

ST. LOUIS OFFICE FOR DEVELOPMENTAL DISABILITY RESOURCES

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FUNDING MANUAL

September 2010

Part A: Policies and Procedures

BOARD OF DIRECTORS

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STATEMENT

The St. Louis Office for DD Resources (DD Resources) Board of Directors may approve changes of policies contained in the Funding Manual at any time during the fiscal year. Board minutes will reflect if the changes go into effect immediately or go into effect the following fiscal year. Policy changes will be reflected in the next edition of the Funding Manual. The updated version of the Funding Manual will be available on DD Resources web site www.stlidd.org . Hard copies are available by request; please contact a member of the Project Team.

PREFACE

In 1969, the Missouri Legislature passed legislation (Senate Bill 40) to allow Missouri Counties and Cities not a part of a county to approve local property taxes to generate locally controlled funds for services for persons with mental retardation and/or a developmental disability.

DD Resources was established by statutory authority in accordance with R.S.Mo. 205.968 - 205.972 per adoption of City of St. Louis Ordinance 58023 as a result of the passage of Proposition No. 1 on August 5, 1980 and Ordinance 60637 per passage of Proposition "D" on March 8, 1988.

The DD Resources has responsibility for the administration and management of special tax revenues generated by a 15 cent property tax referendum (Proposition "D") approved by St. Louis City voters March 8, 1988. Reference: City Ordinance #60637, Board Bill 393.

In order to be responsible for public funds, DD Resources requires funded Service Providers to submit program and budget information. Although funding may be awarded for a single program within a multi-program Agency, for a single service within a multi-program Agency, or for a single service within a program, funding is based on the assurance that the Service Provider has the capacity to maintain all program services. The agency billing and site visits (administrative and monitoring) provide this assurance on a continuing basis and additionally provide the assurance that problems which might disturb or interrupt the delivery of service to persons in the City of St. Louis will be detected early and be cooperatively resolved by the Service Provider and DD Resources.

DD Resources is committed to accountability on its part and on the part of the Service Providers it funds in the areas of management and service provision. Therefore, DD Resources, in addition to the monitoring role it delegates to its staff, ask its staff to offer reasonable and appropriate consultation to funded Service Providers in areas of mutual concern of the Service Provider and DD Resources. Funded Service Providers are encouraged to request needed consultation if requirements of DD Resources are in danger of not being met, the Service Provider feels service provision may be improved by such consultation, the funding application and funding agreement needs to be revised, a waiver needs to be requested, or for any other reason(s).

BOARD OPERATING POLICIES

GENERAL INFORMATION

Prior to submission of the application for funds applicants should review a copy of the Funding Manual. This manual contains the requirements that form the basis for the financial service accountability required

of funded services by DD Resources in its administration of public funds.

Funded Service Providers should become familiar with DD Resources Funding Guidelines and situations in which funding may be suspended, reduced, or terminated may be avoided.

DD Resources staff will become as familiar as possible with the service delivery and administrative functioning of each Funded Service Provider, by completing administrative and monitoring site visits, attendance at Funded Service Providers board meetings, and through reports submitted by the Funded Service Provider. Funded Service Providers should, however, be aware that DD Resources staff may have to set priorities on work among and between other administrative responsibilities. It may not always be possible for staff to devote as much time to working with Service Providers as they might prefer. Service Providers should request special meetings with DD Resources staff when situations arise or problems occur which make it important or desirable that there be an exchange of information.

STATUTORY AUTHORITY

Authority - DD Resources derives its authority from R.S.Mo. 205.968 - 205.972, called the County Sheltered Workshop and Developmental Disability Law (SB40, HB240, SB366) and further draws its authority from the City of St. Louis Ordinance 60637 adopted January 7, 1988 by the St. Louis Board Of Aldermen for the citizens of the City of St. Louis and with the authority of the citizens as per passage of Proposition "D" during the March 8, 1988 election.

SENATE BILL 40 PROGRAM

Section 1: Sections 205.968 - 205.972, R.S.Mo.

County Sheltered Workshops and Developmental Disability Services Law

205.968. Facility authorized--persons to be served, limitations, definitions.

1. **As set forth in section 205.971, when a levy is approved by the voters, the governing body of any county or city not within a county in this state shall establish a board of directors. The board of directors shall be a legal entity empowered to establish and/or operate a sheltered workshop as defined in section 178.900, R.S.Mo., residence facilities, or related services, for the care or employment or both, of handicapped persons. The facility may operate at one or more locations in the county or city not within a county. Once established, the board may, in its own name engage in and contract for any and all types of services, actions or endeavors, not contrary to the law, necessary to the successful and efficient prosecution and continuation of the business and purposes for which it is created, and may purchase, receive, lease or otherwise acquire, own, hold, improve, use, sell, convey, exchange, transfer, and other dispose of real and personal property, or any interest therein, or other assets wherever situated and may incur liability and may borrow money at rates of interest up to the market rate published by the Missouri Division of Finance.**
2. Services may only be provided for those persons defined as persons who are handicapped in section 178.900, R.S.Mo., and those persons defined as handicapped persons in this section whether or not employed at the facility or in

the community, and for persons who are handicapped due to developmental disability. Persons having substantial functional limitations due to a mental illness as defined in section 630.005, R.S.Mo., shall not be eligible for services under the provisions of sections 205.968 to 205.972 except that those persons may participate in services under the provisions of sections 205.968 to 205.972. All persons otherwise eligible for facilities or services under this section shall be eligible regardless of their age; except that, individuals employed in sheltered workshops must be at least sixteen years of age. The board may, in its discretion, impose limitations with respect to individuals to be served and services to be provided. Such limitations shall be reasonable in the light of available funds, needs of the persons and community to be served as assessed by the board, and the appropriateness and efficiency of combining services to persons with various types of handicaps or disabilities.

3. For the purposes of sections 205.968 to 205.972, the term
 - (i) "developmental disability" shall mean either or both paragraph (a) or (b) of this subsection:
 - (a) A disability which is attributable to mental retardation, cerebral palsy, autism, epilepsy, a learning disability related to a brain dysfunction or a similar condition found by comprehensive evaluation to be closely related to such conditions, or to require habilitation similar to that required for mentally retarded persons; and,
 1. Which originated before age eighteen; and,
 2. Which can be expected to continue indefinitely;
 - (b) A developmental disability as defined in section 630.005,R.S.Mo. ;
 - (2) "Person who is Handicapped" shall mean a person who is lower range educable or upper range trainable mentally retarded or a person who has a developmental disability.

- 205.969. Facilities authorized, inspections required.
1. The board may provide a sheltered workshop program for the county or city not within a county and as part of the program shall conduct work and developmental programs as provided by section 178.910 R.S.Mo., pursuant to rules and standards developed and adopted by the Department of Elementary and Secondary Education.
 2. The board may provide places of residence and related activity or social centers for those eligible persons.
- 205.970. Board of Directors, how appointed, qualifications of, terms, reimbursement of expenses, powers of board.

1. When **approved by the voters pursuant to section 205.971** the governing body of the county or city not within a county shall appoint a board of directors consisting of a total of nine members, two **of whom** shall be related by blood or marriage within the third degree to a person with a disability as defined in section 205.968, and four **of whom** shall be public members. At least seven of the board members shall be residents of the county **or city not within a county where the facility is located**. After September 28, 1979, all board members shall be appointed to serve for a term of three years, except that the first board appointed after September 28, 1979, three members shall be appointed for one year terms, three members for two year terms and three members for three year terms. Board members may be re-appointed. The directors shall not receive compensation for their services, but may be reimbursed for their actual and necessary expenses.
2. The administrative control and management of the facility shall rest solely with the board of directors, and the board shall employ all necessary personnel, fix their compensation, and provide suitable quarters and equipment for the operation of the facility from funds made available for this purpose.
3. Notwithstanding any provision of law to the contrary, and respective of whether or not a county sheltered workshop or residence facility has been established, the board may contract with any not for profit corporation for such corporation to provide services relating in whole or in part to the services which the board itself provide to person with a disability as defined in this law and for such purpose may expend the tax funds or other funds.
4. The board shall elect a chairman, vice-chairman, treasurer, and such other officers, as it deems necessary for its membership.
5. The board shall set rules for admission to the facility, and shall do all other things necessary to carry out the purposes of sections 205.968 to 205.972.
6. The board may contract with any not for profit corporation including any corporation, which is incorporated for the purpose of implementing the provisions of section 178.900 to 178.970, R.S.Mo. for any common services or for the common use of any property of either group.
7. The board may accept any gift of property or money for the use and benefit of the facility, and the board is authorized to sell or exchange any such property that it believes would be to the benefit of the facility so long as the proceeds are used exclusively for facility purposes. The board shall have exclusive control of all gifts, property or money it may accept; of all interest or other proceeds which may accrue from the investment of such gifts or money or from the sale of such property; of all tax revenues collected by the county on behalf of the facilities or services; and of all other funds granted, appropriated, or loaned to it by the federal government, the state, or its political subdivisions so long as these resources are used solely to benefit the facility or related services except those paid for transportation purposes under the provisions of section 94.645., R.S.Mo..
8. Any board member may, following notice and an opportunity to be heard, be

removed from office by a majority vote of the other members of the board for any of the following grounds:

- (a) Failure to attend five consecutive meetings, without good cause;
- (b) Conduct prejudicial to the good order and efficient operation of the facility or services; or
- (c) Neglect of duty.

