

## **WINNEBAGO COUNTY COMMUNITY MENTAL HEALTH BOARD REQUIREMENTS AND GUIDELINES FOR ALLOCATION OF FUNDS**

### **INTRODUCTION**

The purpose of the Winnebago County Community Mental Health Board (WCCMHB) is to provide a system of services that addresses serious mental health and addiction issues of children and adult residents of Winnebago County. Toward that end WCCMHB will fund evidence-based, best practice, and promising practices programs by providers that address the identified priorities and target populations for Winnebago County as outlined in the WCCMHB 3-Year Strategic Plan.

The use of public money demands that the WCCMHB establish policies that ensure that monies are directed toward a mission directed population and that accountability is established so transparency exists around service delivery and how funds are spent. This document is intended to spell out values and policies that are intended to provide transparency of our community service system.

WCCMHB will operate in an ethical, legal, fair, and nondiscriminatory manner in all functions utilizing evidence-based practice, current technologies and best practices, while incorporating consumer and public input within an environment of continuous performance improvement. WCCMHB expects that its vendors, service providers, system partners, and all entities doing business with WCCMHB shall adhere to the principles, policies, values, and expectations of WCCMHB.

WCCMHB believes that services should be provided in the least restrictive environment appropriate to the needs of the individual client; that WCCMHB funding support shall be community based; and WCCMHB will coordinate its planning and funding efforts in consideration of governmental and non-governmental payers and providers of services. Funds allocated by WCCMHB shall be used to contract services for mental illness and substance use disorders, as defined by the local community WCCMHB 3-year strategic plan.

### **GENERAL PROVIDER AND ADMINISTRATIVE REQUIREMENTS**

#### **1. Who may apply for WCCMHB Funding?**

Applicants for funding may be an individual or a public or private entity providing mental health or substance use disorder services to residents of Winnebago County. The Applicant must demonstrate sound business practices for a minimum of three years prior to submission of application, exceptions to be preapproved by WCCMHB. Organizations in existence less than three years may be a collaborating provider on a funding application, but not the lead provider. No staff member or board member of the provider will be allowed to serve as a voting member on the WCCMHB.

The following entities are eligible to apply:

- Not-for-Profit Corporations: Must be registered as a not-for-profit in good standing with the State of Illinois and established as a Section 501(c)3 under the Internal Revenue Code
- For-Profit Businesses (including properly licensed and insured sole proprietorships and individually-owned LLCs)
- Hospitals and health care organizations including Federally Qualified Health Centers
- Governmental Entities and Departments within Winnebago County Government

Through the funding application and review process, all entities must demonstrate financial accountability, reliability, and stability, as well as appropriate service of value to the persons to be served as determined by WCCMHB.

All applicants must also demonstrate compliance with WCCMHB values of: wellness, awareness, collaboration, transparency, diversity, client-centered, intersectionality, trauma-informed, and accessibility.

#### **Administrative Requirements of Applicants:**

- a) If a corporation, must have corporate by-laws that at a minimum specify the number of members of the board and include a board rotation policy nomination and election of board members and officers, address removal and replacement of board members, reference committee structures and term limits for each board office and WCCMHB strongly recommends the by-laws encourage consumer representation on the board
- b) The provider must have its principal offices located within Winnebago County or a local advisory board who provides direct input to the corporate board of directors.
- c) Have policies ensuring nondiscrimination in the acceptance of clients, employment of personnel, and appointment to the board of directors or in any other respect on the basis of race, color, religion, gender, sexual preference, national origin, ancestry or disability.
- d) Services funded by WCCMHB shall not be denied based on a client's inability to pay.
- e) Demonstrate a willingness and ability to enter into networking agreements or contracts with other providers in order to avoid overlapping services and coordinate care.
- f) Cooperate fully in program evaluation and onsite monitoring as conducted by WCCMHB pursuant to the mandate contained in the Illinois Community Mental Health Act and funding agreements. This may include making available for inspection by WCCMHB copies of all funding applications and awards to/from any local, state, or federal government department or agency and copies of site, monitoring, compliance, licensure/certification, accreditation, evaluation, and audit visits performed by any funding authority.
- g) Cooperate fully with and adhere to the attendance requirements of the WCCMHB Learning Network Collaborative.
- h) Provide services to each eligible client in accordance with a written individual treatment plan (where applicable) which identifies client needs and strengths as determined by assessment.
- i) Comply with all applicable Illinois and Federal laws and regulations with respect to safeguarding the use and disclosure of confidential information about recipients of services.

