activities
- Subject to review and approval by the County as part of the grant evaluation and contracting process

Failure to document and connect indirect costs to Exhibit E strategies may result in those expenses being disallowed.

¹ Exhibit E of the Distributor Settlement Agreement states that “qualifying expenditures may include reasonable related administrative expenses” for activities aligned with opioid remediation strategies. See: <https://www.attorneygeneral.gov/wp-content/uploads/2021/12/Exhibit-E-Final-Distributor-Settlement-Agreement-8-11-21.pdf>

Section 2: Conflict of Interest Policy

1. Purpose

To ensure fairness, transparency, and accountability in the review and distribution of opioid settlement funds, this policy establishes procedures to identify and manage conflicts of interest for all individuals involved in the grant scoring or recommendation process.

2. Definition of Conflict of Interest

A conflict of interest means a financial association involving a council member or the member's immediate family that has the potential to influence the member's actions, recommendations, or decisions related to the disbursement of opioid litigation proceeds or other council activity.

Conflicts include but are not limited to:

- Current or recent employment or board service with an applicant organization
- Ownership or financial stake in an applicant entity
- Family or close personal relationships with someone directly involved in the proposal
- Any situation in which a member would benefit directly from the funding decision

3. Recusal Requirements

Any individual with a conflict of interest in a particular proposal must:

- Disclose the conflict to the Committee Chair as soon as it is known and prior to any scoring or deliberation.
- Recuse themselves from scoring, discussion, and decision-making related to that proposal.
- If a conflicted member is also a representative of an organization submitting a proposal, they may present the proposal and answer questions, in the same manner as any other applicant.

All disclosures and recusals shall be documented in the meeting minutes.

In situations where it is unclear whether a conflict exists, the Committee Chair may request a vote of non-conflicted members to determine whether recusal is appropriate.

3. Minimum Scoring Threshold

To preserve the integrity of the scoring process a minimum of three (3) eligible, non-conflicted scorers must review and score each proposal. If recusals reduce the number of available scorers below three, the Committee Chair will assign alternate scorers; or delay scoring of the affected proposal until the threshold is met.

4. Affirmation of Understanding

All committee members and scorers will be required to sign an annual acknowledgment affirming they have read, understood, and agree to comply with this Conflict-of-Interest Policy. A reminder of this policy will also be provided at the start of each grant cycle.

Section 3: Future Programming Requirement Policy

1. Purpose

To maximize long-term community benefit and comply with both the national opioid settlement agreements and Michigan's state-subdivision agreement, Van Buren County requires that at least 90% of opioid settlement funds be used to support future opioid remediation activities. This is to reflect the County's commitment to sustainable impact through new and expanded services.

2. Policy Statement

Van Buren County will ensure that a minimum of 90% of cumulative opioid settlement expenditures are directed toward future-oriented opioid remediation activities, as defined in Exhibit E of the national settlement agreements.

3. Definition of Future Programming

For the purposes of this policy, future programming includes:

1. New programs or services that did not exist prior to the availability of opioid settlement funding.
2. Expansion of existing services, such as:
 - Hiring new staff or opening additional locations
 - Increasing service hours or geographic reach
 - Enhancing program quality or access (e.g., bilingual services, mobile units)
3. Pilot or demonstration projects aligned with Exhibit E strategies
4. Capital investments that enable new or expanded services
5. Reinstatement of previously defunded opioid-related programs

4. Non-Qualifying Expenses

The following types of expenses do not meet the definition of "future programming" under this policy and therefore cannot be counted toward the required 90% allocation for future opioid remediation efforts:

1. Reimbursement for previously incurred expenses (i.e., costs already paid before the grant or funding period began)
2. Supplanting - using settlement funds to replace other funding sources for existing programs without expanding or improving them
3. General or indirect administrative costs that are not clearly connected to the implementation, expansion, or improvement of opioid-related services

5. Implementation and Oversight

1. **Proposal Classification** - All funding requests must clearly indicate whether each proposed cost (e.g., staffing, facilities, training, outreach, administration) represents a **new**, **expanded**, or **existing** (baseline) service. A brief justification must accompany each classification.

County staff will review these classifications during proposal evaluation and grant contracting to determine eligibility toward the 90% threshold.

2. **Annual Compliance Review** - At least once per year, County staff will conduct a cumulative review of expenditures to confirm that **no more than 10%** of funds have been spent on non-qualifying uses. If spending trends suggest potential noncompliance, staff will adjust future award recommendations to ensure continued alignment with this policy.
3. **Annual Compliance Statement** - An internal compliance statement will be prepared annually confirming that Van Buren County has met the 90% future-use requirement. This summary may be included in external reporting or audit processes upon request.

In accordance with the National Opioid Settlement requirements, the County will also submit **biannual reports** through the national payment portal to disclose **any expenditures that do not align with Exhibit E or the definition of opioid remediation**. If no such expenditures occur, no report is required. This reporting will be tracked as part of the County's overall opioid settlement audit and compliance documentation.

² National settlement agreements require that at least 70% of opioid settlement funds be spent on future opioid remediation activities. See Exhibit E, Distributor Settlement Agreement: <https://www.attorneygeneral.gov/wp-content/uploads/2021/12/Exhibit-E-Final-Distributor-Settlement-Agreement-8-11-21.pdf>