The chairman of the board shall preside at such removal hearing unless he or she is the person sought to be removed. In which case the hearing shall be presided over by another member elected by the majority vote of the other board members.

All interested parties may present testimony and arguments at such hearing, and the witnesses shall be sworn by oath or affirmation before testifying. Any interested party may, at his or her own expense, record the proceedings.

- 9. Vacancies in the board occasioned by removals, resignations or otherwise shall be reported by the board chairman to the mayor's office of a city not within a county or the county commission or county executive officer and shall be filed in like manner as original appointments; except that, if the vacancy occurs during an unexpired term, the appointment shall be for only the unexpired portion of that term.
- 10. Individual board members shall not be eligible for employment by the board within twelve months of termination of service as a member of the board. No person shall be employed by the board that is related within the third degree by blood or by marriage to any member of the board.

205.971. Tax levy, approval, use.

The board of alderman or other governing body of a city not within a county and the county commissioner or other governing body of the county, except for a county of the first classification having a charter form of government containing in part a city with a population of more than three hundred fifty thousand inhabitants, or a county of the first classification having a charter form of government with a population of at least nine hundred thousand inhabitants may, upon approval of majority of the qualified voters of such **city or thereon, levy and collect a tax not to exceed four mills per dollar of assessed valuation upon all taxable property within the **city or** county for the purpose of establishing and maintaining the county sheltered workshop, residence, facility and/or related services. The county commission or other governing body of a county of the first classification having a charter form of government containing in whole or part a city with a population of more than three hundred fifty thousand inhabitants, or a county of the first classification having a charter form of government and not containing any part of a city of three hundred fifty thousand inhabitants, or a county of the first classification having a charter form of government with a population of at least nine hundred thousand inhabitants may, upon approval of a majority of the qualified voters of such county or city voting thereon, levy and collect a tax not to exceed two mills per dollar of assessed**

valuation upon all taxable property within such county or city for the purpose of establishing and maintaining the county or city sheltered workshop, residence, facility and/or related services. The tax so levied shall be collected along with other county taxes, or in the case of a city within a county, with other city taxes, in the manner provided by law. All funds collected for this purpose shall be deposited in a special fund and shall be used for no other purpose. Deposits in the fund shall be expended only upon approval of the board [of directors].

205.972. Minimum tax-ballot form

- 1. The tax may not be levied to exceed forty cents per each one hundred dollars assessed valuation therefore except for a county of the first class having a charter form of government containing in whole or part a city with a population of more than three hundred fifty thousand inhabitants, or a county of the first class having a charter form of government and not containing any part of a city of a city of three hundred fifty thousand inhabitants, or a city not within a county voting thereon shall not levy a tax to exceed twenty cents per each one hundred dollars assessed valuation therefore.
- 2. The question shall be submitted in substantially the following form:

OFFICIAL BALLOT

Shall.....(name of county or city not within a county) establish, improve, (and) (or) maintain a sheltered workshop (and) (or) residence facility (and) (or) related services for developmentally disabled and handicapped persons, and for which the county or city shall levy a tax of.....(insert exact amount to be voted upon) cents per each one hundred dollars assessed valuation therefore?

- YES
- NO

These facilities, programs and services may include; sheltered workshop facilities, places of residence, employment, individual/family support, socialization and/or related services and/or any combination of any such services for the care and benefit of persons with a developmental disability or handicapped as defined in R.S. Mo. 205.968 - 205.972, called the County Sheltered Workshop and Mental Retardation and Developmental Disability Services Law.

Reference: R.S.Mo. 205.968 -205.972
 City of St. Louis Ordinance 58023
 City of St. Louis Ordinance 60637
 Board Bill #39

RELATIONSHIPS BETWEEN DD RESOURCES, FUNDED SERVICE PROVIDERS AND INDIVIDUALS ACCESSING SELF-DETERMINATION FUNDING

The role of monitoring Funded Service Providers is delegated by DD Resources to its Executive Director, who in turn may assign monitoring functions to DD Resources staff. The Executive Director is responsible for all assigned aspects of the relationship with the Funded Service Provider, including development of final outcomes; review of monitoring data, conducting of regularly scheduled site visits, and consultation regarding evaluation issues. Communications regarding these aspects should be addressed to the Executive Director.

In addition, to ensure that the procedures of the Funded Service Provider are honored, DD Resources staff communications with Funded Service Provider board of directors will only occur with the knowledge of the administrator of the Funded Service Provider.

Over the past years DD Resources has been modifying procedures for billing and purchasing services so that the funds follow the individual (self determination funding) instead of being awarded to a Funded Service Provider. This flexible funding option allows for the individual to have the funds provided for the same type of service to move with the individual rather than staying with the agency. The individual is encouraged to make informed choices when choosing the Funded Service Provider. The service provider is required to complete service ticket (formally known as voucher) documentation prior to any payment or services being provided. Individuals are limited to those providers that have a service ticket agreement with DD Resources.

Explanation of self determination funding: If an individual in a program chooses to transfer their units to other similar programs, their units and funding will follow that individual, therefore reducing the designated amount for the original provider. Likewise, the designated amount for a new provider could increase if the individual transfers their units and funding to the program from another similar program.

DD RESOURCES' MISSION, VISION AND CORE VALUES

Mission Statement

“To ensure individuals with developmental disabilities in the City of St. Louis have quality services, choice and full inclusion

Vision Statement

An inclusive community that maximizes individual abilities

Core Values

The Core Values of the St. Louis Office for DD Resources are:

Respect

We respect every individual.

Support

We identify and provide assistance to individuals in reaching their greatest potential.

Self-Determination

We ensure that individuals have the right to participate in planning their own future and selecting their own supports.

Choice

We ensure that individuals have the opportunity to choose the services and providers that will meet their specific needs.

Stewardship

We administer public funds fairly, with openness and integrity.

Responsiveness

We are effective, efficient, accessible and act in a timely manner.

Partnership

We support these core values through partnerships with individuals, providers, the community and other funders.

PHILOSOPHY

It is the belief of DD Resources that interdisciplinary and interagency collaboration in conjunction with multiple stakeholders is the key to effective treatment and service delivery.

It is the goal of DD Resources that we actively dedicate ourselves and be persistent in striving to achieve constructive and progressive change in local service development, expansion, delivery and quality.

DD Resources shall provide services directly and/or contract with Service Providers to provide programs and services for persons with a developmental disability and/or handicapped who are residents of the City of St. Louis.

DD Resources is committed to the philosophy that every person with a developmental disability is entitled to an opportunity to achieve his/her full potential, to adjust to his/her environment and to grow physically, emotionally, intellectually, socially, vocationally and spiritually.

We believe that the achievement of an improved performance and functional level will help persons with a developmental disability to more fully experience and participate in life and reach his or her highest degree of self-sufficiency and self-fulfillment as a more fully contributing member of the community.

DD Resources is committed to providing or assisting eligible non-profit entities, for-profit entities and Independent Contractors in the provision of special services for persons with a developmental disability that:

- provide for the uniqueness of each individual,
- continuously strive to improve its programs and services,
- have staff who continuously evaluate their effectiveness and contribution,

- work cooperatively and actively with the family to help the individual to achieve the highest degree of competence of each stage of his/her development,
- use the least restrictive alternatives that are consistent with developmental needs and objectives of the individual,
- assist in helping to make legal counsel available to protect individual rights of individuals being served, and,
- work closely with other agencies (e.g., through written agreements) in order to provide a network of programs and services which meet the needs of persons with a developmental disability.

DD Resources is also committed to supporting each individual in their right of informed service choice (Self-determination).

We support the principle of Normalization. It is defined as the supportive use of patterns or life means that are as culturally normative as possible to elicit and maintain behavior that is as culturally normative as possible, taking into account local and sub-cultural differences.

We support the principle of Integration. It is defined as the physical, functional, personal, social, societal and organizational needs of persons with a developmental disability that can be satisfied through actual integration into the community.

We support the Developmental Model. The definition is based upon three assumptions stating that life is change, development is an orderly process and rate of development is modifiable.

We strive to be an integral part of the community team members. We endorse, support and encourage the development and implementation of a comprehensive array of quality community based services for persons with a developmental disability, which allow maximum opportunity for maximum development of individual abilities in keeping with individual functional level. **No program service shall be viewed as "terminal" or "permanent"**. All programs shall be deemed transitional. Programs shall provide growth and developmental opportunities consistent with individual needs, capabilities and appropriate/reasonable choices.

PROGRAMMING PHILOSOPHY

It is the belief of DD Resources that the primary goal of programs for persons with a developmental disability should be to improve the quality of life of the person with a developmental disability regardless of their potential level and to increase the adaptive behavior of the individual by modifying the rate and direction of behavioral change. Persons with a developmental disability are capable of growth, learning and development, and persons with a developmental disability are in a constant state of change, which can be significantly influenced by conditions imposed within the environmental setting.

PLANNING PRINCIPLES

The goal of DD Resources is to help insure that a comprehensive array of service options is available for persons with a developmental disability. DD Resources **has limited funds available** and,

therefore, cannot take responsibility for funding the entire system. DD Resources will, however, work cooperatively with other funders to assure a comprehensive coordinated system of care. DD Resources funded Service Providers must demonstrate progressive efforts towards linkage with the vocational/education, health, welfare, religious, law enforcement, voluntary groups, and other social services in the City of St. Louis and other Missouri Counties to assure comprehensive services appropriate to the persons with a developmental disability being served.

