TOWNSHIP OF SCHAUMBURG
MENTAL HEALTH BOARD

Guidelines for Allocation of Funds

Introduction

Pursuant to the authority contained in the Community Mental Health Act, ILCS Chapter 405, Act 20, funds allocated by the Mental Health Board shall be used to contract for mental health, substance use disorder, and intellectual and developmental disability services as defined by the local community mental health board.

The Schaumburg Township Mental Health Board believes that services should be provided in the least restrictive environment appropriate to the needs of the individual consumer; that Mental Health Board funding support shall be community based; and the Mental Health Board will coordinate its planning and funding efforts in consideration of governmental and non-governmental payers and providers of services.

General Requirements for Applicants

Who may apply for Mental Health Board funding?

Applicants for funding may be an individual or a public or private entity providing mental health, intellectual and developmental disability, or substance use disorder services to residents of Schaumburg Township. The Applicant must demonstrate sound business practices. 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 the Mental Health Board.

The following entities are eligible to apply:

- An individual (including single-member Limited Liability Company)
- Not-for-Profit corporations: Must be registered as a not-for-profit and in good standing with the State of Illinois and established as a Section 501(c)3 under the Internal Revenue Code
- For-Profit Corporations
- Governmental Entities (The Menal Health Board does NOT fund other taxing bodies)

Administrative Requirements for Applicants

a. Have policies ensuring nondiscrimination in the acceptance of consumers, employment of personnel, and appointment to the Board of Directors or in any other respect on the basis of race, color, creed, religion, national origin, age, mental or physical disability, sex, marital status, pregnancy, military status, citizenship status, sexual orientation including gender-related identity, or any other basis prohibited by applicable federal, state, or local fair employment laws or regulations.

b. Services shall not be denied based on a client's inability to pay.
c. Demonstrate a willingness and ability to enter into networking agreements with other providers in order to avoid overlapping services and coordinate care.
d. Cooperate fully in program evaluation and onsite monitoring as conducted by Mental Health Board staff pursuant to the mandate contained in the Community Mental Health Act and funding contracts.
e. Provide services to each eligible consumer in accordance with a written individual plan (where applicable) which identifies consumer needs and strengths as determined by assessment. 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.
f. Have admission and discharge policies and procedures set forth in writing and available for review.
g. Demonstrate that professional staff are licensed, registered, or certified by the State of Illinois, as applicable to the discipline and current Illinois regulations and requirements.
h. Demonstrate that all program facilities are in compliance with applicable State of Illinois licensure requirements and local ordinances in regard to fire, building zoning, sanitation, and health and safety requirements.
i. Attest that they will not use Mental Health Board funds:
    1. To engage in proselytizing activities with consumers and/or require worship or religious instructional activities as a condition of participation.
    2. For direct or indirect medical (physical health) services that are not related to mental health, substance use disorder, or intellectual and developmental disabilities.
    3. To supplant funding for programs or services under the jurisdiction of public school systems.
    4. To augment or supplant funding from any other federal or state source prohibiting such action and/or subject to coordination of benefits.

The Mental Health Board 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.

Fiscal Expectations for 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 the Mental Health Board approved budgets per each program awarded funds. A financial reconciliation of Mental Health Board payments to actual expenses related to Grant contracts will be required at year end, with unexpended or disallowed amounts returned to the Mental Health Board. Financial reconciliation requirements are promulgated within funding agreements.

