

DEKALB COUNTY COMMUNITY MENTAL HEALTH BOARD
FUNDING GUIDELINES
Revised and Approved 11/20/2023

The allocation of funding by the DeKalb County Community Mental Health Board (DCCMHB) 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 organization member.

- ❖ **Leadership** – The DCCMHB will articulate a positive vision of a community where access to behavioral health services is available to all and support that vision through careful planning, goals, strategies, and actions
- ❖ **Responsibility** – The DCCMHB will promote mutual trust between the profession and the public that requires responding to community needs for mental health and wellness, being reliable and trustworthy, demonstrating problem-solving and decision-making skills, and being accountable for what we do and who we are.
- ❖ **Service** – The DCCMHB will maintain careful stewardship of human and financial resources, make positive contributions to the broader community, and share time and talents with others
- ❖ **Community** – The DCCMHB will partner with a network of people with a common agenda, cause, and 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 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 representing the community, if applicable. Names, positions, 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, the agency agrees to allow a Mental Health Board representative to attend a Board Meeting. An agency will provide the DeKalb County Community Mental Health Board with copies of minutes of all open meetings of the governing board upon request of the DeKalb County Community Mental Health Board.
3. No staff member of any applicant agency, or their 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 for a reasonable time, as determined by the DeKalb County Community Mental Health Board.

Program

1. Applicants shall indicate how their program(s) meet the mission of the DeKalb County Community Mental Health Board.
2. Funds requested from the DeKalb County Community Mental Health Board shall be used to provide services to DeKalb County residents. In instances where a 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 are current with Illinois regulations/requirements.
 - 3.2 Program facilities shall comply with the applicable State of Illinois licensure requirements and local ordinances about fire, building, zoning, sanitation, health, and safety requirements.
4. Access to services shall be accessible and prompt for all clients, including those with physical handicaps. This shall include demonstrating 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 agencies/programs for the 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 promptly based on 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 regulations concerning 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, based on race, ethnicity, gender identity, sexual orientation, 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, the appointment of members of the board of directors, or in any other respect, based on race, ethnicity, religion, national origin, ancestry, gender identity, sexual orientation, physical or mental disability unrelated to ability.
 - 7.1 Should any written charge or complaint of discrimination based on race, ethnicity, 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 to the DeKalb County Community Mental Health Board office. 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-waivable 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 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 before granting all or part of a funding request
 9. Priority will be given to applicants requesting funding for programs that will demonstrate an ability to impact 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 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 a narrative describing program activities.
 - 10.3 At the end of the funding period, the DeKalb County Community Mental Health Board will require a final report summarizing program activities, an 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 contract reviews will be required in accordance with the contractual agreement. Contract reviews will require a review of documents for programs and services covered by program activities. Contract reviews will also require patient/client chart reviews of those persons participating in covered program activities.
 - 10.5 The agency shall acknowledge financial support from the DeKalb County Community Mental Health Board on the agency website and community presentations and reports.
 11. Program/project budgets should be presented in connection with the Agency's overall budget for the upcoming fiscal year and should include brief line item comments of the requested funding that indicate the use. Examples are provided in Attachment 1.

Finances

1. The organization shall be managed consistently with sound fiscal standards. It 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 awarded are restricted to the program(s) specified in the contract(s) concerning the 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 who 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 per generally accepted account principles, including documentation, classification or entries, and audit trails.
 - 5.1 Appropriate source documents must support all account entries.
 - 5.2 All fiscal records shall be maintained for five (5) years after 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 funded programs.
 - 5.5 DeKalb County Community Mental Health Board funds may only be used for reasonable, necessary expenses 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 funded and non-funded programs.
 - 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 Board 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 another charitable purpose
 - 5.6.14 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.
 - 5.6.15 The DeKalb County Community Mental Health Board is the "payer of last resort" for funded programs unless otherwise specified.
 - 5.6.16 Any funds not used or expended by the end of the contractual period shall be returned to the DeKalb County Community Mental Health Board.
 - 5.6.17 Funds awarded and paid by the DeKalb County Community Mental Health Board will not be utilized for clients with Medicaid or enrolled in a Medicaid

Managed Care program. Services eligible for reimbursement from private insurance or Medicaid, including other County or State insurance plans of Medicaid Managed Care, cannot be billed to the DeKalb County Community Mental Health Board.