Comprehensiveness does not require that the City of St. Louis have a complete range of programs and services, or that each applicant for funding provide all programs. It does require that citizens of the City of St. Louis have access to a comprehensive range of programs and services.

Specialized programs are often too costly, inefficient, or too difficult to duplicate in every area of the State but can be more strongly developed as a regional or multi-planning area program. DD Resources encourages such development, so long as the needs of and services to City of St. Louis residents are clearly defined and the applicant is committed to serving the population of the City of St. Louis needing the services.

Comprehensiveness does not require that each program or service element for each target population be provided separately within the City of St. Louis. Rather, multiple target populations can be served together in some programs when their functioning levels and needs are similar.

NETWORK OF SERVICES

DD Resources, in partnership with state and regional bodies, local bodies, community service providers, and citizens, will seek to develop and maintain a planned, organized, and coordinated network for the delivery of services in the City of St. Louis. Such a network should confront and eliminate problems of discontinuity, fragmentation, inaccessibility and inappropriateness of services.

APPROPRIATENESS

Services provided to persons with a developmental disability (a target population) should be of sufficient scope to be effective, efficient, appropriate and relevant to the needs of that population. Such assurances or evidence may take the form of a statement of commitment or intent to serve a given case volume of the target population and eventually should be reflected in reduced numbers of persons in the target population needing crisis care, institutionalization and/or other such services.

CONTINUITY OF SERVICES

Continuity of services must be systematically developed so that persons with a developmental disability in need of services can move through the system of services without constant re-establishment of eligibility or re-diagnosis and will receive the most adequate and suitable form of services, which their needs dictate. Continuity implies that any Service Provider is part of a broader network of services, which assures that:

- The program/service will be coordinated with other agencies and generic services in the community to assure that the needs of the persons with a developmental disability are met;
- The service system will build on the assets of the person with a developmental disability and the community support systems by increasing the person's collective capacity to function at the maximum level in the least restrictive environment appropriate to meet the needs of the individuals; and,

- Persons eligible for treatment in one service will be eligible for other needed services in other elements of the network if all other criteria are met.

SERVICE PROVISION POLICY

It is the policy of DD Resources to not compete with local community based Service Providers in the provision of direct local services, but instead to act in support of community efforts by purchasing services whenever feasible and possible from existing Service Providers or help Service Providers to develop and implement needed services rather than provide services directly. However, DD Resources reserves the option to consider direct services provision if other alternatives are unavailable or if existing Service Providers are unwilling to comply with quality service guideline requirements as established by the DD Resources Board. DD Resources recognizes the need for individuals to purchase their own services and therefore supports self-determination.

FUNDING POLICIES

DD Resources shall comply with the following policies:

- I. The funds provided can be used to initiate, augment and complement the funding of services rather than supplant funding presently supporting those services. It is the desire of DD Resources to maximize financial resources by providing assistance to requesting Service Providers in obtaining funds from other public and non-public agencies and by helping to support the maintenance of existing services, the expansion of needed services, improving quality of services and establishing and developing needed services.
- II. That all services shall be funded based on a service definition, with outcomes that are objective, measurable, time framed, and documented with source receipts or the name of a designated staff person confirming, by signature, that the service was provided. Documentation is to be maintained by the Service Provider and available upon request.
- III. That the DD Resources Board reserves the right to establish the conditions of the funding agreement when funding is provided for a project and/or service.
- IV. That priority for funding will be given to Service Providers that develop, implement and provide services to persons with a developmental disability within the City of St. Louis whenever such is possible, feasible and cost effective.
- V. That all Service Providers requesting funds from DD Resources shall submit a funding application and shall comply with all Funding Guidelines, unless waived in writing
- VI. That DD Resources will consider all funding requests for persons with a developmental disability including time limited demonstration and innovation requests, which are determined to be eligible under the law and comply with DD Resources policies. This includes matching grant funds.
- VII. That cooperative funding agreements will be considered with neighboring federal and state entities, county boards and agencies serving residents of the City of St. Louis unable to be served within city programs. Such agreements shall be based on a Unit of Service basis to be determined.

- VIII. That DD Resources will consider funding capital improvement and equipment expenditures for only those facilities located within the City of St. Louis.
- IX. That DD Resources has emergency funding procedures for addressing unexpected and crisis/emergency requests.
- X. Purchase of service through individual units and/or service ticket will be the primary methods of distribution of dollars.
- XI. These funding policies and approval of any funding request are contingent upon the following:
 - A. That services which are funded maximize what an individual can learn to do in the community rather than custodial programming (bed and board) that does not bring dignity and self-respect into the lives of citizens with a developmental disability; and,
 - B. That services which are funded be provided in the least restrictive environment feasible in keeping with the individual needs of the person with a developmental disability.
 - C. The individual has the right to redirect their allotted dollars to purchase the same type of services from a different provider of their choice. However, payment to the provider of choice made on behalf of the individual by DD Resources is limited to those providers that have a service ticket agreement with DD Resources.
- XII. The DD Resources' Board of Directors have established a Board Designated Fund, within the Fund Balance section as reported on DD Resources' Balance Sheet. The policy is outlined in Attachment C. (Revised 5/10/07)

BUSINESS PRACTICE POLICIES

DD Resources shall comply with the following policies:

- I. FINANCIAL - DD Resources shall conduct its business affairs utilizing standard and open accounting practices, including use of an Annual Budget, maintenance of accounting records and receipts, appropriate bidding as necessary, regular financial reports to the DD Resources' Board of Directors and an annual independent audit conducted by a Certified Public Accounting firm.
- II. FISCAL YEAR - The Fiscal Year for DD Resources shall be July 1 through June 30. The Annual Budget shall be approved by the DD Resources Board. The Board shall retain the option to modify the budget during the year to meet substantiated need.
- III. INVESTMENTS - DD Resources shall strive to maintain as much of its funds as possible at maximum interest bearing no-risk investments when said funds are not in use for service and/or operations.

DD Resources complies with the Missouri Secretary of State Policy, which permits

governmental agencies to only invest in U.S. Government or U.S. Government agency securities. The Federal Reserve Bank holds the notes.

- IV. REIMBURSEMENTS - The DD Resources Board members shall be reimbursed for reasonable and legitimate expenses incurred in the service of DD Resources including travel, meals, lodging, parking, phone charges, postage, etc. When using a personal car, the reimbursement rate will be the average mileage reimbursement rate used at the State and Federal level. This figure is recalculated at the beginning of each fiscal year.
- V. BONDING - All persons handling DD Resources funds shall be bonded.
- VI. FUNDS RECEIPT AND DISBURSEMENT - All funds received, check writing procedures and funds disbursement for purchase of service shall follow established policies as developed and approved by the Board of Directors.
- VII. CONFLICT OF INTEREST - No DD Resources Board member may participate in or seek to influence a decision or vote on the Board if the member would be directly involved with the matter, or if he or she would derive income from it.

The members of the Board shall make known to the Board Chairman and other Board members any potential conflict of interest. If the Board determines there is a conflict, the Board member shall not participate in the discussion and shall not vote on the matter under discussion or attempt to influence a decision of the Board with respect to such matters.

FUNDING GUIDELINES

PURPOSE

The purpose of the Funding Guidelines is to provide guidance and direction to the Board Members and Staff of DD Resources not only for allocating and granting funds to service providing agencies but also in the planning and development of a community system for the delivery of services to persons with a developmental disability.

Additionally, the purpose of these Funding Guidelines is to provide the necessary information and procedural requirements that a non-profit, for profit, or individual must fulfill to be qualified for consideration to receive funding from DD Resources for provision of services for persons with mental a developmental disability.

The laws of the state of Missouri shall govern the interpretation, validity, performance and enforcement of the funding Agreements made by DD Resources and the funded service provider.

APPLICATION SCHEDULE

Public Announcement of Application Timelines	Third Friday in December
Training & applications available	3 rd Friday in January
Applications due	1 st Friday in March 12:00 p.m. (noon)*
Appeals in April (evenings by appointment)	2 nd Tuesday, 3 rd Wednesday and 4 th Thursday

*No applications will be accepted past this time

APPLICATION PROCEDURES

All applicants for DD Resources funds shall first contact DD Resources to ascertain deadline dates and procedures for submission of preliminary and/or final application for funding. Deadline dates are outlined on above and are also available at www.stlidd.org.

I. APPLICATION PROCEDURES

- A. A Service Provider requesting continuation funding for a project or program currently funded by DD Resources should base their Funding Application on the previous fiscal years' approved funding request. If a Service Provider wishes to make changes (i.e. Unit rate, number of person served, staff to client ratio, program goals, definition of service) to a project/program currently funded by DD Resources, the agency must meet with DD Resources staff prior to requesting their Funding Application. Please note there is no guarantee of continued funding.
- B. Service Providers who are requesting funding for a new program, equipment, or capital project must meet with the Executive Director of DD Resources prior to receiving a Funding Application. No new applications will be accepted unless this meeting has occurred.
- C. It is recommended that the Funding Manual and the Funding Applications be thoroughly reviewed before preparing the Funding Application.
- D. The Funding Manual and Funding Applications are available on the announced date at DD Resources at 2334 Olive Street, St. Louis, Missouri, 63103 or on line at www.stlidd.org. See page 15 for the application schedule.
- E. DD Resources staff will be available by appointment to work with applicants preparing Funding Applications to ensure that all materials are prepared appropriately. Agencies who make appointments with DD Resources staff should submit two (2) DRAFT COPIES (not original) of the Funding Application to allow review by DD Resources staff prior to the scheduled appointment. Please note, the Project Team is unable meet with agencies during the week that the application is due.
- F. Application forms are to be prepared on one side only unless the instructions specify otherwise.
- G. All application dollar amounts are to be rounded down to the nearest whole number and totals should be double-checked for accuracy before the Funding Application is submitted.
- H. Applicants are to submit information on the forms provided by DD Resources.
- I. Narrative information is to be single-spaced.

