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# **McLean County Board for the Care and Treatment of Persons with a Developmental Disability (377 Board)**

## **Requirements and Guidelines for Funding CY20**

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## **Introduction**

Contract funds overseen by the McLean County Board for the Care and Treatment of Persons with a Developmental Disability (377 Board) must address service outcomes for clients with a developmental disability, intellectual disability or those deemed at risk of a developmental disability. All programming and services must demonstrate an impact on the target population and enhance the overall health and wellness of the target population. Funded programming must utilize best practice standards and evidenced informed/evidenced-based practices.

This document serves an internal tool for the McLean County Health Department (MCHD) and establishes guidance regarding the eligibility requirements for 377 Board funding, in a contractual relationship with providers of services, to carry out programs for individuals with intellectual and/or developmental disabilities. The document sets expectations for funding practices and methods; payment methods and practice; and, contracted entity accountability requirements.

The term "Board" shall be used in this document to mean and be applicable to the 377 Board.

### **I. Board Service Area and Recipients**

The service area of the Board shall be McLean County, Illinois; services which are procured by the Board with McLean County tax funds shall be for McLean County residents; and, providers in receipt of Board funding agree to utilize other funding sources to provide services to individuals that do not reside in McLean County.

### **II. Eligibility Requirements for Board Funding**

Interested and eligible agency(s) shall follow all the Board's requirements as identified in this document. Eligible agency(s) shall provide documentation confirming professional staff have earned an academic certification/licensure and experience related to the service provided. The Board supports system integration and encourages inter-agency cooperation, coordination, joint planning and any such cooperation, evidenced by written agreements between agencies or evidence of participation in a local inter-agency joint planning committee. Applicants are strongly encouraged to provide trauma-informed care and resiliency training to the staff that shall be responsible for executing programming funded by the Board. A document identifying this plan, if applicable, shall be included in the application. And, applicants shall comply with the Title VI of the Civil Rights Act of 1964 (PL88-353) and Title VII of the Civil Rights Act of 1964.

### **III. Funding Practices and Contract Development**

#### **A. General Funding Information**

1. The Board administers and manages funds from tax levy sources. The management of such funds shall follow Board guidelines and any additional requirements according to the funding source.

2. The McLean County Board approves the 377 Board's yearly budget that is within the McLean County Health Department's yearly budget.
3. Funds shall be provided to not-for-profit or governmental agencies only. The Board shall request satisfactory evidence of not-for-profit and tax-exempt status.
4. The Board's funding focus area shall be determined using reliable data sources that identify current the needs of individuals with intellectual and/or developmental disabilities within McLean County; including but not limited to the McLean County Mental Health Action Plan, Community Health Needs Assessment, and other appropriate research sources.
5. The Board's funding intends to supplement, and not supplant, other funding sources. If another source of funding can support a service, the Board shall require those funds to be used for that service prior to the Board's funds. The Board shall provide parameters for use of funds for various categories of residents requiring services. The Board's funding is to be used as a last resort for programs to provide services to individuals in greatest need; therefore, the potential agency shall share their sustainability plan with the Board on plans to maintain the program outside of Board funding.
6. The Board requires all contracting parties to maximize revenue through Medicaid, Medicare, private insurance, or other third-party payees for services with intent to ensure Board funding is utilized as last-resort funding.
7. Agency(s) must identify the percentage of total program cost represented by the funds requested from the Board.

## **B. Funding Request Process**

1. **April:** Research and data collected by the MCHD staff shall be shared with the Board as action items during scheduled Board meeting. This research and data shall be utilized to assist in identifying the funding focus area(s).
2. **May through June:** The MCHD staff shall write Notice of Funding Opportunity(s) and Request for Proposal(s); using the funding focus area(s) identified during the April meeting.
3. **July:** The Board shall approve the Funding Guidelines and Criteria Document. The Board shall also review, and each member sign, a conflict of interest form in preparation of reviewing funding applications prior to the next Board meeting. Board shall approve Notice of Funding Opportunity(s) and Request for Proposal(s).
4. **August:** Notification of Funding Opportunity(s) (NOFO) shall be posted externally and internally by the MCHD. Eligible and interested agency(s) shall complete and submit a letter of intent by the expiration date identified in the NOFO. This letter of intent shall be submitted and approved by the MCHD Administration to then establish an agency's eligibility to apply for Board funding.