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 after 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 the fiscal year ends:</u>	<u>then the 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 an 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 usage amounts and guidelines for the disbursement of funds.
- 6.3 Failure to comply with the financial reporting requirements will result in withholding part or all of the 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 the care of the Executive Director.

****Note:** Additional information on “Audit Compliance References” is provided at the end of this document for clarification and submission of the 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.

9. Agencies are required to submit a Nonprofit Financial Indicators Tool that indicates current and prior year financial results. Government organizations are not required to complete the Nonprofit Financial Indicators Tool. The form is included in Attachment 2.

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 safeguarding assets are suitably designed and implemented to achieve the control objectives.

Financial-related contract reviews 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 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.

Attachment 1 Program/Project Budget Examples

Mental Health Agency of DeKalb County				
Proposed Budget for the Fiscal Year Ending December 31, 2024				
	Agency Budget	Youth Therapy Program	FY24 MHB Grant Request	FY24 MHB Budget Narrative
Revenue				
Government Grants	36,500	36,500		
Foundation and Corporate Grants	100,000	75,000		
Fee for Services (including MHB)	470,545	329,382		Request for Youth Therapy Program is included in this total.
Contributions	85,650	-		
Total Revenue	692,695	440,882		
Expenses				
Direct Program Expenses				
Program Salaries	414,250	310,688	90,000	Based on model of including specific counselors: Counselor A 40K, B 40K C 10K
Program Benefits	82,850	66,280	18,000	20% Salary: Payroll Taxes, Health Insurance, Retirement
Equipment & Supplies Program	3,120	2,496	1,248	50% of Program Activity-based equipment and supplies such as games, crafts, etc.
Nutrition	2,500	2,000	1,000	50% of Program Snacks provided for youth clients during counseling sessions
Outcomes & Client Tracking	2,800	2,240	1,120	50% of Program Software platform costs
Contractual Expenses	7,500	6,000	3,000	50% of Program Contracted Expenses
Program Development	2,000	1,600	800	50% of Program New program initiatives including professional development
Total Program Support	515,020	391,304	115,168	
Indirect Agency Expenses				
Administrative Salaries	90,000	36,000	9,000	10% of Total Administrative Salaries
Administrative Benefits	18,000	7,200	1,800	20% of Administrative Salaries
Contractual Expenses	19,600	3,920	-	
Insurance	10,455	2,091	-	
Office Expenses	4,260	852	-	
Other Indirect Agency Expenses	7,860	1,572	-	
Occupancy	27,500	20,625	8,250	20% of Total (Mortgage Interest, Property Tax, Utilities, Maintenance)
Total Indirect Expenses	177,675	72,260	19,050	
Surplus/(Deficit)	-	(22,682)	(134,218)	Request based on factors above to support the primary program of the Agency

Youth Mental Health Agency of DeKalb County				
Proposed Budget for the Fiscal Year Ending December 31, 2024				
	Agency Budget	Summer Camp	FY24 MHB Grant Request	FY24 MHB Budget Narrative
Revenue				
Grant Income	85,000			MHB grant request is not included here.
Fee for Services	149,000			
Contributions	41,000			
Total Revenue	275,000	-	-	
Expenses				
Salaries and benefits	193,695	11,667		Program Staff Salary 4 days/week x 7 weeks
Program Supplies	3,120	500		Supplies based on \$25/20 youth
Outings	7,500	2,000		Contracted activities (Field Trips) based on \$100/20 youth
Contractual Expenses	19,600			
Insurance	9,030			
Office Expenses	1,500			
Other Expenses	860			
Rent	30,000	2,333		Rent based on daily rate (4 days/week x 7 weeks)
Total Expenses	265,305	16,500	-	
Surplus/(Deficit)	9,695	(16,500)	16,500	Grant Request is for \$16,500

DeKalb County Government Unit			
Proposed Budget for the Fiscal Year Ending December 31, 2024			
	Agency Budget	FY24 MHB Grant Request	FY24 MHB Budget Narrative
Revenue			
All Sources excluding MHB	497,300		
MHB Contribution	52,000	68,000	Included in County Proposal
Total Revenue	549,300	68,000	
Expenses			
Salaries and benefits	5,798,850	52,000	Crisis Intervention, Group Counseling Salary Support for Four Staff Members
Medical Expense	238,000	10,000	Tele-psychiatry services partnership with Association for Individual Development
State Training	7,500		
Travel	19,600		
Training	9,030	6,000	Professional development for Staff Members above (\$1,500 per staff)
Memberships	1,500		
Maintenance	860		
Professional Services	30,000		
Total Expenses	6,105,340	68,000	

Attachment 2 Nonprofit Financial Indicators Tool

DeKalb County Mental Health Board

Nonprofit Financial Indicators Tool (N-FIT) for Funded Agencies

Shaded cells indicate required entries. All other cells are formulas or references to other cells. If no value exists, enter -0- (zero).

