

DEKALB COUNTY COMMUNITY MENTAL HEALTH BOARD
FUNDING GUIDELINES

Revised and Approved 10/16/17

The allocation of funding by the DeKalb County Community Mental Health Board shall be for purposes of mental health, developmental disability and substance use disorder services for DeKalb County residents pursuant to the Community Mental Health Act, ILCS, Chapter 405, Act 20. As such, the decisions of the Board in contracting for services shall be guided by the requirements of the “Funding Guidelines” as provided in this document and approved by the Board.

Mission Statement: Through leadership and funding, the DeKalb County Community Mental Health Board supports access to high quality behavioral healthcare services for DeKalb County residents.

Core Values Statement:

The DeKalb County Community Mental Health Board uses the following core values as the guiding principles that dictate the behavior and action of the Board. Core Values are a central belief deeply understood and shared by every member of the organization.

- ❖ **Leadership** – The DCCMHB will articulate a positive vision of a community where access to behavioral health services are available to all and support that vision through careful planning, goals, strategies and actions
- ❖ **Responsibility** – The DCCMHB will promote a mutual trust between the profession and the public that requires responding to community needs for mental health and wellness, be reliable and trustworthy, demonstrate problem solving and decision making skills, being accountable for what we do and who we are.
- ❖ **Service** – The DCCMHB will maintain a careful stewardship of human and financial resources, positive contributions to the broader community, and share time and talents with others
- ❖ **Community** – The DCCMHB will partner with a network of people with common agenda, cause, and/or interest who collaborate by sharing ideas, information and other resources.

Organization

1. Applicants must be a not-for-profit corporation having been awarded tax exempt status under section 501(c)(3) of the Internal Revenue Code or having applied for such status less than 24 months from the date of application, government organization, or a for profit organization.
2. Applicants shall have policy-making boards of directors, which are representative of the community, if applicable. Names, position, terms of office and contact information shall be provided annually to the DeKalb County Community Mental Health Board. Agencies will notify the DeKalb County Community Mental Health Board of agency Board of Directors meetings on a timely basis. Upon request, such agency agrees to allow a Mental Health Board representative to attend a Board Meeting. An agency will provide DeKalb County Community Mental Health Board with copies of minutes of all open meetings of the governing board, upon request of the CMHB.
3. No staff member of any applicant agency, or his or her spouse, shall serve on that agency’s board of directors.
4. Successful applicants shall enter into a Service Agreement between the Agency and the DeKalb County Community Mental Health Board, which will spell out the conditions of the funding.
5. Applicants must comply with the Patient Protection and Affordable Care Act.
6. Applicants will demonstrate financial reliability and stability.

Program

1. Applicants shall clearly indicate how their program(s) meet the mission of the DeKalb County Community Mental Health Board.
2. Funds being requested from the DeKalb County Community Mental Health Board shall be used to provide services to DeKalb County residents. In instances where clear benefit exists to the County, such as crisis intervention services, service may be to non-county residents.
3. Staff qualifications and physical facilities shall be adequate to provide services to the target populations and to achieve program outcome goals.
 - 3.1 Professional staff must be licensed, registered, or certified by the State of Illinois, for the applicable discipline and current with Illinois regulations/requirements.
 - 3.2 Program facilities shall be in compliance with applicable State of Illinois licensure requirements and local ordinances with regard to fire, building, zoning, sanitation, health, and safety requirement.
4. Access to services shall be easy and prompt for all clients including those with physical handicaps. This shall include demonstration of a willingness to work cooperatively with other providers in the network of care locally to avoid duplication of efforts and promote continuity of care. Evidence of working agreements with agency/programs for delivery of care may be required by the DeKalb County Community Mental Health Board
5. Applicants must not engage in structural discrimination through policies or procedures which create barriers for recipients to receive programs or services in a timely manner on the basis of criminal history, past treatment compliance affected by their mental health status, co-morbidities, or other complicating factors, except as necessary to maintain the safety of the agency.
6. Applicants shall comply with all applicable Illinois and Federal laws and regulation with respect to safeguarding the use and disclosure of confidential information regarding clients receiving services.
7. Applicants shall not discriminate in the acceptance of clients, employment of personnel, or in any other request, on the basis of race, color, sex, national origin, religion, age, disability, or handicap. Agencies are required to provide a statement by its director certifying that it does not discriminate in the acceptance of clients, employment of personnel, appointment of members of the board of directors, or in any other respect, on the basis of race, color, religions, national origin, ancestry, gender, sexual preference, physical or mental disability unrelated to ability.
 - 7.1 Should any written charge or complaint of discrimination on the basis of race, color, religion, national origin, ancestry, gender, sexual preference, physical or mental disabilities unrelated to ability be made against an organization receiving funds, its employees or agents in any court or regulatory or administrative body (whether federal, state, or local), the organization shall furnish a copy of said charge or complaint. Said organization shall comply with any reasonable request for information about the status of said charge or complaint. The obligations imposed by this paragraph shall be subject to and subordinate to any claim of legal privilege and any non-waiveable legal requirement of confidentiality imposed by statute, administrative rule or regulation, local ordinance, court order, pre-existing contract, or collective bargaining agreement. Failure to comply with this provision shall result in immediate termination of the contract.