**5. August through September:** Interested and eligible intellectual and/or developmental disability agency(s) shall complete and apply in response to the Request for Proposal(s) (RFP) announcement. Application questions and inquiries shall be thoroughly completed by agency(s) and submitted no later than the expiration date provided in the RFP and in the proper source identified in the RFP. The Board and/or its designee will not review or consider incomplete applications.

**6. September:** Board members shall review and grade agency application(s) submitted in reference to the Request for Proposal(s) assigned to their specific committee.

**7. October:** Agencies that submitted applications shall have 15 minutes to present their program to the Board and answer follow up questions as related to the application. The October meeting will include an item for action to approve the Board's funding recommendations.

**8. November:** MCHD staff will finalize contracts following approval of the McLean County Board's 2020 budget.

**9. December:** Contracts shall be executed between funded agency(s) and the Board. The Board President or designee shall sign each contract after the funded agency's executive or designee agrees to the terms by affixing signatures to the document.

### **C. Contract Development and Execution**

1. The Board's contracting process begins after the Board approves its recommended budget and the Board selects the agency(s) to receive funding from the Board. The finished contract is the legal document governing the relationship between the Board and the provider of service or another deliverable.

2. The agency's submitted application, in combination with a consultation with MCHD, shall be used to complete the Statement of Work section in the Board's contract template. The Statement of Work is defined as a written part of the contract that defines project-specific activities, deliverables, and their respective timelines; all of which form a contractual obligation upon the contracted agency to provide services.

The Statement of Work shall include the following information:

- a. **Scope and Tasks:** This section identifies the services and work the Board expects to occur from the contracted agency.
- b. **Documentation:** This section identifies the required financial and narrative documentation provided to the Board by the contracted agency.
- c. **Deliverables:** This section identifies the product(s) or service(s) the contracted agency is expected to deliver to the Board.
- d. **Outcomes and Objectives:** This section identifies objective(s) or expectations the contracted agency will achieve or accomplish during the life of the executed contract. The outcome(s) in this section serve as the means to accomplish the overall objective(s).

The outcome(s) must be specific, measurable, attainable, and realistic to the program. An objective may have more than one outcome.

- e. Acceptance Criteria: This section identifies the criteria of the individual to be accepted into the contracted agency's program.
- f. Schedule of Performance: This section highlights the due dates of deliverables; including financial reports and narrative summaries.
- g. Compensation Schedule: This section identifies the distribution of funds relative to the program's cost centers.

3. The MCHD shall provide the funded agency with the contract for negotiation. The funded agency shall not receive payment for any services in the contract until the agency and the Board President sign the contract.

#### **IV. Budget and Payment Practices**

##### **A. Budget Practices**

1. The agency Budget shall include a schedule of anticipated grant expenditures, approved by the Board, for carrying out the purposes of the award. The agency shall use the Budget to identify which portions of its expenses are supported by the award and describe other sources of funding that support its program.

2. An agency shall obtain prior approval from the Board whenever a Budget revision is necessary for one or more of the reasons enumerated. All requests for Budget revisions that require Board approval shall be signed by Agency's authorized representative and submitted to the Board for approval. Expenditure of funds under a requested revision is prohibited and shall not be reimbursed if expended before the Board or its authorized agent provides written approval.

3. Transfers between approved line items may be made without the Board's approval only if the total amount transferred does not exceed the allowable variance of the greater of either ten percent (10%) of the Budget line item or one thousand dollars (\$1,000) of the Budget line item. Discretionary line item transfers may not result in an increase to the Budget.