c. Mental Health Board funds are restricted for use in the program(s) described in the contract(s) concerning obligation of funding. For Grant contracts, Mental Health Board funds in excess of actual reimbursable expenses by the program are subject to recovery.
d. If indirect expenses will be charged to the award, the organization's cost allocation plan must be submitted to the Mental Health Board and the expenses in line with the plan or the expenses will be disallowed.
e. 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.
    1. All fiscal records shall be maintained for five (5) years after the end of each contract(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.
    2. Amounts charged to Mental Health Board funded cost centers for personnel services must be based on documented payrolls. Payrolls must be supported by time and attendance records for individual employees (as applicable).
    3. Mental Health Board funds may only be used for expenses that are reasonable, necessary, and related to the provision of services as specified in the contract. All allowable expense that can be identified to a specific Mental Health Board funded program should be charged to that program on a direct basis. Any allowable reimbursable expenses indirectly identified to a Mental Health Board funded program must be allocated similarly to all programs, both funded and non-funded in an equitable manner.
    4. The following is a non-exhaustive listing of non-allowable expenses:
        i. Bad debts;
        ii. Contingency reserve fund contributions;
        iii. Contributions and donations;
        iv. Entertainment
        v. Purchase of alcohol;
        vi. Compensation for Board Members;
        vii. Fines and penalties;
        viii. Interest expense;
        ix. Rental income received must be used to reduce the reimbursable expense by the Mental Health Board for the item rented;
        x. Capital expenditures greater than $5,000 unless funds are specified for such purpose;
        xi. Supplementing funding from another revenue stream. The Boards may delay allocation decisions when anticipated funds from other sources may be influenced by their decision;
        xii. Expenses or items not otherwise approved through the budget or budget amendment process or in excess of approved/amended budget;
        xiii. Expenses incurred outside the term of the contract;
        xiv. Contributions to any political candidate or party;
        xv. Non-Mental Health Board funded program purposes;

xvi. Excessive administrative costs including:
    1. Any indirect administrative cost rate in excess of 20% of the non-administrative portion of the budget, unless approved by the Board;
    2. Any indirect administrative costs that exceed those approved in the program/service budget;
    3. Any indirect administrative costs for which an organization's cost allocation plan has not been submitted and deemed acceptable to the Mental Health Board
xvii. Lobbying costs;
xviii. Supplantation of state or federal funds and/or subject to coordination of benefits;
xix. The Mental Health Board at its discretion may elect not to fund an application based on what is deemed to be in the best interest of the Township.

f. Each agency is required to submit an annual independent financial audit unless otherwise waived by the Mental Health Board. Failure to meet these audit requirements shall be cause for termination or suspension of Mental Health Board funding. If the audit includes a management letter, this document and any report of corrective action must also be made available for Mental Health Board inspection. Any exceptions to these requirements must be pre-approved by the Mental Health Board.

Allocation and Decision Process

a. All Mental Health Board allocation and contracting decisions are made in meetings open to the public and in accordance with the Mental Health Board Contracts- Funding Allocation Policy. Allocation decisions will be based on statutory mandates, priorities, and defined criteria related to the findings of various needs assessment activities sponsored by the Mental Health Board. To the extent possible, final decisions will be predicated on how well an application aligns with the statutory mandates, Mental Health Board established priorities, and rubric criteria.

   The Mental Health Board application for funding process shall include the following steps:

   i. Public notification of the availability of funding shall be issued via email to currently funded agencies; Notice of Funding Availability or Requests for Funding Proposals on the Mental Health Board website and announcement in a prominent newspaper once the Board approves the release of the application process. This announcement will provide information necessary for an organization to submit an application for funding and how to request access to application materials.
   ii. Funding priorities and criteria will be reviewed each fiscal year, identifying the funding application process and timeline.
   iii. All potential applicants must register in Submittable. Access to application follows completion of the registration process.
   iv. Organization must submit, in Mental Health Board's required format and using Mental Health Board templates as part of the application, a budget containing anticipated revenues and expenditures for carrying out the purposes of the award when organization or third parties support a portion of expenses associated with the

award, the budget includes the non-Mental Health Board as well as the Mental Health Board share of expenses. Final budgets will be approved by the Mental Health Board Executive Director.

v. Technical assistance regarding compliance with Mental Health Board requirements will be made available upon request at any time prior to the due date of the application predicated on staff time available.
vi. Application due date will be specified in the public notice and accessible on the Mental Health Board website.
vii. Access to submitted applications will be provided to Board members of the Mental Health Board in a medium preferred by the Board member.
viii. The Mental Health Board Executive Director and Board members will complete a review of each application.
ix. The Mental Health Board may require some or all applicants to provide written responses or be present at a Board meeting to answer questions about funding application(s).
x. Allocation decisions of the Mental Health Board are final and not subject to reconsideration unless at the Mental Health Board's initiation.
xi. It is the intent of the Mental Health Board to not consider out-of-cycle funding requests or proposals routinely.

b. As necessary, the Executive Director shall engage and consult with other public and private agencies for purposes of planning and contracting for delivery of services. The Board may award and/or reallocate funding without a Special Allocation process.