AGENCY: Mental Health Agency of DeKalb County

Line	Description	Reference	2019	2020	2021	2022
------	-------------	-----------	------	------	------	------

1. Net Income

Revenue versus expenses annually; Generally, a positive net income over time is a measure of success.

Score,

but 1 bonus point can be assigned for consistent positive net income.

a	Total Revenue	990 Part I Line 12 (Current Year)	460,502	558,755	550,664	623,108
b	Total Expenses	990 Part I Line 18 (Current Year)	417,031	518,612	607,400	579,124
c	Net Income		43,471	40,143	(56,736)	43,984

2. Fund Balance

Total assets versus total liabilities; Generally, a steady increase in fund balance over time is a measure of success. However, a decrease in fund balance is not always a measure of financial instability.

Score,

but 1 bonus point can be assigned for steady increase in fund balance.

d	Total Assets	990 Part I Line 20 (End of Year)	367,746	703,448	670,494	594,121
e	Total Liabilities	990 Part I Line 21 (End of Year)	161,205	456,764	480,546	360,189
f	Fund Balance		206,541	246,684	189,948	233,932

3. Revenue Mix

Indicates reliability of revenue; Generally, a financially health organization should have a diverse mix of funding sources.

Score = 1-5: 1=One source of revenue 5=5 or more sources

g	Membership Dues	990 Part VIII Line 1b		0%		0%	0%
h	Fundraising Events	990 Part VIII Line 1c	19,069	4%	4,773	1%	32,565
i	Government grants	990 Part VIII Line 1e	149,948	32%	185,039	30%	234,954
j	Contributions	990 Part VIII Line 1f	155,864	33%	182,293	29%	94,978
k	Noncash contributions	990 Part VIII Line 1g	20,777	4%	23,038	4%	0%
l	Program Service Revenue	990 Part VIII Line 2g	122,256	26%	171,713	27%	181,427
m	Investment Income	990 Part VIII Line 3	2	0%	8	0%	18
n	Client Fee Revenue	990 Part VII Lines 1-11		0%		0%	0%
o	Rents and Misc.	990 Part VII Lines 1-11	7,248	2%	6,500	1%	0%
p	Fdn/Corporate Grants	990 Part VII Lines 1-11		0%	1,059	0%	0%
	*use lines n-p to enter revenue descriptions not listed in q-m	should equal Line a above	475,164	100%	574,423	92%	543,942
					87%		626,332
							100%

4. Program Efficiency

Percentage of expenses used to support programming versus management/fundraising; Generally, at least 75% of total expenses should be used to support programs.

Score = 1-2: 1=Less than 75%; 2=75% or more

q	Program expenses	990 Part IX, Line 25 Column B	313,945	376,855	369,168	323,144
b	Total Expenses	line b above	417,031	518,612	607,400	579,124
			75%	73%	61%	56%

5. Debt Ratio

Total debt expressed as a percentage of assets; High values indicate future liquidity problems or reduced capacity for future borrowing.

Score = 1-3: 1=10% or more; 2=1-10%; 3=0%

d	Total Assets	line d above	367,746	703,448	670,494	594,121
r	Loans and Notes	990 Part X, Sum of Lines 22-25 Col B	132,220	422,939	427,452	340,656
			36%	60%	64%	57%

6. Cash Reserves

Number of months of cash on hand to cover expenses; Generally, 6 months of cash reserves indicates a fiscally healthy organization. Some exceptions may apply.

Score = 1-5: 1=Less than one month; 5=6 or more months (most recent year)

s	Cash	990 Part X, Line 1 Column B	128,424	382,251	354,218	236,803
b	Total Expenses	line B above	417,031	518,612	607,400	579,124
			3.7	8.8	7.0	4.9

Score Legend:

>12: Financially Stable

10-12: Some Areas for Improvement

7-9: Significant Areas for Improvement

<7: Financially Unstable