4. Total line item transfers exceeding the allowable variance of the greater of either ten percent (10%) of the Budget line item or one thousand dollars (\$1,000) of the Budget line item require Board approval.

5. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, the Board shall review the request and notify Agency whether the Budget revision has been approved, denied, or the date upon which a decision shall be reached.

6. Records of expenditures must be maintained for each award by the cost categories of the approved Budget (including indirect costs charged to the award), and actual expenditures are to be compared with budgeted amounts at least quarterly.

7. An agency under contract with the Board and in receipt of non- Board funds for the program or partially- funded by the Board shall provide that funding as revenue in the budget. The MCHD shall be notified, in writing, of any additional revenue received throughout the year that was not identified in the original budget provided by the agency.

## **B. Disbursement of Funds**

1. The Board shall disburse funds as outlined in this document and the relevant provision in executed contracts. Payment shall be for the approved contractual services to the approved individuals defined in the contract, and total payment shall not exceed the maximum amount stated in the contract. The Board is not obligated and shall not make any payments for services or deliverables that exceed the stated contractual amounts or are not part of the defined services of an executed contract.

2. Board payments shall be expected to cover the full cost of the unit of service; and, an agency shall not receive payment from another source for the same service. When Board payment is partially supporting a service, a provider may be billing and/or receiving payments from another source. In these instances, the agency shall follow the specific parameters detailed in their contract.

3. All payments under this Agreement are subject to the approval of the MCHD's budget by the McLean County Board, and the appropriation and levy of sufficient taxes by the McLean County Board to fund said budget, and the collection and distribution of sufficient tax revenues by the County of McLean to fund said budget.

4. The MCHD, on behalf of the Board, shall initiate and provide an advanced payment in January. The MCHD, on behalf of the Board, shall then pay the agency monthly. The last payment for a Calendar Year, generally in December, shall reflect any appropriate adjustments for the year. However, MCHD shall not be obligated to make any payments under a contract for funds for services not provided.

## **C. Payment Suspension**

1. The Board may suspend payment(s) to an agency for noncompliance with the executed contract between the Board and said agency. Payments may also be suspended should the agency be investigated for, or found accountable for ethical or legal charges, whether by independent audit, other funding agency, or other authority.

2. Notice of suspension shall occur in writing to the agency before payments are suspended. The notice shall specify the reason(s) for the suspension, the cost center or contracted service affected, the beginning date and the actions necessary to end the suspension. Payments withheld by the Board during the suspension continue to accrue to the account of the agency and shall be paid or not paid consistent with the terms of the resolution determined by the Board.

3. The agency shall respond, in writing, to the Board's assigned designee within 10 working days of the date of the Board's designee's notification to suspend payments. The response shall

include a plan of action to correct the situation leading to the suspension and include a time frame for corrective action.

4. The agency may address the Board President or the Full Board when the suspension is reviewed. The Board shall send written notification of its actions.

5. The Board shall reserve the right to terminate an agency's executed contract at any time upon 30-day notice.

## **V. Accountability Requirements for Funded Agency**

### **A. Financial**

1. The Board requires that its funds support effective services to eligible individuals in a cost-efficient manner and expects that the cost of services shall not reflect private-pay rates. An agency under contract with the Board agrees to provide any requested financial information or access to any financial record, so that the Board may make such determinations. Access shall be defined as a means of approaching or entering or obtaining, examining, or retrieving.

2. An agency under contract with the Board shall establish and maintain an accounting system in accordance with generally accepted accounting principles. The Board requires an agency to comply with generally accepted accounting procedures appropriate for the type of agency.

3. Expenses which cannot directly be charged to a cost center or expenses commonly referred to as 'indirect' or 'administrative expenses' shall be allocated in accordance with a generally acceptable method of cost allocation. An agency under contract with the Board shall provide its cost allocation methodology and schedule to the Board upon request and at any time involving rate negotiation for purchase of service. There shall be a 10 percent of the total cost of the program cap on funding allowed to be allocated to indirect or administrative costs.