- j) Have admission and discharge policies and procedures set forth in writing and available for review.
- k) Demonstrate that professional staff are licensed, registered, or certified by the State of Illinois, as applicable to the discipline and current Illinois regulations/requirements.
- l) Demonstrate that all program facilities are in compliance with applicable State of Illinois licensure requirements and local ordinances with regard to fire, building, zoning, sanitation, and health and safety requirements.
- m) Shall attest that they will not use WCCMHB funds:
  - To engage in proselytizing activities with consumers and/or require worship or religious instructional activities as a condition of participation.
  - For direct or indirect medical (physical health) services that are not related to mental health or substance use disorders.
  - To supplant funding for programs or services under the jurisdiction of public school systems.
  - To augment or supplant funding from any other federal or state source prohibiting such action and/or subject to coordination of benefits.

WCCMHB reserves the right to contact the applicant's funding sources with or without applicant's notice or knowledge to confirm compliance with all non-supplanting or supplemental funds and/or certification/accreditation standards.

## 2. Fiscal Expectation for All Applicants

- a) The organization shall be managed in a manner consistent with sound fiscal standards and shall maintain written policies and procedures regarding its fiscal activities, including but not limited to payroll, purchasing, internal controls, cash management, relevant fee schedules, contracts, billing and risk management.
- b) Organizations will be held to WCCMHB approved budgets for each program awarded funds as outlined in funding agreements.
- c) Organizations will establish and maintain an accrual accounting system in accordance with generally accepted accounting principles to include a level of documentation, classification of entries and audit trails. Cash basis accounting systems to be considered on a limited basis and subject to WCCMHB approval.
  - All accounting entries must be supported by appropriate source documents.
  - All fiscal records shall be maintained for five (5) years after the end of each agreement(s) term, and if need still remains, such as unresolved issues arising from an audit or legal process, related records must be retained until the matter is completely resolved.
  - WCCMHB funds may only be used for expenses that are reasonable, necessary and related to the provision of services as specified in the contract.
  - The following is a listing of non-allowable expenses:
    1. Bad debts;

2. Contingency reserve fund contributions;
  3. Contributions and donations,
  4. Entertainment;
  5. Purchase of Alcohol;
  6. Compensation for board members;
  7. Fines and penalties;
  8. Interest expense;
  9. Capital expenditures greater than \$3,000 unless funds are specified and approved for such purpose;
  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;
  11. Expenses or items not otherwise approved through the budget or budget amendment process or in excess of approved/amended budget;
  12. Expenses incurred outside the term of the contract;
  13. Contributions to any political candidate or party or to other non-WCCMHB program purposes;
  14. Excessive administrative costs including:
    - Any indirect administrative cost rate in excess of non-administrative portion of the budget, unless approved by WCCMHB;
    - Any indirect administrative costs that exceed those approved in the program/service budget;
  15. Any indirect administrative costs in excess of an approved state or federal indirect rate agreement or the de-minimus ten percent; Lobbying costs; and/or
  16. Supplementation of state or federal funds and/or subject to coordination of benefits.
- d) Each provider is required to submit an annual, professional audit with its application and for each year of the contract term unless otherwise waived by WCCMHB. Failure to meet these audit requirements shall be cause for termination or suspension of WCCMHB funding. If the audit includes a management letter, this document and any report of corrective action must also be made available for WCCMHB inspection. Any exceptions to these requirements must be preapproved by WCCMHB.
- e) Each provider shall provide safeguards for all funds provided through WCCMHB contracts to assure they are used solely for authorized purposes. Further, control will be enhanced if the duties of the provider's staff are divided so no one person handles all aspects of a transaction from start to finish. Although complete separation of functions may not be feasible for a small provider, a measure of effective control may be achieved by planning staff assignment of duties carefully. Some examples of techniques for improving internal controls are:
- a) Cash receipts should be recorded immediately and deposited daily. Deposits should be reconciled by a second party.
  - b) All bank accounts should be reconciled on a monthly basis by someone other than the person who signs the checks.