DO NOT attach any information such as brochures, pamphlets, divider sheets, clippings, etc., unless specifically requested by DD Resources staff. Be brief and concise.
- J. Submit one (1) three-hole punched original and three (3) three-hole punched clearly

legible copies of the final funding application DD Resources by the timelines outlined on page 15.

Note: Original means original signature pages. Electronic copies will not be accepted.

- K. Submit only one (1) three-hole punched copy (set) of the "Application Support Documents" as defined in the Funding Application (See Part B of Funding Manual under separate cover).

II. PROGRAM BUDGETING

- A. DD Resources application forms are to be written primarily as budgets for programs, rather than Agencies. However, a Service Provider offering only one type of service or program is both the Service Provider and the Program. This may be a different concept to some applicants. A Program is a distinct set of services directed to a target population with identified services staff. One Service Provider may have several programs. A separate set of program application forms are to be submitted for EACH PROGRAM requesting funds from DD Resources.

- B. One of the important factors to be considered in determining program budgets is those overall administration costs and costs that affect the total Service Provider.

DD will pay up to 15%, not to exceed, the audited percent of Management and General for each individual program if the Service Provider maintains a separate and defined operating budget for Management/General (Administrative/indirect costs) that is identified in the agency audit.

- C. Income should be disbursed in a similar fashion. Where it is possible to identify specific income to a particular program, this should be done (See Part B of Manual under separate cover).

III. APPLICATION SUPPORT DOCUMENTS (See chart below)

<u>Need Annual Renewal</u>	<u>Submit One Time Only (With initial funding request)</u>	<u>Submit Updates Only (or upon request)</u>
<u>Certificate of Corporate Good Standing</u>	<u>Certification of Incorporation (if newly formed)</u>	<u>By-Laws Revisions</u>
<u>Certificate of Insurance</u>	<u>501C3 Tax Exempt Letter</u>	<u>List of Board of Directors</u>
<u>Most Recent Audit, including POS unit rate calculation (If program funded \$25,000 or more or the cumulative amount for multiple programs is \$25,000 or more)</u>	<u>Articles of Incorporation</u>	
<u>Management Letter (if applicable)</u>	<u>Current By-Laws</u>	
<u>Business License (For-profit only)</u>	<u>Current list of Board of Directors</u>	

ELIGIBILITY REQUIREMENTS

In August 1993, the Governor of Missouri signed SB-366 which amended the SB-40 legislation. A major and significant change in the law is what entities County Boards can contract with for the provision of services. Based on legal opinion from counsel, County Boards can (not only) contract with non-profit entities but also individuals and for-profit entities. The DD Resources Board of Directors on December 2, 1993 adopted the new contract provisions effective July 1, 1994.

I. Eligible entities for the provision of service include (Revised 1/12/06):

- A. A 501(c)(3) not-for-profit corporation recognized by the State of Missouri as such and, in case of not-for-profit corporations in operation for a period exceeding one (1) year, the corporation must be recognized as being in "good standing" by the State of Missouri ("In operation" is defined as actively providing funded services to eligible individuals)
- B. For-profit entities in operation for a period exceeding one (1) year, the corporation must be recognized as being in "good standing" by the State of Missouri ("In operation" is defined as actively providing funded services to eligible individuals)
- C. Independent Contractors
 - 1. Service Ticket providers in operation for a period exceeding one (1) year ("In operation" is defined as actively providing funded services to eligible individuals)
 - 2. Individuals in operation for a period exceeding one (1) year ("In operation" is defined as actively providing funded services to eligible individuals)

II. INDIVIDUALS ELIGIBLE TO RECEIVE SERVICE FROM DD RESOURCES

- A. Disability:
 - 1. Individuals who have a disability which is attributable to mental retardation,

cerebral palsy, autism, epilepsy, a learning disability related to a brain dysfunction or a similar condition found by comprehensive evaluation to be closely related to such conditions, or to require habilitation similar to that required for mentally retarded persons; and,

(a). Which originated before age eighteen; and,

(b). Which can be expected to continue indefinitely;

2. Individuals who have a developmental disability as defined in section 630.005,R.S.Mo.; "Person who is Handicapped" shall mean a person who is lower range educable or upper range trainable mentally retarded or a person who has a developmental disability.
3. Individuals who meet the functional definition of a developmental disability as determined by the St. Louis Regional Center. (Revised 10-2006)

B. Residency: Persons who are Developmentally Disabled who are residents of the City of St. Louis (adopted 10/17/82).

Resident definition: A person who is Developmentally Disabled is a "resident" eligible for funding under any one of the following:

1. Where immediate family/guardian resides; OR,
2. Residency of a family member having responsibility for the person with DD; OR,
3. Last residence with family/guardian prior to admission to state facility; OR,
4. If of age, and possessing "legal rights", the individual person with DD on their own volition chooses to reside in that county.

C. Exclusions

1. Funding for City residents of State Operated Group ICF/MR Facilities and Medicaid Waiver Group Homes (7-01-91).
2. Effective July 1, 1991, DD Resources assumed a position to not fund services for residents residing in State Operated Group Homes, ICF/MR Facilities and Medicaid Waiver Group Homes. Local community Service Provider and State Facilities are funded for residential and other community based services in their per diem rate for these services.
3. Policy regarding the funding of children birth to age three (3) (Effective July 1, 1994).

All children birth to age three (3) are entitled to services from First Steps and the St. Louis Regional Office if they qualify.

Effective beginning July 1, 1994, DD Resources will no longer fund

developmental training or early intervention services for children birth to age three (3).

However, DD Resources will continue to consider funding Habilitation services on a case by case basis. (Updated September 9, 2010).

4. Policy regarding the funding of children age 3-5 that comes under the new Public Law 99-457. (Effective July 1, 1992, Updated September 9, 2010).

All St. Louis City resident children age (3) to five (5) are entitled to services from the St. Louis City Special Education Department if they qualify. According to the Special School Department a child is to be referred for services three (3) months prior to their third birthday. DD Resources will continue to consider funding Habilitation services on a case by case basis.

III. SERVICES ELIGIBLE FOR FUNDING (NEW AND/OR EXISTING)

It is the policy of DD Resources that services be provided in the least restrictive environment consistent with needs and capabilities of the individual person; that the DD Resources support services be provided in the supportive and natural environment; that the DD Resources funding support be limited to city residents; and, that DD Resources coordinate its plans and funding efforts with governmental and non-governmental providers of service and funding.

IV. SYSTEMS MONITORING AND EVALUATION

DD Resources is committed to the principle that a service delivery system needs to be continually monitored and evaluated to assure that services are relevant to the needs and values of both the individuals of service and the general public. To this end, DD Resources staff will collect information and periodically assess the needs and values of the City of St. Louis for DD Resources services. Among these indicators will be the following:

- A. Data on location of services, volume of service over a period of time, individual characteristics, and admission/discharge data from community service programs.
- B. Demographic data on individuals served in relation to identified priority population and city/county population distribution.
- C. Other objective measures of effectiveness, as developed.

V. REQUIREMENTS FOR APPLICANTS FOR DD RESOURCES FUNDS

- A. Defined Geographic Population:

Individual application requests shall be developed, presented, and reviewed in the context of the needs and resources within DD Resources planning area, namely, the City of St. Louis.

1. Outreach efforts and/or satellite services should be utilized where necessary to ensure program accessibility.
2. Applicants are required to provide services, in DD Resources funded programs,

up to the programs capacity, for any qualified person who needs such services.

B. Shared Responsibility for Funding

DD Resources does not assume responsibility for full funding for any program. Therefore, Service Providers are expected to do the following:

1. DD Resources strongly encourages the development of a diversified, multi-funding base.
2. Applicants must document their efforts to obtain funding support from other local tax revenue, voluntary fund raising, participation in United Way drives, reimbursement by third parties, funds available from state agencies or federal sources, and so forth. This may be requested during the funding cycle.
3. Supportable estimates of the availability of all non-DD Resources budgetary (income/revenues) must be available at the time the application for funds is submitted.

C. General

1. Applicants for DD Resources funding can be a for-profit entity, an individual or be incorporated on a non-profit basis. A copy of the incorporation papers must accompany the first funding application. Applicants must be in operation for one full year prior to requesting funding from DD Resources to provide services. "In operation" is defined as actively providing funded services to eligible individuals. (Revised 1/12/06)
2. All applicants must make available evidence of compliance with guideline provisions for Board of Directors.
3. Funded Service Providers shall provide continuous services for the period of time approved in the Funding Agreement.
4. Applicants shall submit budgetary, service and other required information forms supplied by DD Resources. Failure to provide all required information would be cause for rejection of the application. Applicants will be notified of the process, time and place for Board review and decision regarding funding applications.
5. Applicants will receive written notification of the DD Resources Board's deliberations and actions regarding funding applications.
6. Reconsideration of a funding award by the DD Resources Board will be made only on the basis of information not available to the Service Provider at the time of its application.