- 7.2 The DeKalb County Community Mental Health Board reserves the right to conduct its own investigation into any charge or complaint of a violation of this non-discrimination requirement.
 - 7.3 By this non-discrimination requirement, and any efforts by the DeKalb County Community Mental Health Board, its agents, or employees to enforce it, the DeKalb County Community Mental Health Board assumes no responsibility for enforcement of, or compliance by the recipient organization with, any applicable federal, state, or local laws, regulations, or ordinances prohibiting discrimination. An organization receiving funds must agree to indemnify and hold harmless the DeKalb County Community Mental Health Board for any liability accruing to it for any charges or complaints of discrimination or similar civil rights violations based upon the acts of the organization receiving funds, its agents, or employees and premised on the DeKalb County Community Mental Health Board's provision of funds.
8. A clear demonstration of need must be established prior to the granting of all or part of a funding request
 9. Priority will be given to applicants requesting funding for programs that will clearly demonstrate an ability to impact on the mission of the DeKalb County Community Mental Health Board.
 10. In addition, all agencies must demonstrate an ability to meet and agree to accept, all of the following conditions in order to be considered for funding:
 - 10.1 Payments for contractual services will be made on a schedule stated within the contract provided the agency has met all contractual conditions and obligations.
 - 10.2 Periodic reports and site visits will be required in accordance with the contractual agreement. Reports should contain, as a minimum, types of service rendered, service outcomes, evidence of progress in attaining program objectives, and narrative describing program activities during the period.
 - 10.3 At the end of the funding period, the DeKalb County Community Mental Health Board will require: a final report summarizing program activities; and evaluation of the program in accordance with the proposal outlined above; and an accounting of all funds received from the DeKalb County Community Mental Health Board.
 - 10.4 Periodic audits will be required in accordance with the contractual agreement. Audits will require review of documents for programs and services covered by program activities. Audits will also require patient/client chart review of those person participating in covered program activities.
 - 10.5 The agency will acknowledge financial support from the DCCMHB on the agency website.

Finances

1. The organization shall be managed in a manner consistent with sound fiscal standards and shall maintain written policies and procedures regarding fiscal activities, including but not limited to payroll, purchasing, cash management, relevant fee schedules, contracts and risk management.
2. Applicants must have other potential and committed sources of funding. DeKalb County Community Mental Health Board funds are awarded with use restricted to the program(s) specified in the contract(s) concerning obligation of funding.
3. Applicants shall serve clients regardless of the client's ability to pay. The applicant (agency) must not deny DeKalb County residents that meet program eligibility requirements of the agency

access to DeKalb County Community Mental Health Board funded services regardless of ability to pay.

4. Proposals containing deficit budgets will not be accepted by the DeKalb County Community Mental Health Board without a detailed written explanation justifying/explaining the deficit.
5. Organizations will establish and maintain an accrual system in accordance with generally accepted accounting principles to include a level of documentation, classification or entries and audit trails.
 - 5.1 All accounting entries must be supported by appropriate source documents.
 - 5.2 All fiscal records shall be maintained for five (5) years after the end of each contract(s) term.
 - 5.3 The salaries and position titles of staff charged to DeKalb County Community Mental Health Board funded programs must be delineated in a personnel matrix attachment to the grant application.
 - 5.4 The DeKalb County Community Mental Health Board may establish additional accounting requirements for any funded programs.
 - 5.5 DeKalb County Community Mental Health Board funds may only be used for expenses that are reasonable, necessary and related to the provision of services as specified in the contract. All allowable expenses that can be identified to a specific DeKalb County Community Mental Health Board funded program should be charged to that program on a direct basis. Allowable reimbursable expenses not directly identified to a DeKalb County Community Mental Health Board funded program must be allocated to all programs, both funded and non-funded.
 - 5.6 The following is a listing of non-allowable expenses:
 - 5.6.1 Bad debts
 - 5.6.2 Contingency reserve fund contributions
 - 5.6.3 Contributions and donations
 - 5.6.4 Entertainment
 - 5.6.5 Compensation for board members
 - 5.6.6 Fines and penalties
 - 5.6.7 Interest expenses
 - 5.6.8 Rental expenses received must be used to reduce the reimbursable expense by DeKalb County Community Mental Health Board funds for the item rented
 - 5.6.9 Capital expenditures greater than \$500, unless funds are specified for such purpose
 - 5.6.10 Supplanting funding from another revenue stream. The boards may delay allocation decisions when anticipated funds from other sources may be influenced by their decisions
 - 5.6.11 Expenses or items not otherwise approved through the budget or budget amendment process
 - 5.6.12 Expenses incurred outside the term of the contract
 - 5.6.13 Contributions to any political candidate or party or to another charitable purpose
 - 5.6.14 Excessive administrative costs including:
 - Any indirect administrative cost rate in excess of 20% of the non-administrative portion of the budget
 - Any indirect administrative costs that exceed those approved in the program/service budget
 - 5.6.15 The DeKalb County Community Mental Health Board at their discretion may elect not to fund an application based on what is deemed to be in the best interest of the county

