

# DEVELOPMENTAL DISABILITIES RESOURCE BOARD

## FUNDING POLICIES

Policy Origination: July 1, 2000

Revision Effective: July 1, 2010

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### STRATEGIC PLAN

The DDRB's Strategic Plan guides funding decisions. The plan is reviewed annually and revised every 3 – 5 years. The plan is the result of a comprehensive planning process that includes input and guidance from all stakeholders. These stakeholders include, but are not limited to, individuals with developmental disabilities, family members, agency staff and board members, community leaders and funding partners.

### ELIGIBLE SERVICE RECIPIENTS

Individuals with developmental disabilities as defined in Missouri Revised Statutes, and residents of St. Charles County are eligible to receive services funded by the DDRB. The Agency shall not utilize DDRB funds to provide services to ineligible recipients.

Agencies must verify that individuals served have a developmental disability by meeting one of the following criteria:

1. Participant must submit proof of eligibility determination by the St. Louis Regional Office of the Department of Mental Health containing at least one of the following information:
  - a. DMH Client Profile Form that includes client number and diagnosis,
  - b. Letter of eligibility determination or
  - c. CIMOR diagnosis access list.
2. Participants 0-3 years of age must submit a Missouri First Steps Child Detail form that includes the Individual Family Support Plan (IFSP). This form is obtained through the local System Point of Entry (SPOE) office.
3. For sheltered workshop services only, DESE Certification Form must be submitted.

It is the agency's responsibility to understand and comply with current Region Center Office, Missouri First Steps and DESE eligibility requirements.

Agencies can make a preliminary determination of eligibility upon intake of an individual. This preliminary determination by the agency must be recorded and kept in the individual's file. Services may be provided for no more than 45 days or until final determination of eligibility. Individuals must initiate eligibility determination within the first 30 days of receiving DDRB funded services.

Agencies must meet all requirements for eligibility by June 30, 2010.

The Department of Mental Health currently uses the following state statute to determine eligibility.

#### Section 630.005(9) RSMo

"Developmental disability", a disability:

- (a) Which is attributable to:
  - a. Mental retardation, cerebral palsy, epilepsy, head injury or autism, or a learning disability related to a brain dysfunction; or
  - b. Any other mental or physical impairment or combination of mental or physical impairments; and
- (b) Is manifested before the person attains age twenty-two; and
- (c) Is likely to continue indefinitely; and
- (d) Results in substantial functional limitations in two or more of the following areas of major life activities:
  - a. Self-care;
  - b. Receptive and expressive language development and use;
  - c. Learning;
  - d. Self-direction;

- e. Capacity for independent living or economic self-sufficiency;
  - f. Mobility; and
- (e) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, habilitation or other services which may be of lifelong or extended duration and are individually planned and coordinated..."

## **REQUESTS TO THE BOARD**

Agencies needing to submit correspondence to the Board for the Board meeting must submit their correspondence two weeks prior to the Board meeting to the DDRB office.

## **AGENCY APPLICATION**

The DDRB contracts with agencies to provide services and supports to St. Charles County residents with developmental disabilities. The fiscal year is July 1<sup>st</sup> to June 30<sup>th</sup>. Agencies are required to submit proposals through the application process addressing the outcomes of the strategic plan. The annual application is a Board approved process. See Application Section for current Application.

Requests to the Board should describe how the capital funding or service supports the program that provides a controlled work environment, or is designed toward enabling an eligible person to progress toward normal living, or to develop his or her capacity, performance, or relationships with other persons, or provide services related to a place of residence or social centers for eligible persons, or is connected or associated with vocational training, vocational teaching, vocational activities, vocational workshops, and/or residential facilities.

## **FISCAL POLICY**

1. *Funds Available:* Each year the DDRB sets a budget of available funds. Funds available for operations include, but are not limited to, tax revenue, interest and other income. All funds not used for operations or DDRB reserves are available for Capital Funding.
2. *DDRB Reserve:* 5% of the DDRB total budget is set-aside each year for emergencies. An emergency is defined as an unforeseen combination of circumstances calling for immediate action. This means there should be some sort of root cause or event that can be identified or, in other words, not as a result of poor planning.
3. *Funding Priorities:* Each year, the DDRB establishes funding priorities for the following year prior to releasing the Application For Funds. Priorities may include cost of living adjustments, service expansion, and priority service development.