VI. REQUIREMENTS FOR RECIPIENTS OF DD RESOURCES FUNDS

A. Non-Discrimination

The Agency hereby agrees to fully comply with all rules against discrimination, including those set forth in Federal laws, state statutes, and local ordinances (including legislation pertaining to Family Leave and Equal Access to Facility). No person shall be discriminated against because of race, religion, color, national origin, ancestry, sex, age as it relates to employment, handicap, or any other characteristic protected by law when being considered for employment, training, promotion, retention, disciplinary action, other personnel transactions, or in access to contractual services. In particular, without limitation, the Agency hereby agrees to fully comply with the provisions of the Americans with Disabilities Act, including but not limited to, providing all required accommodations of individuals with disabilities, and to bear the full costs of any and all auxiliary aids or other accommodations of employees of the Agency, recipients of the Agency's services, or the general public necessary to bring the Agency into full compliance with the American with Disabilities Act. In the event a government agency or court determines the Agency has violated or is violating any non-discrimination law or regulation, whether in the provision of services, the employment of personnel or otherwise, DD Resources shall be immediately relieved of its obligation to make any further payments required of it hereunder and may pursue any legal remedies it may have against the Agency.

B. Indemnification

The Agency agrees to hold harmless, defend and indemnify DD Resources for any and all loss and liability for bodily injury, personal injury and/or property damage stemming from any acts, negligence, misfeasance or omissions arising out of the Agency's performance of this Agreement. The Agency further agrees to hold harmless, defend and indemnify DD Resources for any and all liability that may be incurred by DD Resources if DD Resources or the Agency is found to be in violation of the Americans with Disabilities Act as a result of acts or omissions on the part of the Agency or its employees or agents or those acting on its behalf. The Agency agrees it has or shall obtain, prior to the commencement of this Agreement, and maintain liability insurance, naming DD Resources as an Additional Insured, in form and amount sufficient to indemnify DD Resources for any loss or liability and it shall, provide DD Resources with documentation evidencing this insurance within six (6) weeks after the date of this Agreement.

VII. EMERGENCY FUNDING

The Board of Directors of DD Resources has a policy definition and procedure in considering an applicant's request for emergency funding.

Effective March 5, 1992, any recommendation and memorandum from DD Resources staff regarding emergency requests included in the DD Resources Board meeting packets as Decision Items will be mailed also to the Agency(ies)/Independent Contractor(s) in question seven (7) days prior to the DD Resources Board meeting in which said Decision Items on the agenda.

Furthermore, DD Resources staff shall include in the mailing an invitation for the Agency(ies)/Independent Contractor(s) to attend the meeting as a reference source for any questions, which may arise during discussion of the supplemental/emergency request.

Emergency Funding Definition: service provider emergency is defined as that "need" which if not

satisfied/resolved, there will be actual and fairly immediate detrimental effect for person(s) with a developmental disability, staff, program, Service Provider, facility, equipment, etc. (detrimental effect shall be clearly, specifically, concisely and briefly stated).

Procedures for "Service Provider Emergency Request"

- A. The Service Provider shall telephone or email the Executive Director of DD Resources or Designee as soon as possible and briefly describe the emergency/crisis.
- B. The Service Provider shall submit in writing a request (letter) to the Executive Director of DD Resources or Designee.

This letter shall include the following:

1. Provide a brief description of the nature of the emergency/crisis.
2. Identify cause of the emergency/crisis.
3. Briefly describe the detrimental effects for the person(s) with a developmental disability, staff, program, Service Provider, facility, equipment, etc. Be clear, specific, concise and brief.
4. Describe efforts already undertaken to resolve the emergency/crisis.
5. Provide detailed information indicating specifically what amount of funds the Service Provider is requesting from DD Resources and amount of funds to be received from other sources including cost and the time frame within which action needs to be taken.
6. Explain how the emergency/crisis could be avoided in the future.
7. Following receipt of the request for emergency funding the request will be copied and distributed to members of the DD Resources Board for their consideration

VIII. CAPITAL IMPROVEMENT

All applicants requesting Capital Improvement funds from DD Resources shall adhere to the funding timelines as set forth on Page 15.

DD Resources will only consider funding capital improvement projects in which DD Resources is the first lien holder. (Updated 1/12/06)

The applicant for Capital Improvement funds must qualify for funding under the County Sheltered Workshops and Mental Retardation and/or a Developmental Disability Services Law, R.S.Mo. 205.968 - 205.972, and must be related to a city of St. Louis-based program provided and located in the city of St. Louis.

Capital Improvements include purchase of land, building, remodeling, or otherwise modifying physical properties for accommodating programs, individual residences, or related activities where the expected lifetime of the Capital Improvement is at least one (1) year and the cost is \$2,000 or more.

In order to maximize the dollars that are available for capital improvement, applicants should seek out and identify additional funding sources. The Service Provider shall maintain and make available the documentation that supports these efforts.

A. Requests for funding of Capital Improvements shall include the following:

1. A detailed plan, including architect's drawings when required by DD Resources, of the proposed Capital Improvement.

Applicants should not provide nor incur costs for architect drawings until requested and/or approved by DD Resources. DD Resources does not reimburse expenses for costs incurred by the applicant prior to DD Resources approval to fund such expenses.

2. A firm estimate of the cost of the proposed Capital Improvement, including all pertinent expenses such as architect's fees, legal fees, insurance costs, etc., as well as contractor's fees and costs of materials.
3. Submit no less than three (3) competitive bids unless single source. Bids shall be sought from St. Louis City merchants/residents including minority/women owned business.

Note: The St. Louis Development Corporation (ph.: 314-622-3400) will provide, free of cost, a Directory of Disadvantaged, Minority-and Women-Owned Business Enterprises upon request.

4. Certification that the proposed Capital Improvement will conform to local zoning, building code, and licensing requirements.
5. A summary listing and amounts of the total funding available for the project from all sources and the portion requested from DD Resources.
6. The time scale for completion of the project.
7. Justification for the project shall include the following:
 - a. Geographical location of the proposed facility for individual accessibility.
 - b. Service and program need, including persons to be served.
 - c. Effect of the proposed Capital Improvement on the projected program or service of the Service Provider.
 - d. Useful lifetime of the Capital improvement, including possible adaptation to other appropriate uses.
 - e. Explanation of compatibility of the proposed design with service or program need.

- f. Reports from other bodies providing funding that their requirements and/or criteria are being met and their support for the project.
- B. If a request is approved, DD Resources may require:
 - 1. The right to review contractor bid/s and to request additional bid/s at their discretion to ensure cost effectiveness.
 - 2. Funds allocated shall be expended within a specified time period. Any funds unexpended by the end of the period designated shall revert to DD Resources and can only be reassigned by subsequent DD Resources Board action.
 - 3. Funds allocated shall be spent only for designated purpose and any surplus shall revert to DD Resources. A final expenditure report shall be required and sent to DD Resources after the work is completed.
- C. DD Resources may, at its discretion, monitor or require a supervising architect to monitor the progress of the Capital Improvement work. Any major variance from the proposed work schedule or changes in plans which affect compatibility with program or services to be delivered or cost may be subject to DD Resources approval. In relation to cost, a "variance" is defined as a 10% variance or more in the total cost of the Capital Improvement.
- D. Applicants for Capital Improvement funds must be prepared to prove structural soundness of the Capital Improvement for which the funds are intended and to prove the applicant's proposed uses of DD Resources Capital Improvement funds is in the best interest of the citizens of the City of St. Louis. A report from a structural engineering firm may be required, if appropriate.
- E. A Service Provider may request, in writing, extension of time beyond the original commitment to complete work previously funded by DD Resources.
- F. Proposals may be submitted by a single Service Provider or jointly by two or more agencies to serve a common purpose.
- G. DD Resources equity shall be considered in any contract with a Service Provider for Capital Improvements funding.
- H. Funds Reimbursement Schedule: (DD Resources has had a Funds Reimbursement Policy since 1981. On July 1, 1991, this policy was expanded to include a "Collateralization Contract"):

With respect to all capital distributions by DD Resources, the Service Provider's reimbursement obligations outstanding as of January 1, 1992 and thereafter (as set forth below) shall be secured by a duly recorded Deed of Trust on real estate. The Service Provider's reimbursement obligations outstanding at any point in time shall not exceed eighty percent (80%) of the current appraised value of the real estate securing the Service Provider's reimbursement obligations.

Collateralization Policy: The Service Provider shall not encumber or renew existing

loan(s) that is/are secured by the property without written approval of the DD Resources Board nor shall Service Provider sell, trade, dispose of or in any way alter the ownership of the Capital Improvement, which is the subject of an Agreement and the Plan. If the Service Provider encumbers, sells, trades or otherwise disposes of or in any way alters ownership of the Capital Improvement without written approval of DD Resources, the Service Provider shall reimburse 100% of the purchase price of the Capital Improvement.

- I. Requests may be granted on the basis of contingencies to be met by the applicant within a specified time.

IX. Equipment Purchase and Disposition:

- A. Sheltered Workshop Equipment Fund. In May of 2003, DD Resources established an equipment fund for the four St. Louis City based workshops to draw from during the course of the year for production equipment purchases with the following conditions.