6. Applicants must provide the DeKalb County Community Mental Health Board with copies of a financial audit performed under AICPA guidelines by a firm of Certified Public Accountants for the last completed fiscal year and, at the conclusion of the periods covered by the Grant Service Agreement. Audits must meet the following conditions:

6.1 Financial statements as follows:

- 6.1.1. A statement of functional revenues for each DeKalb County Community Mental Health Board funded program showing two comparative years
- 6.1.2. A statement of functional expenses for each DeKalb County Community Mental Health Board funded program showing two comparative years
- 6.1.3. A distribution of management and general expenses for each DeKalb County Community Mental Health Board funded program
- 6.1.4. A separate revenue line detailing funding from the DeKalb County Community Mental Health Board, at least one copy of the agency’s audited financial statement, and the auditor’s management comment letter are due 180 days after year-end. Form 990s are due 15 days after the audit due date. The scheduled deadlines are as follows:

<u>If fiscal year ends:</u>	<u>then audit is due:</u>	<u>and 990 is due:</u>
June 30	January 1	January 15
August 31	March 1	March 15
September 30	April 1	April 15
December 31	July 1	July 15

A one-time 30-day extension may be granted if an audit or Form 990 cannot be completed within the appropriate timeline. A written request for extension, signed by the Agency Executive Director must be received by the DeKalb County Community Mental Health Board before the due date.

- 6.2 In addition to the reporting requirements above, any agencies holding an endowment, must provide a written statement regarding each investment. This statement should include any targeted amounts for usage and any guidelines for disbursement of funds.
- 6.3 Failure to comply with the financial reporting requirements will result in the withholding of part or all of service agreement funding.
- 6.4 Agencies may apply in writing for a waiver of portions of these requirements to the DeKalb County Community Mental Health Board in care of the Executive Director.

****Note:** Additional information on “Audit Compliance References” is provided at the end of this document for purposes of clarification and submission of requested information to the DeKalb County Community Mental Health Board.

7. Agencies must submit a final Budget to the DeKalb County Community Mental Health Board no later than July 5th of the fiscal year funded, outlining an annual expenditure plan, unless otherwise negotiated with the Mental Health Board.
8. Agencies are prohibited from charging any amount above and beyond what Medicaid pays for a covered service to an eligible Medicaid client. Violation of Medicaid anti-supplementation laws can result in violations of criminal laws and OBRA requirements.

Other requirements may be stipulated upon the approval of the DeKalb County Community Mental Health Board. The decision of the DeKalb County Community Mental Health Board is final.

****Additional Information for Audit Compliance:**

Audit compliance references:

Financial audits include financial statements and financial related audits.

- a) Financial statement audits provide reasonable assurance about whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows in conformity with generally accepted accounting principles.¹ Financial statement audits also include audits of financial statements prepared in conformity with any of several other bases of accounting discussed in auditing standards issued by the American Institute of Certified Public Accountants (AICPA).
- b) Financial related audits include determining whether (1) financial information is presented in accordance with established or stated criteria, (2) the entity has adhered to specific financial compliance requirements, or (3) the entity's internal control structure over financial reporting and/or safeguarding assets is suitably designed and implemented to achieve the control objectives.

Financial related audits may, for example, include audits of the following items:

- a) Segments of financial statements; financial information (for example, statement of revenue and expenses, statement of cash receipts and disbursements, statement of fixed assets); budget requests; and variances between estimated and actual financial performance.
- b) Internal controls over compliance with laws and regulations, such as those governing the (1) bidding for, (2) accounting for, and (3) reporting on grants and contracts (including proposals, amounts billed, amounts due on termination claims, and so forth).
- c) Internal controls over financial reporting and/or safeguarding assets, including controls using computer-based systems.
- d) Compliance with laws and regulations and allegations of fraud.

¹ Note: Three authoritative bodies for generally accepted accounting principles are the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the sponsors of the Federal Accounting Standards Advisory Board (FASAB). GASB establishes accounting principles and financial reporting standards for state and local government entities. FASB establishes accounting principles and financial reporting standards for nongovernmental entities. The sponsors of FASAB – the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Comptroller General—jointly establish accounting principles and financial reporting standards for the federal government, based on recommendations from FASAB.