## **REVENUES**

Agencies receive funding from a variety of sources including, but certainly not limited to: Parent Fees, Fund Raising/Donations, Grants, Department of Mental Health, Medicaid Waiver, Missouri Division of Vocational Rehabilitation, Department of Elementary and Secondary Education, United Way, and local school districts. Agencies are expected to maximize funding from all other sources before applying for funding from the DDRB.

If an agency uses temporary funding to expand services, the agency is responsible for meeting the ongoing demand without additional DDRB support.

## **FUNDING CLASSIFICATIONS AND RELATED POLICIES**

The following lists and defines the funding classifications and references related policies (if applicable).

### ***Operational Funding***

Defined as on-going program operating expenses. There are two types of operational funding available: A. Purchase of Service and B. Reimbursement

## **A. Purchase of Service**

*Specific, well-defined units of service are provided to St. Charles County citizens with a developmental disability, for a mutually agreed-to unit cost.*

1. The DDRB will negotiate a unit cost rate annually based upon the following information:
  - a. Most recent independent audited unit cost
  - b. Previous year's costs and utilization and variance
  - c. Funding from other partners if applicable
  - d. Other funding sources' unit rate for comparable services
2. Once the negotiated Purchase of Service rate is agreed upon, the service shall not be eligible for a unit cost adjustment for the remainder of the contract period (exceptions can be made with board approval for emergencies as defined below in Off-Cycle Funding).
3. If the negotiated Purchase of Service rate reflects an overpayment according to an annual audit and DDRB staff review, the DDRB Finance Committee will review the overpayment utilizing Board approved criteria and may recommend to the full DDRB a repayment and/or a rate adjustment for the current year. If the negotiated Purchase of Service rate is a percentage of the full unit rate, the DDRB staff will apply that percentage to the audited unit rate to determine if an overpayment has occurred. If such overpayment has occurred, the DDRB Finance Committee will review the overpayment, utilizing Board approved criteria, and may recommend to the full DDRB a repayment and/or a rate adjustment for the current year.

## **B. Reimbursement**

*A percentage of total budget reimbursement for actual expenses incurred or a specific line-item reimbursement.*

1. For programs that will be provided to participants who live outside of St. Charles County or to participants without a developmental disability, the DDRB will adjust the base operating program expenses to reflect the percentage of St. Charles County participants with developmental disabilities or the percentage of units utilized by St. Charles County participants.
2. For grants that reimburse a percentage of total budgets for actual expenses incurred, line item delineation is not required.
3. For grants that reimburse an agreed upon specific line item, line items of reimbursement must be delineated.
4. All reimbursement contracts will be taken out to two decimal places. Example: 62.34%
5. If the negotiated Reimbursement rate reflects an overpayment according to an annual audit and DDRB staff review, the DDRB Finance Committee will review the overpayment utilizing Board approved criteria and may recommend to the full DDRB a repayment and/or reimbursement rate adjustment for the current year.

## **Capital Funding**

Items and/or services requested for reimbursement one-time.

1. **Capital:** Specific program or administrative requests for one-time funding necessary for the delivery of supports.

***See Funding Manual, Section 7***

2. **Equity Investment:** Grants for major capital items, up to 80% of cost.

***See Funding Manual, Section 7***

3. **National Accreditation:** Expenses up to 100% for costs associated with surveys.

***See Funding Manual, Section 12***

4. **Start-Up:** Expenses associated with an individual with developmental disabilities moving into the community with residential supports. Requests can be made at any time during the year.

**See Funding Manual, Section 14**

### **Emergency Request**

If the Agency experiences an “emergency”, a mid-year operations/one-time increase may be requested. An “Emergency” is defined as an unforeseen combination of circumstances calling for immediate action. This means there should be some sort of root cause or event that can be identified or, in other words, not as a result of poor planning. A written request with justification of increase must be submitted to the DDRB. The DDRB will consider the request at their next scheduled meeting. Approval will be based on need and available funds. A Board Resolution is required with the Emergency Request.

Requests to the Board must be submitted in writing at least 2 weeks prior to the Board meeting to the DDRB office.

### **Pilot Project**

Direct cost of pilot projects may be requested. A letter of intent is required to determine if a full application is needed for Board consideration. Total DDRB pilot budget is determined by availability of funding, after operation and capital funding is considered.