1. The workshops must complete a form indicating the equipment to be purchased and obtain approval from the other three workshops directors for the purchase prior to submitting it to DD Resources for final approval.
2. Equipment over \$5,000.00 must receive both the approval of the other Sheltered Workshop directors and be submitted to the DD Resources Board for approval. Sheltered workshop production equipment purchased in the excess of \$5,000.00 with DD Resources funds must demonstrate that the purchase of the price of the equipment will increase the number of eligible city employees or will increase the wages of current city employees. (Updated 1/12/06)

All other Equipment requirements specified in the Funding Manual apply to production equipment purchased out of this fund.

3. The Sheltered Workshop Fund is an annual grant request that the Board reviews. Workshops are responsible to contact DD Resources on the availability of funding.
 4. Any production equipment purchased with DD Resources funds not in use by the workshop who originally purchased may be placed on loan to another city-based workshop.
 5. All requests for replacement production equipment must be accompanied by maintenance records for the item to be replaced.
- B. Production Equipment purchased for sheltered workshops and/or other agencies is defined as items having a purchase value of \$600.00 (amount amended 12/07/95) or more and an expected lifetime of more than one year. All such equipment, if purchased by DD Resources, shall be placed on a depreciation schedule and inventoried.

The Depreciation Schedule should include: inventory control number, purchase date, item description, property location, purchase cost, number years depreciated, and amount of depreciation each year with accumulative total.

Requests for equipment are to be included in the funding application across from the line items so designated. The Service Provider shall submit three (3) competitive bids unless single source.

C. Disposition of Equipment (DD Resources has had a Funds Reimbursement Policy since 1981. On July 1, 1991, this Policy was expanded to include a "Collateralization Contract"):

1. Collateralization Policy: All Equipment purchased with DD Resources funding shall have a United Commercial Code (U.C.C.) lien placed on the equipment for a minimum of five years. On Equipment over \$5,000.00, DD Resources reserves the right to renew the U.C.C. lien for an additional five years. A Security Agreement and Promissory Note will be signed and notarized by the Service Provider. The Promissory Note will contain the reimbursement schedule. The Service Provider cannot sell, trade, dispose of or any manners alter the ownership of the equipment, which the Agency requested the DD Resources board to purchase for the benefit of eligible city residents.

The Service Provider may after receiving written approval from DD Resources sell, trade or otherwise dispose of the equipment. The Service Provider will be liable for the purchase price of the equipment in accordance with the reimbursement schedule as designated in the Equipment Agreement.

2. If for any reason the Service Provider wants to dispose of equipment purchased by the DD Resources Board a letter must be sent to the Executive Director of DD Resources before disposition is made. All requests and approvals shall be in writing.
3. It is the responsibility of the Executive Director of DD Resources to determine the method of disposition. The options are:
 - (a) In the event that the program or use for which purchase was authorized is no longer applicable, Agencies may request reallocation for use in other programs within the Service Provider serving City residents with a developmental disability.
 - (b) If the Service Provider or Entity should be dissolved all such equipment shall revert to DD Resources, if not fully amortized, for transfer to another eligible Service Provider.
 - (c) If the Service Provider identifies another Service Provider located in the City of St. Louis, who serves persons qualified under the DD Resources definition, who could use the equipment the Executive Director of DD Resources shall be informed of the potential transfer and make the final decisions.
 - (d) In the event there is no need for the equipment by another eligible Service Provider within the City of St. Louis, the Service Provider may have the option to dispose of the equipment at the fair market price. Upon receipt

of the sale price, the equipment value not yet amortized will be returned to DD Resources and the Service Provider will retain the remaining sale price amount.

- (e) If the Service Provider wishes to dispose of the equipment and use the proceeds from the sale of such equipment to purchase other equipment, approval must first be received from the Board of Directors of DD Resources. The justification for purchase of new equipment would be the same as that of a new application request for equipment and the same stipulations would be in effect for the purchase of other equipment.
- (f) It is the responsibility of the Service Provider receiving funding for equipment to use the equipment for the purpose as outlined in the application. If it is determined that it is not being used appropriately then the Service Provider will be notified that the equipment will be disposed of as per one of the above options by the Executive Director of DD Resources.

X. VEHICLE PURCHASES

Service Providers may request funding for vehicle purchase to transport eligible city residents or pickup/delivery vehicles for sheltered workshops. A vehicle request must clearly demonstrate an actual and ongoing benefit for eligible city residents.

- A. Vehicle requests must follow the funding timelines set forth on page 15.
- B. DD Resources to be first lien holder on title
- C. Service Provider to maintain full coverage insurance on the vehicle that meets or exceeds the minimum requirement set forth in the security agreement.
- D. DD Resources shall be named as an additional insured on the vehicle insurance policy.
- E. Service Provider must sign and notarize the Security Agreement and Promissory Note
- F. Service Provider to send DD Resources the vehicle title to hold until the reimbursement schedule ends.
- G. If the Service Provider wishes to dispose of the vehicle prior to the end of the reimbursement schedule, DD Resources' written approval must be obtained and the Service Provider will reimburse DD Resources for the current amount listed on the promissory note.
- H. Service Provider to adhere to all other applicable policies for equipment contained in the Funding Manual.

XI. DEPRECIATION GUIDELINES

DD Resources will fund depreciation only if the Service Provider maintains a Cash Depreciation Reserve Fund for Equipment and/or Building. Such an account shall be restricted and depreciation deposit and withdrawal procedures shall be in writing and available to DD Resources. In addition, if the Service

Provider receives depreciation cost as part of the DD Resources unit or grant award, DD Resources will not pay for separate equipment or capital request.

The following definition is taken from the Accounting Terminology Bulletin Number 1 of the American Institute of Certified Public Accountants:

Depreciation accounting is a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner. It is a process of allocation, not of valuation. Depreciation for the year is the portion of the total charge under such a system that is allocated to the year. Although the allocation may properly take into account occurrences during the year, it is not intended to be a measurement of the effect of all such occurrences.

The definition properly identifies depreciation as a means of allocating the cost, or other carrying value, of tangible capital assets to expense over the useful life of such assets, rather than as a means of funding their replacement. The means of replacing the tangible capital assets are financing decisions to be made by management and the governing board and they do not directly affect the cost of providing program or supporting services.

When depreciation is omitted from the budgeting and reporting of expenses to DD Resources, the cost of performing the organizations' services is understated. Depreciation expense, therefore, should be recognized as a cost of rendering current services and should be included as an element of expense in the budgeting process as well as the reporting of expenses to DD Resources. Because the depreciation expense does not necessarily represent a cash outlay, it is possible this cost included in a budget could result in a budget deficit which possibility is recognized and accepted by DD Resources.

Based on the above definition and statements, the budgeting and reporting of depreciation expense shall be based on the following premises:

- A. Real Estate - The actual cost or appraisal value of the building(s) at the rate of acquisition plus the capitalized major improvements or renovations.
- B. Movable Equipment - The actual cost of equipment items having a useful life of one or more years and cost \$1,000.00 or more is to be capitalized (a cost of less than \$1,000.00 may be considered appropriate for capitalization by the Service Provider's board of directors and/or its certified public accounting firm).
- C. Donations - Donated buildings and/or equipment based on their reasonable fair market value at the time of donation. To be included as a depreciable asset, title must have passed totally to the Service Provider.
- D. Schedules - The Service Provider is required to maintain full depreciation schedules for all buildings and equipment which are included in the budgeting and reporting of expenses to DD Resources. Depreciation schedules maintained by the Service Provider should include date of purchase, depreciation of item, cost of item, number of year depreciation and depreciation amount per year.
- E. Straight Line Method - All depreciation for the purpose of filing a budget and reporting expense to DD Resources is to be computed on the straight-line method.

- F. Useful Life - For the purpose of establishing useful lives of equipment and real property, the Internal Revenue Service Tables is recommended for use by Agencies. If a Service Provider can document the necessity to establish other useful lives for the assets in their records, they may do so; that is, they may increase or decrease the estimated useful lives suggested in Internal Revenue Service Tables. The documentation for a useful life difference must be retained in the Service Provider files to support the difference budgeted and/or reported.
- G. Salvage Value - For the purposes of depreciation computation, salvage value of equipment and/or real property may be ignored by the Service Provider.
- H. Leasehold Improvements - Reasonable leasehold improvements that are either directly or closely related to services should be capitalized and included in the budgeting and reporting of depreciation expense.
- I. Appraisal (buildings) - In the event an Service Provider is unable to support, by its records, the cost of a building/s, it will be necessary for it to secure an appraisal of the building/s value at the time of acquisition. This appraisal value should become a part of the budgeting and reporting of depreciation expense.
- J. Appraisal (equipment) - In the event an Service Provider is unable to support by its records the cost of individual items of equipment, a reasonable fair market value should be used in establishing these equipment items in the depreciation schedules for budgeting and reporting purposes.

XII. PAYMENT FOR SERVICES POLICY (Effective 9-1-90, Updated September 9, 2010)

- A. DD Resources functions as a reimbursement funding source. This means the Service Provider providing the service actually incurs the expense and pays for it prior to DD Resources reimbursing the Service Provider unless another procedure has been approved in writing by DD Resources.
- B. The Service Provider shall submit requests for reimbursement on invoices designed by DD Resources on a calendar month basis. Any deviation requires prior written approval from DD Resources.
- C. Invoices for services received three (3) months or more after the month of service provision shall not be honored for payment unless approved in writing during the three (3) month period. This policy also applies to all returned billing. Independent providers for Pre-Employment Habilitation Services are subject to a different timeline outlined in the Habilitation Manual.