- c) Checks to vendors should be issued only for payment of approved invoices, and supporting documents should also be recorded. The person responsible for issuing check payments should not have signing authority.
- d) The person responsible for the physical custody of an asset should not have responsibility for keeping records related to that asset.

## **ALLOCATION AND DECISION PROCESS**

All WCCMHB allocation and contracting decisions are made in meetings open to the public. Allocation decisions will be based on statutory mandates and priorities defined in the WCCMHB 3-year strategic plan. To the extent possible, final decisions will be predicated on how well an application matches up with the statutory mandates, priorities and criteria.

WCCMHB application for funding process shall include the following steps:

- a) Funding priorities and criteria will be reviewed each fiscal year, identifying the funding application process and timeline.
- b) Public notification of the availability of funding shall be announced via email to providers who signed-up for email updates, the WCCMHB website, and press release. This announcement will provide information necessary for an organization to submit an application for funding and how to request access to application materials.
- c) When required, registration requirements will be identified in Notice of Funding Opportunities and/or Requests for Proposals and may include registration in the Foundant Grant Lifecycle Management System with the WCCMHB. Information on the registration processes will be provided by WCCMHB in a grant seekers meeting. Access to application forms and instructions may follow completion of a registration process.
- d) All potential applicants must submit, in WCCMHB's required format as part of the application, a budget containing anticipated revenues and expenditures for carrying out the purposes of the award. When potential applicants or third parties support a portion of expenses associated with the award, the budget shall include the non-WCCMHB and WCCMHB share of expenses. Final budgets shall be approved by WCCMHB.
- e) Technical questions regarding compliance with WCCMHB requirements can be submitted in one of two scheduled information sessions or by email to [info@mentalhealth.wincoil.us](mailto:info@mentalhealth.wincoil.us) and will be answered in as timely a manner as possible.
- f) Application due date will be specified in the Notice of Funding Opportunity and/or Request for Proposals.
- g) Access to application(s) will be provided to member(s) of WCCMHB in a medium preferred by the member.
- h) . Notice of Funding Opportunities and/or Requests for Proposals will dictate and describe the scoring process for each application period.

- i) WCCMHB may require some or all applicants to provide written responses or be present at WCCMHB or committee meetings to answer questions about funding application(s).
- j) Allocation decisions of WCCMHB are final and not subject to reconsideration unless at WCCMHB's initiation.
- k) It is the intent of WCCMHB not to consider out-of-cycle funding requests or proposals.

## **THE AWARD PROCESS, CONTRACTS, AND AMENDMENTS**

### **1. Award Procedures:**

Each provider awarded WCCMHB funds shall receive notification indicating program allocation(s). This will state the amount of the funds awarded, the effective time period of the award, and the name of program/services/project application receiving the award, contingent upon execution of work plans and contracts.

### **2. Contracting Format and Implementation Procedures:**

Once allocations are awarded, WCCMHB will implement the funding plan and initiate the contracting process. The contract shall include the boilerplate (i.e., standard language and provisions applicable to all contracts), the program work plan, special conditions (if applicable), and required financial information. Execution of the contracts requires the signatures of WCCMHB Board President and Treasurer. A work plan will be established as part of contract execution to outline outcome and parameters for the delivery of service. These documents shall be executed by an authorized designee and may be subject to amendment per WCCMHB approval. Subsequent to execution of the contract, any change or modification requires a contract amendment to be executed by the parties to the contract.

### **3. Types of WCCMHB Contracts:**

The contract format decision rests with WCCMHB and is based on the appropriateness of the format with the objectives of the program plan.