**See Funding Manual, Section 13**

### **New Programs**

New Programs may be considered by the Board as determined by the annual priorities. A letter of intent is required to determine if a full application is needed for Board consideration. Total DDRB budget for new programs is determined by availability of funding, after operation and capital/one-time funding is considered.

### **Summer Programs**

For summer programs that cross over two fiscal years, agencies may request an automatic renewal option in their contract, subject to appropriation.

For summer programs that experience an increase in demand after the annual application deadline, agencies may submit an amended application by May 1 to request approval for additional individuals.

## **ALLOWABLE EXPENSES**

1. **Program Expenses:** Program expenses are the expenses directly related to providing the program. Such expenses would include: salaries, rent, supplies, travel costs, depreciation, etc. Salaries include direct contact staff and program administrators responsible for the specific program. Social workers or other individuals who work directly with customers may be allocated as a program expenses across several programs.
2. **Administrative Expenses:** Administrative expenses are for activities and personnel not directly related to providing programs. These expenses include: management and general expenses and membership development, but exclude any direct expenses for fundraising/development. Personnel included in administrative expenses include, Executive Director, Assistant Executive Director, Personnel Director, Financial Director/Staff, Receptionists and Secretaries to administrative staff.

If administrative staff also directs specific programs, a percentage of their expenses may be allocated as a program expense. Please include a note of explanation, if this is the case.

Allocation of administrative expenses by program in the Application for Funds should be consistent with allocations included in Unit Cost Reports, if applicable.

3. **Depreciation:** is an allowable operational expense. Depreciation expense should be determined using GAAP (generally accepted accounting principles) and will be validated each year by the agency's annual audit. Each agency should have a depreciation schedule (a listing of fixed assets and their depreciation expense for the next XX years) of currently owned fixed assets. The combined depreciation expense for fixed assets allocated to a DDRB funded program is to be included in an agency program budget.

Due to the unique aspects of depreciation expense, it is highly recommended agencies contact the DDRB Finance Director to help determine the amount of depreciation for which each program is eligible. Agencies must contact the DDRB Finance Director the first time depreciation is included in a DDRB funded program budget.

4. **Other non-cash items:** are not allowable operational expenses.

## **INVOICING/PAYMENTS/CHECK SIGNATURE AUTHORIZATIONS**

Agencies submit invoices as outlined and approved by the Board via the signed contract to purchase and provide services. DDRB staff review invoices and make payments for services per the annually approved agency contracts. The DDRB Treasurer, President, Vice President or Secretary signs all agency/DDRB staff checks. The DDRB Executive Director is authorized to sign other checks in amounts up to \$2,500 or as authorized by the Board.

### **Payment Cycle:**

If an agency invoice is received by the 10th of the month, the check is mailed by the 20<sup>th</sup> of month and if an agency invoice is received by the 25<sup>th</sup> of the month, the check is mailed by the 5th of new month. If the agency has not received payment for services or a phone call within 30 days after submitting the invoice, call the DDRB office to confirm receipt of the invoice.

### **Invoicing Formats:**

Agencies are required to provide all information contained in the DDRB Billing Forms, see section (28) for Invoicing Forms. Agencies may copy the DDRB format provided or an agency may create their format ensuring that the same information is included on that form. Please note that the forms to be used are determined by the "type" of operational grant your agency is contracting with. Your application outlines what "type" of grant you have with the DDRB.

Agencies are required to use the Capital/One-Time Invoice Form for all equipment billings. See Invoice Worksheets Section for invoice forms.

**Fiscal Year End Deadlines:** All final fiscal year invoices for services rendered must be received by the DDRB office by close of business on August 15. Invoices received after August 15 will not be paid. A postmark will not suffice. If August 15 falls on a weekend, invoices are due on the next business day by close of business. An email or fax will be accepted during normal business hours (8:00am-4:30pm). The agency must call to verify receipt of email or fax delivery.

**Carryover Requests:** All carryover requests, operations and capital, must be received by the DDRB office by close of business on June 1. Carryover requests received after June 1 will not be considered. A postmark will not suffice. If June 1 falls on a weekend, carryover requests are due on the next business day by close of business. The total approved carryover amount must be expended by September 30.

## **CASH FLOW**

The agency must request from the Board a billing adjustment due to cash flow issues. Agencies must submit a cash flow projection with the request. Requests to the Board must be submitted in writing at least 2 weeks prior to the Board meeting to the DDRB office.