For example: The Service Provider requests reimbursement for expenses for the month of September 2010. DD Resources must receive (not postmarked) a complete, accurate and legible invoice for the month of September 2010 on or before January 1, 2011. Any deadline may be extended at the discretion of DD Resources or Board Designee upon written request by the Service Provider prior to the date of the deadline. Such written request should be discussed with the Executive Director of DD Resources. **The exception to this is that billing for the months of April, May, and June are all due the last Friday in July.**

See chart below for additional examples.

Billing Due Date Timeline	
<i>Service provided in the month of:</i>	<i>Billing due by:</i>
July	November 1
August	December 1
September	January 1
October	February 1
November	March 1
December	April 1
January	May 1
February	June 1
March*	July 1
April*	Last Friday in July
May*	Last Friday in July
June*	Last Friday in July

- D. The Service Provider shall submit final requests for reimbursement on end of the fiscal year invoices not later than the last Friday of the month of July between the hours of 8:00 a.m. and 4:30 p.m. Final requests for reimbursement must include all required paperwork including but not limited to: Consumer Eligibility Forms, Individual Service Agreements, and Medicaid Waiver S.A.I.D. forms. No invoices will be accepted for payment for the prior fiscal year past this date. (Note: the actual date will vary depending on the last Friday. (Updated 1/12/06)
- E. DD Resources has a minimum of 30 business days (approximately 45 days) to process billing from the date of receipt at DD Resources.
- F. Unless the Service Provider’s contract specifies otherwise or unless the following is already included as part of the established unit, use the guidelines below for billing (Added 1/31/07). In order for the guidelines below to apply, they must be supported by an audit.
1. For 1 hour of face to face service, allow for 10 minutes of paperwork time. If staff transportation into the community is required to provide the actual service, allow for 30 minutes of travel time.
 2. For 2 hours of face to face service, allow for 15-20 minutes of paperwork time. If staff transportation into the community is required to provide the actual service, allow for 30 minutes of travel time.
 3. For phone calls, agencies should use their best judgment.
 4. Travel time DOES NOT apply to agencies that do not travel into the community to meet with their consumers.
- G. DD Resources reserves the right to audit all invoices and to reject or reduce any invoice for good cause, including but not limited to the following reasons:

1. The invoice is not signed by an appropriate official of the Service Provider.
2. The invoice is not filled out completely, accurately and legibly.
3. The invoice includes request for payment for persons ineligible for services.
4. The invoice includes request for payment which exceeds amount awarded and/or which differs from the approved contract and/or budget amount. The purpose of the DD Resources budget invoice and reporting requirements is to monitor and evaluate effectiveness of service funded and funds expended on a regular basis. It is impossible to do this unless invoices and reports are received in a timely manner.
5. If the invoice is incomplete or not correct, DD Resources staff will send a memo indicating the area of concern. If the response is not received from the submitting Service Provider within five working days from the point of the memo being sent, DD Resources will return the documentation and invoices received under first class or registered mail. All bills are subject to the 90-day reimbursement policy including billing that has been returned for corrections or explanation.

DD Resources strongly encourages and recommends that the person responsible for completing invoices receive training as offered by DD Resources on how to fill them out.

XIII. BUDGET REVISIONS AND MONITORING POLICY (09-27-89; Amended 07-01-90)

This policy allows Service Providers to over and/or under expend per budget line item expenses without having to revise the budget each time. DD Resources' primary concern is service outcome rather than budget revision. The objective of this policy is to avoid revising original budgets submitted to DD Resources and to allow Service Providers to expend funds and monitor approved DD Resources expenses by budget category within certain limitations.

The limitations are as follows:

- A. All year-end budget revision requests must be to DD Resources on or before May 1st of each contract year.
- B. Requests for a budget revision shall be limited to a maximum retroactive period of two (2) months from the date of the budget revision request;
- C. The Service Provider contacts DD Resources in writing prior to using funds differently than approved and explains what is being requested;
- D. DD Resources will respond in writing to the budget revision request within ten (10) work days from the date the letter is received by DD Resources;
- E. The Service Provider does not exceed the amount of funds approved for that category;

- F. DD Resources reserves the right to deny spending DD Resources funds differently on certain budget expense items if it is determined this will have a detrimental effect on the integrity of the budget, service quality, individuals served and/or costs are unrelated to the service delivery.

XIV. EXPENSE DOCUMENTATION AND AWARD REPORT (07-01-90) (Line item grants only)

Effective July 1, 1990, expense source documents will no longer have to be submitted to DD Resources unless it is specifically requested by DD Resources.

The "DD Resources Expense Documentation and Award Report" is applicable to line item grants only to be submitted with monthly billing.

This new reporting procedure requests that the Service Provider:

- A. Have an Account Coding (numbering system) and Chart of Accounts in place for each project funded by DD Resources.
- B. Have original expense source document in a file clearly marked with a coding transaction stamp showing how the total amount was charged to what account and service expense code if funded fully or partially by DD Resources.

Definition of Chart of Accounts

This is a listing of all account titles, with numerical codes, which are employed in the compilation of financial data concerning the assets, liabilities, capital, revenues and expenses of the Service Provider. (Have auditor help set this up for the Service Provider if it currently does not exist).

XV. IN-KIND SERVICE POLICY (Effective 7/1/92)

On April 22, 1992, the DD Resources Board approved a policy regarding "In-Kind" services.

Definition of "In-Kind": This is an expense that the Service Provider would normally have to incur to provide the service but in fact is not an expense because that "expense" is being provided to the Service Provider at no cost. A typical example is facility space that is provided to a Service Provider without cost. The value of the facility space is considered "in-kind".

XVI. MANAGEMENT AND GENERAL (M&G) BUDGET POLICY (Effective July 1, 1994).

It is the position of DD Resources that all Service Providers that have a total budget of \$1 million or more should have a separate Management and General (M&G) budget. If a Service Provider with an annual budget of \$1 million or more should include M&G costs in a program funded by DD Resources, DD Resources will deem such costs unallowable.

XVII. WAIVER REQUEST

Waiver requests to the provisions of the Funding Guidelines for Funding Awards must have the prior approval of the DD Resources Board, except for those specific sections of the Guidelines where the authority is delegated to the DD Resources Board's Designee.

Procedures:

- A. Requests for Waiver must be written and submitted to the Executive Director of DD Resources.
- B. If the request for Waiver requires DD Resources Board approval, the Waiver request will be submitted for review and action by the DD Resources Board.
- C. Subsequently, the DD Resources Board's decision will be transmitted to the Service Provider in writing.

**REQUIREMENTS FOR ALL FUNDED SERVICE PROVIDERS
(NOT FOR PROFIT CORPORATIONS, FOR PROFIT CORPORATIONS, AND
INDEPENDENT CONTRACTORS)**

I. INSURANCE

Insurance – (Updated 1/12/06) All funded service providers shall maintain a level of insurance as outlined below. In addition, funded service providers will agree to hold harmless, defend and indemnify DD Resources for any and all loss and liability for bodily injury, personal injury, and/or property damage stemming from any acts, negligence, malfeasance or omission arising out of the service provider’s performance of the Funding Agreement.

The service provider will further agree to hold harmless, defend and indemnify DD Resources, its paid staff, Board of Directors, and volunteers for any and all liability that may be incurred by DD Resources if DD Resources or the service provider is found to be in violation of the Americans with Disabilities Act as a result of acts or omissions on the part of the service provider or its employees or agents or those acting on its behalf.

The service provider will agree that it will obtain, prior to the commencement of this Funding Agreement, insurance that names “St. Louis Office for Developmental Disability Resources” as an Additional Insured.

The service provider shall provide DD Resources with a certificate evidencing that this insurance is in place.

Exemptions from these requirements are to be requested from the staff of DD Resources and approved or not approved by the DD Resources board of directors or its designee.

Listed below are the minimum limits of liability insurance that funded service provider are required to have unless the funding agreement otherwise specifies.

General Liability	General Aggregate	\$2,000,000
	Products & Comp. Opps	\$2,000,000
	Personal & Adv Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$100,000
	Medical Payments	\$5,000
Automobile Liability	Combined Single Limit for	

	Bodily injury and property Damage	\$1,000,000
Workers Compensation Employers Liability (Revised 5/10/07)	Statutory Limits Each Accident Disease – Policy Limit Disease – Each Employee	\$500,000 \$500,000 \$500,000

II. ACCESS TO SERVICES

- A. All persons with a developmental disability requesting services for any DD Resources funded program shall be referred to the St. Louis Regional Office (SLRO), if not registered, for evaluation and eligibility determination and be provided with immediate intervention, if needed. Pursuant to necessary individual consent, linkage with the individual's home area must be undertaken with a service provider most suitable for responding to the individual's treatment and training needs. The service provider shall maintain documentation indicating their efforts to make referrals to SLRO and shall have it available for review.
- B. Participation in services provided is voluntary and service recipients may withdraw from the program at any time.
- C. In order to provide dignified and prompt access to services, service providers should strive to limit complicated admission procedures and waiting lists.
- D. Admission and referral policies and procedures shall be set forth in writing and be available for review.
- E. Service Providers must maintain easy and prompt access to their services. Agencies should make reasonable accommodations for individuals including but not limited to: offering service during hours to all persons needing service, providing information about services in a variety of formats, providing interpretation services, etc.
- F. Service Providers shall develop and implement plans to maximize accessibility for individuals of limited physical mobility. It is imperative that Service Providers consider available governmental standards when planning for remodeling, purchasing or constructing a new building.
- G. Service Providers must maintain easy and prompt access to their services. Hours at which services are available should accommodate all persons needing the service. DD Resources strongly encourages day treatment programs to offer evening and weekend services consonant with individual needs.
- H. Funded Service Providers shall not discriminate in the admission and treatment of eligible individuals, or in any other respect, on the basis of race, color, gender, sexual preference, religion, national origin, ancestry, or disability. Funded Service Providers must display in places frequented by individuals, employees and the general public a non-discrimination statement, and shall work with DD Resources in reviewing and resolving complaints.
- I. The Service Providers must demonstrate an on-going effort toward publicizing its

programs, functions and location to all segments of the community, utilizing all feasible media. It is expected, following review approval by DD Resources, that public education materials and media information state that funding is being received from DD Resources.

