

**Baltimore County Local Behavioral Health Authority (LBHA)
Bureau of Behavioral Health (BBH)
Cost Reimbursement Programs
Fiscal and Program Reporting Requirements**

Behavioral Health Administration Program and Fiscal Requirements

Conditions of Award are issued each fiscal year. The provider (sub-vendor) will be provided updates with changes to the Conditions of Award. Changes to the Conditions of Award (COA) may be made at any time by the funding source.

I. Fiscal Reporting Requirements:

Services that are reimbursed through the contract shall not be billed to the Public Behavioral Health System (PBHS) fee-for-service system. Sub-vendor are encouraged to bill Medicare, Medicaid and other insurers as appropriate for additional eligible services that are not covered under the contract.

All submission due dates, unless otherwise noted, are set forth upon award.

The sub-vendor shall submit the following documentation to the BBH (Bureau of Behavioral Health) for cost reimbursement budgets:

Annual Budget Approval

DHMH 432 A-H

- The Contractor must submit an annual budget using the **DHMH 432 A-H Human Service Contract Proposal Forms, Line Item Justification Form, and Indirect Cost Breakdown form (if applicable)**.
- The Line Item Justification and Indirect Cost Breakdown forms is provided by BBH.
- The budget must be submitted and approved prior to project commencement date. The submission due date is set forth upon award.

The Contractor is permitted to include costs for administrative overhead/ indirect costs that are not to exceed **10% of the salary and fringe, only**.

DHMH 433 (Condition of Human Service Agreement Statement) and **DHMH 434** (Assurance of Compliance with the Department of Health and Human services Regulation under Title VI of the Civil Rights Act of 1964 and Section 503 of the Rehabilitation Act of 1973, as amended) are due to the BBH no later than **May 27th** of each fiscal year.

A copy of the **Certificate of Liability Insurance** is due to the BBH no later than **May 27th** of each fiscal year.

DHMH 437 (Request for payment) and **DHMH 438** (Interim Report of Actual Expenses, Receipts and Performance Measures)

- The BBH shall pay the Contractor, on an advance basis, for the 1st quarter payment upon submission to the BBH.
- No funds shall be advanced to the Contractor until after BBH has received a signed and dated contract and processed the DHMH 437 and DHMH 438 forms referenced above.
- Payments for the remaining three quarters will be made based on actual expenditures incurred from the previous payment(s); supporting documentation required.

DHMH 436- A-G -Budget Modifications

- DHMH 436 A-G Budget Modification and narrative are due to the BBH by **March 10th** of each fiscal year.
- BBH must approve any and all budget modifications of services.
 - If the original budget(s) is/are altered (controlled or non-controlled line items) and there is not an approved budget modification(s), BBH will disallow any unapproved expenditures.
 - Requests to modify the cost of the services shall be submitted in writing to BBH.
 - No amendment or modification is binding unless it is in writing and signed by all involved parties.

Annual Fiscal and Performance Measures Report

- **DHMH 440 and 440A** are due to the BBH by **July 31st** for the preceding fiscal year. Expenditures, which exceed DHMH Human Services Agreement Manual tolerances or unbudgeted expenditures in any line items, which have not been previously approved by BBH, are subject to non-recognition.
- The Contractor may petition for recognition by attaching a letter of justification to the DHMH 440 which states the nature of, and a rationale for, the over expenditures and unbudgeted expenditures.
- BBH may disapprove any unauthorized expenditure.

Annual Financial Audit

Two (2) copies of the Contractor's Annual Financial Statement, A-133 audit (if applicable) and Management Letter for the contract period by an outside auditor are due to the BBH upon completion, but no later than **January 31st** of the following fiscal year. If the Contractor is unable to meet this deadline, the Contractor should inform BBH in writing.

The annual financial audit should contain specific and separate information regarding the program for which the contract is written.

Contractors who receive program funds from the Department of Health and Mental Hygiene Administration are required to obtain an audit of the **DHMH440 and DHMH 440A**.

Content of Audit Report:

- The approved year-ended **DHMH 440 and DHMH 440A** for program services that are \$100,000 or more.
- Each report issued for a sub-vendor audit should provide sufficient schedules, forms, analysis, etc., to allow the reader to evaluate the results of the subcontracted service during each of the contract fiscal years (ending June 30) separately and isolated from the sub-vendor's total operations.
- The audit report must provide a statement of revenues and expenditures that details total revenues and allowable expenditures and the amount due to the vendor for each contract that the sub-vendor has with the vendor.
- The report also shall include all notes prepared by the auditor and any management letter that may have been generated as part of the audit.

Specific: Each audit report should contain the following parts, though they need not to be organized in this manner.

- An opinion (or disclaimer of opinion) as to whether the **DHMH 440** is presented fairly in all material respects in conformity with generally accepted accounting principles. This opinion or disclaimer must be included in a report prepared by independent auditors, but not by a vendor's in-house staff.
- A report on internal control describing the scope of internal control testing and the results of the tests.
- A report on compliance with laws, regulations and the provisions of the contract or agreement that the sub-vendor has with the vendor.
- A report on compliance with the terms and conditions of (HSAM) or (LHDFSM).
- A report on the status of prior audit findings.
- A list of funds due either to the vendor or to the sub-vendor.
- A schedule of findings and questionable costs.

Subject Matter of Audit Findings: Auditors should report the following as audit findings in a schedule of findings and questionable costs.