## **AGENCY ELIGIBILITY & REQUIREMENTS**

1. "The Board may contract with any not for profit corporation including any corporation which is incorporated for the purpose of implementing the provisions of sections 178.900 to 178.970, RSMo, for any common services, or for the common use of any property of either group." (205.970, No. 6.) This does not prohibit the Board from contracting with other organizations or individuals.

2. Any entity that receives funding for services shall have in place an appeals process for participants.
3. The Agency will perform the services and carry out the activities as set forth in the targets and milestones of the Application For Funds. Board approved contract changes (deletion/addition of units or funds, etc) will be sent to the agency via written letter from the Project Manager and considered a part of the agency's contract.
4. The Agency agrees to, and understands that, services performed under the Contract Agreement are limited to those in the Application For Funds.
5. Reporting: The DDRB shall utilize the approved Application For Funds, as submitted by the Agency, to monitor service delivery and program expenditures. The Agency agrees to submit to the DDRB a semi-annual Agency Program Report and a semi-annual Agency Financial Report (for each DDRB funded program). Reports for the period of July 1 through December 31 are due by the close of business on January 31. Reports for the period of January 1 through June 30 are due by the close of business on August 15. Variations to these dates may be requested by the Agency and, if so stipulated, are noted on the contract document. Payments will be withheld from an Agency if reports designated here are not submitted on time.
6. Audit and IRS Form 990 Report: The AGENCY also agrees to submit to the DDRB 1 copy of its annual audit and IRS Form 990 within 4 ½ months after close of the AGENCY'S fiscal year. AGENCIES with a fiscal year ending December 31, audits and IRS Form 990 are due on May 15. AGENCIES with a fiscal year ending June 30, audits and IRS Form 990 are due November 15. The audit must be performed by an independent individual or firm licensed by the Missouri State Board of Accountancy in accordance with generally accepted accounting principles. The audit is to include a complete accounting for funds covered by this agreement, by program, unless exemption approved by the DDRB Finance Director. A DDRB program/unit cost audit report must also be submitted, if applicable. Payments will be withheld from an AGENCY if reports designated here are not submitted on time, unless otherwise approved by the Board.
7. Monitoring: The Agency agrees to permit the DDRB, the Executive Director of the DDRB, or designee, or any qualified individual(s) designated by the DDRB to monitor, survey and inspect the Agency's services, activities, programs and client records, to determine compliance and performance with the Contract Agreement, except as prohibited by laws protecting client confidentiality. In addition to the aforementioned, the Agency hereby agrees that, upon notice of forty-eight (48) hours, it will make available to the DDRB or its designee(s) all records, facilities and personnel, for auditing, inspection and interviewing, to determine the status of the service, activities and programs covered hereunder and all other matters set forth in the Contract Agreement.
8. Client Information Release: All individuals receiving services funded by the DDRB must annually sign a Client Information Release Form. The Agency is responsible to secure the form and maintain a copy in the client's file.
9. Modification or Amendment: In the event the Agency requests to make any change, modification or amendment to funded services, one-time items, activities and/or programs, a request of the proposed modification or amendment must be submitted in writing to the Executive Director of the DDRB for Board approval, if necessary. A Board Resolution must be included with request. Requests to the Board must be submitted in writing at least 2 weeks prior to the Board meeting to the DDRB office.
10. Demand for Services: The DDRB must be informed immediately if the Agency experiences a substantial increase in the number of individuals requesting services. By substantially increasing the number of individuals it is serving, the Agency may be put in the position of requesting a large increase in funding from the DDRB to meet the service need. The DDRB and the Agency must plan together if this occurs to determine if funds are going to be available to serve the increased demand, and to determine if the increase in demand is within the priorities of the DDRB. The Agency shall not develop a new program or service, or expand an existing program or service for which the Agency may at some future time request funding without consulting and informing the DDRB in writing before such a program/service is started.

11. Violation of Client Rights: Any alleged case of a violation of a client's rights in a program funded by the DDRB shall be investigated in accordance with the Agency's policies and procedures and in accordance with the state/federal regulations. Agency agrees to notify the DDRB Executive Director of any such incidents that have been reported to the appropriate governmental body and must also authorize the governmental body to notify the DDRB of any substantiated allegations. Agencies must comply with Missouri law regarding confidentiality of client records.