Award Process, Contracts, and Amendments

a. Award Procedures
Agencies awarded Mental Health Board funds shall receive notification regarding program allocation(s). This will state the amount of the funds awarded, the effective time period of the award, and the services/program/project to be delivered utilizing the funds.
b. Contracting Format and Implementation Procedures
Once allocations are authorized by the Mental Health Board, the Executive Director will implement the funding plan and initiate the contracting process. The contract shall include the boilerplate (standard language and provisions applicable to all contracts), the program work plan, and required financial information. Within the context of the final allocations, the Executive Director is authorized to negotiate and complete the contracts, budgets, and work plans. Execution of the contracts requires signatures of the respective Executive Directors and Presidents. The contract period is March 1 – February 28. A work plan will be established as part of contract execution to outline outcomes and parameters for the delivery of service. These documents are executed by the Authorized Designees and may be subject to amendment per Mental Health Board approval.

c. Mental Health Board Contracts
The contract format decision rests with the Mental Health Board and is based on the appropriateness of the format with the objectives of the program plan.

i. Standard Grant Contract
Payment is predicated on the budget and obligations associated with the contract. Typically, payments are divided into equal monthly amounts over the term of the contract. If approved by the Board, grant contracts may include a one-time lump sum payment or be adjusted to a payment schedule that works best for the service provider as needed. Reconciliation of payments to actual expenditures shall be submitted to the Mental Health Board at six months and at the end of the Mental Health Board's fiscal year, and unspent dollars will be returned to the Mental Health Board by March 31 following the Mental Health Board's February 28 fiscal year end. Accountability is tied to defined outcomes, performance measures, and service data. Grants are typically funded to ensure access to a particular level of care or to underwrite the cost of infrastructure needed for the program.

ii. Emergency Funding Requests
The Mental Health Board can accept Emergency Funding requests at any time throughout the fiscal year. Emergency Funding awards are subject to availability of funds and Board approval. Any Emergency Funding Requests will be reviewed and approved or denied by the Board at their next regularly scheduled meeting.

iii. Intergovernmental Agreement
The Mental Health Board, at its discretion, may enter into an intergovernmental agreement with other units of government for the delivery of services or network enhancements.

d. Contract Amendments
The need for a contract amendment is driven by a change in conditions delineated in the original agreement. 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 pursuant to the Mental Health Board's Contracts – Funding Allocation policy.

General Reporting Requirements for Mental Health Board Funding

a. Provider Reporting Requirements

i. Financial, service, reconciliation, and outcome reporting requirements are delineated in the contract boilerplate and are subject to revision from year to year. In general, each funded agency is required to submit an annual audit (unless otherwise waived by the Mental Health Board as defined in the Financial Audit Requirements – Funded Providers policy), monthly service data/requests and/or quarterly reports.

ii. Change in the Provider's corporate status shall be reported to the Mental Health Board within 30 days of the change.

iii. The Provider shall notify the Mental Health Board about accreditation and/or licensing site visits by the State of Illinois or accrediting or certifying organizations during Mental Health Board compliance audits.
iv. Additional reporting requirements may be included as provisions of the contract.

Exceptions to the Provisions of the Funding Guidelines

All exceptions to the Funding Guidelines must have the prior approval of the Mental Health Board or Mental Health Board Executive Director if authority is so designated within sections of the Funding Guidelines. Requests for exceptions that require the Board's approval must be submitted to the Executive Director for review and submission to the Board if applicable. Subsequently, the Board's written decision will be transmitted to the agency.

If the contract and funding guidelines are not in agreement, the contract shall prevail.