4. Each agency under contract with the Board shall submit an annual financial audit within 180 days of the end of their fiscal year. Unless granted an exemption, this audit should identify income and expenses related to this Board's contracts. This requirement includes any management letter which accompanies the audit. Board funds should not be used to pay for an agency's audit.

5. An agency under contract with the Board shall submit to the Board any changes to an audit, related to the last five years, within 30 days of that agency's receipt of that change.

a. In the event there is a disagreement about audit findings, an agency shall allow the Board to have an independent auditor perform an audit at the Board's expense.

6. An agency under contract with the Board who is contracted to receive funding shall provide the following financial reports to the McLean County Health Department:

(1) Program Budget

(2) Monthly Financial Report (EDF)

- a. Agency agrees to submit financial reports as requested and, in the format, required by the Board. Agency shall file monthly reports with Board describing the expenditure(s) of the funds related thereto. The first of such reports shall cover the first month after the Award begins. Monthly reports must be submitted no later than 30 calendar days following the one-month period covered by the report. Failure to comply with reporting requirements shall result in the withholding of funds.

7. An agency under contract with the Board shall serve McLean County residents regardless of their ability to pay. The agency may use a sliding fee schedule and if a sliding fee schedule is used, the agency shall submit a copy for Board approval during the contract development stage and at any time the agency makes changes. Any revenue generated through fees is expected to be used for services in the cost center which the Board is funding, or to cover the expense of delivering the contracted services.

8. Any revenue surplus over 5% in a fiscal year in a Board-funded cost center or where Board funds provide partial funding, shall be used to fund similar services in the following fiscal year, or the Board shall reduce by such an amount its funding in the following fiscal year.

9. The Board, through the MCHD, shall give at least a 48-hour notice in the event of an audit or review by a MCHD designee that includes reviewing financial invoices and documentation maintained by an agency under contract with the Board.

10. Agency accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

## **B. Monitoring and Evaluation**

1. An agency under contract with the Board shall complete a narrative report on a quarterly basis according to a Board-approved data collection and reporting system. Specific guidelines on information that shall be reported by the agency shall be described in the executed contract.

- a. The Behavioral Health Program Manager or other designee of the MCHD shall meet with the agency a minimum of each quarter to discuss the narrative reports completed by the agency.

3. An agency under contract with the Board shall make available to staff designated by the Board any financial document, recipient service document, and/or case record necessary to verify contractual service delivery and billing, and compliance with the executed contract.

4. The Board shall require the implementation of evaluation and service outcome measures for its executed contracts. Each agency shall maintain a clearly-defined plan to assess program results using the designated process to evaluate the desired impact of the program on the client

outcomes/ program objectives. Each agency shall have three objectives identified in the application and contract.

- a. The strategies that shall be utilized to efficiently deliver an evidenced-based outcome shall be defined for each objective. And, the agency should provide a list of the criteria used for evaluating the progress toward each objective, including the data sources to be utilized and using clear performance indicators. The objectives shall be agreed upon, between the contractual agency and the Board and utilizing established or generally accepted measurement practices relevant to intellectual and/or developmental disability program management. Agency(s) shall be responsible for creating an outcome-based program. Each agency shall have a clearly-defined plan to assess program results using the designated process to evaluate the desired impact of the program on the client outcomes/ program objectives.

5. The executed contract shall contain language that references a confidentiality agreement between the Board and the agency. The purpose of the confidentiality agreement outlined in the executed contract is to allow the Board to access confidential information from the funded agency that may be used in an evaluation of the program, audit of the program, or other reason identified by the Board. The funded agency shall allow the Board, or designee, to access confidential information that shall be needed to complete an evaluation of the program's agreed upon outcomes. The Board and the agency shall agree that all confidential information shall be held in confidence and shall not be copied, used or disclosed other than as set forth in this agreement. Each party shall take all reasonable efforts to protect the confidentiality of and prevent the unauthorized use of any such confidential information.

6. The credentialing levels of staff shall meet a minimum of state accreditation standards and be identified in the application.