- Reportable conditions in internal control. These reportable conditions should include all weaknesses detected, if any.
- All noncompliance detected, if any, with laws, regulations, contracts or grant agreements.
- Known questionable costs, those specifically identified by the auditor, that are \$500 or greater.
- In addition, when reporting the finding the auditor should include information to give a perspective on the prevalence and possible consequences of the questionable costs.
- Non-allowable costs.
- Known or suspected fraud affecting DHMH funds.

Note: Auditors shall refer to the appropriate sections of HSAM or LHDFSM concerning allowable costs, non-allowable cost and budget modifications. Auditors shall use this material for guidance in determining whether certain costs should be allowable.

Detail of Audit Findings: The auditor should present audit findings in sufficient detail to allow the auditee to prepare and implement a corrective action plan.

The auditor should include, but not be limited to, the following information:

- The grant or contract number, the source of funding, and the fiscal year.
- The criteria upon which the audit finding is based, citing a statute, regulation, etc.
- The condition that the auditor found.
- The questionable costs, how they were computed, how prevalent they are (i.e., whether they represent an isolated instance or a systemic problem), and what their likely consequences are.
- Recommendations to prevent future occurrence of the problem.

Note to Contracted Sub-vendor (Federal, State and Local Funds Awarded)

The BBH Fiscal Monitor and Contract Monitor must be informed in writing of any staff changes for all positions funded in whole or in part by this contract.

All sub-vendors providing program services for Baltimore County, Bureau of Behavioral Health (BBH) must comply with desktop and/or on-site audits for federal, state or local grant funds awarded.

- At any time during normal business hours, the sub-vendor shall make available to BBH by mail, hand delivered or onsite, all of the sub-vendor's records with respect to all matters covered by the program encumbrances (award) for audit and inspection.
- Sub-vendors shall permit BBH to make compliance inspections and audits of:
 - All Contracts
 - Agreements
 - Patient Records
 - Clinical Care Records
 - Financial Records
 - General ledgers
 - Timesheets
 - Travel and Mileage Reports
 - Invoices
 - Vouchers
 - Purchase Orders
 - Accounting Documents
 - Accounts Payable Journal
 - Payroll Journals
 - Payroll Registers
 - Bank Statements
 - Check Registers
 - Credit Card Statements
 - Supporting Records
 - Records or Personnel Conditions of Employment
 - Other data and/or records pertaining in whole or in part relating to all matters covered by BBH sub-vendors programs.

All costs shall be supported by actual receipts, payroll records, payroll registers, general ledger reports, time documentation records, time certifications, daily records, cancelled checks, credit card statements, and any other documents required by Bureau of Behavioral Health (BBH) to prove the costs claimed for reimbursement. All checks must display bank clearance. Check registers or other accounting documents pertaining in whole or part to program which shall be clearly identified and readily accessible.

Charges to State and Federal awards for salaries and wages must be based on records that accurately reflect the work performed. The records must support the distribution of the employee's salary or wages among specific activities or costs. Timesheets must be certified as accurate by employee and supervisor familiar with the employee's activities.

Require travel must be reasonable. Limit mileage, meals and incidentals, and lodging charged to federal programs to the rates published in the Federal Travel Regulations. Limit airfare to coach and car rental to mid-sized. Travel costs is reimbursed based on expenditures reports along with original receipts. To be reimbursable under a federal, state and county award, costs must be reasonable, allowable, and adequately documented. A cost is allocable to a federal award to the extent the goods or services benefited the program.

Record Retention

The Contractor shall retain all records for period of at least five (5) years after termination of this Contract, or retain records for the specified period mandated in accordance with COMAR regulations, whichever is longer.

Failure to submit all PROGRAM AND FISCAL REPORT REQUIREMENTS in a timely manner will result in withholding of contract funds until BBH receives all reports and is duly satisfied with the submissions.

II. Required Program Reports:

Quarterly Program Reports

Report submissions shall correspond with BBH fiscal year timelines and must be submitted on a universal reporting form provided by BBH Program Monitor.

- **First Quarter** Review due October 10th for July-August-September
- **Second Quarter** Review due January 10th for October-November-December
- **Third Quarter** Review due April 10th for January-February-March.
- **Fourth Quarter** Review due July 10th for April-May-June
- **Annual Program Report Narrative:** due August 10th

Narrative Summary

The Contractor shall provide a narrative summary of the project, including:

- A description of the implementation of the program.
- Summaries of the Performance Measures requested.
- Highlights and challenges, positives and negatives, of the program model.
- A case example of how the program was beneficial to recipients.
- Consumer satisfaction survey results.

III. Program Oversight:

Baltimore County Bureau of Behavioral Health (BBH) is the designated Public Behavioral Health System (PBHS) Local Behavioral Health Authority (LBHA) for Baltimore County.

The BBH Contract Monitor shall maintain oversight of the program. Regular communication with BBH is required. Concerns about the contract and deliverables are to be discussed with the BBH Contract Monitor in order to seek resolution.

The sub-vendor will discuss program and client progress with the BBH Contract Monitor on an as needed basis as requested.

Site visits will be scheduled with the sub-vendor to monitor the programs. However, BBH Contract Monitor may conduct a file review of the program, or call for a meeting with the sub-vendor, to monitor program services and fidelity of grant implementation, at any time, if deemed necessary.

Critical incidents that may have occurred are to be reported to LBHA/BBH within 24 hours of becoming aware of the incident. Those events include, but are not limited, to:

- Death by overdose;
- Accidental overdose;
- Death (any cause);
- Suicide attempt;
- Injury to self;
- Assault or injury to others;
- Sexual/physical abuse or neglect, or allegation thereof;
- Inappropriate use of resources; and
- Incarceration of the program participant for any reason.