12. Discrimination: The Agency agrees that it has adopted and will enforce policies and practices to insure that it will not discriminate either in employment or in the provision of services in violation of any applicable federal, state, county or municipal statutes or ordinances.

13. Conflict of Interest: The Agency agrees that no member of its Board of Directors or its employees now has, or will in the future, have any conflict of interest between himself/herself and the Agency, and this shall include any transaction in which the Agency is a party, including the subject matter of the Contract Agreement. "Conflict of Interest" as this term is used herein, shall be defined by Missouri law.

14. Board Ownership: If the Agency ceases to be funded by the DDRB or ceases to provide programs and services for St. Charles County citizens with developmental disabilities, all capital equipment, materials and buildings purchased with DDRB funds shall be returned to the DDRB in compliance with the Capital Funding Policy or unless so otherwise approved by a majority vote of the DDRB. In addition, if the agency no longer uses capital equipment, materials, and buildings purchased with DDRB funds for its original intent, the agency will need DDRB approval to re-direct its use.

15. Failure to Perform/Default: In the event the Agency, at anytime, fails or refuses to perform according to the terms of the Contract Agreement as set forth from the Application For Funds, as determined by the DDRB, such failure or refusal shall constitute a default hereunder, and the DDRB will be relieved of any further obligation to make payments to the Agency as set out herein. The Contract will be terminated at the option of the DDRB.

16. Termination: The DDRB or the Agency may terminate the contract agreement, with or without cause, provided that either party provides 30 days notice in writing.

17. Standards: The Agency will comply with all state/federal certification and licensing requirements and all applicable federal, state and local laws. In addition, if eligible, and if not otherwise so determined by the DDRB, the Agency shall be accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) or The Council. Another national accreditation may be substituted with DDRB approval. If the Agency is not accredited, it shall submit to the Executive Director of the DDRB within sixty (60) days of signing the Contract Agreement a written plan for being surveyed for accreditation within one year. The Board may grant extensions and exemptions. **(See section 12 for National Accreditation Policy.)**

18. The DDRB maintains a permanent documents file "**Corporate Information**" for each funded agency. The following documents are required to be on file at the DDRB:

- a. Agency By-Laws
- b. Articles of Incorporation
- c. Current Certificate of Corporate Good Standing
- d. Certification/Accreditation Certificate(s) (or letter to request requirement waiver)
- e. Board Roster
- f. Mission Statement and Strategic Plan
- g. Most Current Audit and IRS Form 990 (due within 4 ½ months of close of fiscal year)
- h. Audited Program/Unit Cost Report
- i. Annual Report (if available)

Payments will be withheld from an agency if any of the following documents and/or waivers is not submitted on time.

19. Indemnification: The Agency agrees to hold harmless, defend and indemnify the DDRB for any and all liability for personal injury and or property damage stemming from any acts, negligence, misfeasance or omissions arising out of the Agency's performance of the Contract Agreement. The Agency agrees it has or shall obtain liability insurance, including a blanket fidelity bond, in form and amount sufficient as

determined by the DDRB pursuant to this clause for indemnification, and that it shall provide the DDRB with documentation evidencing this insurance.

20. **Publicity By Agency:** The Agency shall notify the DDRB of contact with media regarding DDRB funded programs or profiles of participants in DDRB funded programs. The Agency will acknowledge the DDRB as a funding source whenever publicizing DDRB-funded programs. The Agency will partner with the DDRB to inform the community about the ways its tax dollars are being invested in services and supports.

21. **Notice:** Any written notice or communication to the DDRB shall be mailed or delivered to the Developmental Disabilities Resource Board of St. Charles County, 156 St. Peters Centre Blvd., St. Peters, MO 63376.

## **APPEALS PROCESS FOR AGENCIES**

If the Agency disagrees with a decision of the DDRB, the following are procedures for the Agency to appeal a decision by the DDRB:

- a. The Board of the Agency must vote in a Board meeting to appeal the decision of the DDRB.
- b. Within 60 days of the DDRB's decision, a letter must be received by the DDRB from the President of the Agency stating the Agency's decision to appeal and a copy of the minutes of the Board meeting stating the vote of the Board to appeal.
- c. The letter from the President of the Agency must state, in specific terms, the reason(s) for the appeal.
- d. The DDRB will review the appeal and provide a written response within 60 days from receipt of appeal.