#### **a) Standard Grant Contract.**

Payment is predicated on the budget and obligations associated with the contract. Typically, payments are allocated as monthly reimbursement of approved expenses. Organizations may request trimester reimbursement or trimester advanced payment, subject to approval by WCCMHB. For advanced payment, reconciliation of payments to actual expenditures shall be submitted to WCCMHB within 30 days after the trimester ends, and unspent dollars will be returned to WCCMHB within 30 days from submission of reconciliation budget (or may be deducted by WCCMHB from remaining payments). Accountability is tied to defined outcomes, performance measures and service data. Renewal of a contract for another period is not guaranteed. Any renewal of a prior year contract is subject to re-negotiation of terms based on provider performance and strategic plan updates.

#### **b) Contract for Services.**

Payment is tied to a specific task or activity defined in the application and review responses, such as is the case in a Request for Proposal process. Typically, payment is tied to an hourly rate or completion of specific tasks (i.e., deliverables). Approved expenses associated with the contract shall be defined in the contract and included as a portion of the overall contract maximum.

4. Late Awards:

The Board may make decisions about awards which would go into effect later than the specified start date within a specific contract/program year, such as in the event of additional available revenues which can be allocated to contracts or if the board were to issue a Request for Proposal for a specific service critical to execution of the strategic plan that was not addressed by funded grant programs.

5. Contract Amendments:

The need for a contract amendment is driven by a change in conditions delineated in the original contract. The provider is required to report changes that modify the administrative structure and/or implementation of the work plan. It is recognized that programs are dynamic and it is prudent to make program adjustments to better meet overall goals and objectives. Contract amendments shall be carried out according to the following guidelines:

- a) The provider shall submit a formal request for an amendment to initiate the amendment process.
- b) Approval of an amendment shall be at the discretion of the WCCMHB President except approval of an amendment the WCCMHB President determines is a major amendment to the program or to the services provided in the contract.
- c) At his/her discretion, the WCCMHB President may ask for a full WCCMHB review and approval of a proposed amendment at the next regularly scheduled meeting.
- d) Proposed amendments that redirect approved dollars between providers, an amendment for movement within the program budget in excess of limits specified in funding agreement contracts, or an amendment for any increase in the award amount shall require the formal approval of the WCCMHB

6. Appeals

- a) Provider shall be afforded the opportunity to appeal any contract termination for a breach of its material obligations by means of a hearing before the WCCMHB in an open session. The hearing shall be held within forty-five (45) days of receiving the provider's request for a hearing. The final decision of the WCCMHB shall be issued within thirty (30) days of the conclusion of the hearing. The provider's reporting obligation and obligation to repay certain amounts under the funding agreement shall survive the termination of the funding agreement.

## **GENERAL REPORTING REQUIREMENTS FOR WCCMHB FUNDING**

1. Provider Reporting Requirements:
  - a) Financial, service, and outcome reporting requirements are delineated in the contract and are subject to revision from year to year. In general, each provider is required to submit an annual report in addition to quarterly outcome reports. Such reports shall be provided by the provider within thirty (30) days from the end of the reporting period.
  - b) Change in the provider's corporate status shall be reported to WCCMHB within thirty (30) days of the change.
  - c) Change in the provider's accreditation status shall be reported to WCCMHB within thirty (30) days of the change.
  - d) Additional reporting requirements may be included as provisions of the contract. Any such report, unless specified otherwise, shall be provided by the provider within thirty (30) days of request from the WCCMHB.

## **EXCEPTIONS TO THE PROVISIONS OF THESE REQUIREMENTS AND GUIDELINES**

All exceptions to these Requirements and Guidelines for Allocation of Funds must have the prior approval of WCCMHB or WCCMHB's designee if authority is so designated within sections of the Requirements and Guidelines. Requests for exceptions that require the WCCMHB's approval must be submitted to the WCCMHB President for review and submission to the appropriate WCCMHB committee and/or WCCMHB if applicable. Subsequently, WCCMHB's written decision will be transmitted to the provider.