The Service Provider shall use its best efforts to publicize the services that will be provided pursuant to this Agreement and shall fully identify the contributions of the Service Provider and DD Resources to the services in all advertisements, news releases, circulars, reports and other public statements or announcements of the Service Provider. In particular (but not by way of limitation) all publicly distributed Service Provider literature that relates directly or indirectly to the services shall prominently reflect that the Service Provider receives funding from DD Resources. DD Resources reserves the right to review said literature prior to printing and distribution, and, in any event without the prior written consent of DD Resources, the Service Provider shall not use DD Resources' name in any manner, written or oral, in any communication, advertisement, solicitation campaign, or any type of public pronouncement wherein it is stated or implied, directly or indirectly, that the Service Provider, its programs and/or facilities are approved and/or sanctioned by DD Resources. In the event the Service Provider desires, or is required pursuant to this Agreement, to use DD Resources' name, or to refer to DD Resources in the manner set forth herein, the Service Provider shall advise DD Resources in writing of its intended use and the exact manner of such proposed use, together with a copy of such communication (or a script thereof, if such communication will be made orally).

- J. Service Providers will maintain compliance with guidelines set forth by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and will enter into an agreement with DD Resources to do so. See copy of agreement in Part B. (Updated 1/12/06)

III. POLICIES REGARDING RIGHTS OF INDIVIDUALS SERVED WITH DD RESOURCES FUNDING

- A. Service Providers shall develop a facility policy regarding rights of individuals and shall post in areas frequented by individuals, or make available to each individual at intake and whenever needed thereafter, a written statement of the above rights.
- B. Policies and procedures for handling and resolving individual complaints must be developed. These must be posted and/or advertised to individuals seeking services and to staff of other service providers.
- C. Individuals receiving services from DD Resources funded Service Providers shall be accorded the same rights as those set forth by HIPAA. Service Providers shall develop a facility policy regarding confidentiality of individual information and shall post in areas frequented by individuals, or make available to each individual at intake and whenever needed thereafter, a written statement of the above rights. (Updated 1/12/06)

IV. CASE RECORDS

- A. Cumulative case records including verification of diagnosis, consumer eligibility form, individual progress note*, person centered plan**, HIPAA-compliant release of information forms, and service ticket paperwork (if applicable) shall be maintained for each individual.

**Individual Progress Notes must include the following elements:*

- *Name of the consumer.*
- *Document progress toward achieving outcomes.*
- *Written after each service/support is provided.*
- *Indicates the time in/out, date of the service, and units provided.*
- *Group program must have a sign in sheet for the individuals in attendance.*
- *Signed and dated by staff.*
- *Notes should reflect training activities that occur to goals outlined in the Person Centered Plan as well as progress toward these goals and barriers toward progress.*

*** Person Centered Plans must include the following elements:*

- *The type of service being provided should relate to goals established by the individual and service provider*
- *Person Centered Plans should be reviewed with the individual at least once a year to make the appropriate changes in goals.*

- B. The Service Providers shall be responsible for obtaining appropriate authorization from the individual, parent, or guardian for exchange of confidential case record information among service providers and with DD Resources.
- C. The Service Providers shall be responsible for obtaining verification of disability from an outside source and maintaining a copy in their file. These sources may include school, psychological, vocational rehabilitation, physician and/or Department of Mental Health/DESE.

V. PERSONNEL OPERATIONS

- A. Authority for administration, management, and Board liaison functions as set by the Board of Directors (if applicable) of the Service Provider shall be delegated to a qualified executive/manager.
- B. Qualified professional staff should participate in the provision of services in such numbers and mixture as is required to provide quality services. When para-professional or untrained staff is used they must be under professional supervision and there must be an on-going in-service training program for them.
- C. A licensed physician (M.D. or D.O.) must assume medical and legal responsibility for medical services offered in any program. This includes the prescription of medications. If the service includes the dispensing of medication, then personnel must meet the minimum requirements of the Department of Mental Health for medication certification.
- D. DD Resources funded Service Providers shall not discriminate in the hiring or employment of staff on the basis of race, color, national origin, gender, sexual orientation, religion, or disability.

- E. Personnel policies and procedures shall be set forth in writing, a copy of which must be sent to DD Resources if requested.
- F. Regular in-service training to all staff must be documented at least annually, a copy of which must be sent to DD Office if requested.
- G. Job descriptions of all Service Provider's positions including Executive Director/Manager shall be available for review.
 - 1. A current table of organization showing the major operating programs of the Service Provider, with all staff divisions, the administrative personnel in charge of the programs and divisions, and their lines of authority, responsibility, and communication channels shall be available.
 - 2. DD Resources funded Service Providers will complete background checks on all staff. In addition, the agency will provide verification that a DMH Employee Disqualification Registry and DHSS Employee Disqualification List have been completed for all direct care staff. The background checks will be in compliance with standards established by the State of Missouri Department of Mental Health. Attachment A outlines these standards.
 - 3. If a key implementer is found to have a criminal record, DD Resources may ask the funded Service Providers to provide one or both of the following:
 - a. Provide assurances that the safety of the consumer is not compromised.
 - b. Implement corrective measures.

It is at DD Resources discretion to terminate funding if the agency fails or refuses to respond to DD Resources' satisfaction.

VI. FINANCIAL OPERATIONS

- A. Funded Service Providers shall employ staff qualified to maintain financial records in accordance with generally accepted accounting principles and shall designate a staff position having primary responsibility for the financial operations of the Service Provider. (Service Providers may be requested to provide documentation of staff qualifications.)
- B. Each funded Service Provider is to establish and maintain a formal accounting system on an accrual basis in accordance with generally accepted accounting principles.

All funded Service Providers must be able to track expenditures of DD Resources funds through their accounting system and readily have available original source documents verifying expense accounts and to whom paid.

All accounting entries must be supported by appropriate source documents, recorded in books of original entry, and posted to a general ledger on a monthly basis.

For programs funded by DD Resources, expenses may be booked in total. Expenses that cannot appropriately be charged to one program may be allocated on some reasonable basis, (. e.g., administrative expenses on accumulated costs or members of staff, budget size, housekeeping on hours of service or square feet of area occupied, etc.) to the various DD Resources funded programs and to programs funded from other sources. DD Resources staff will be available for consultation and assistance upon request of the funded Service Provider.

- C. Funded Service Providers must maintain a realistic schedule of costs for each program funded. If the Service Provider assesses individual fees, a discount fee schedule based on the ability of the person or the persons responsible relative to pay must be established.
- D. Funds received from provisions of specific programs must be utilized in the funded program in which that individual is enrolled.
- E. Audits
 - 1. Each funded Service Provider receiving \$25,000 or more in annual DD Resources funds is required to have an annual audit, as of the close of its fiscal year. This audit is to be performed in accordance with U.S. generally accepted auditing standards by an independent certified public accountant registered by the State of Missouri. The report shall contain the basic financial statements presenting the financial position of the funded Service Provider, the results of its operations, and changes in fund balances or net assets, whichever is appropriate.
 - 2. The following financial information shall be included in the audit report for each of the programs funded by DD Resources that receive \$25,000 or more for the contract year. Failure to do so will make the report unacceptable, unless otherwise approved in writing in advance by DD Resources.
 - a. Itemized schedule of income by source.
 - b. Itemized schedule of operating expenses (Statement of Program Expenses/Statement of Functional Expenses) by Program or Service including the reasonable allocation of administration/support expenses to the program/s.
 - c. Basic financial statements or footnote disclosure of the amount of expenditures incurred by the organization which are funded by DD Resources.
 - d. If the program or service was funded on a Per Unit of Service basis, a **detailed** calculation of the actual unit cost is to be prepared by the auditor and submitted to DD Resources via letter or be included as a supplemental page in the audit report.
 - 3. Confirmation of DD Resources payments made to a Service Provider (required by the independent auditor during the course of the audit) is to be secured from DD Resources.

4. The independent auditor should communicate in written form material weakness in the Service Provider's internal controls when it impacts DD Resources funding. **Copies of this communication or any management letter are to be forwarded to DD Resources with the audit report.**
 5. The audit report is to be filed with DD Resources within 120 days of the end of the Service Provider's fiscal year, or funding will be withheld.
 6. In order to facilitate meeting filing requirements, Service Providers are encouraged to contract with certified public accountants before the end of their fiscal year and inform them of DD Resources guidelines.
 7. A request for waiver or exception to these audit requirements or for an extension of time to file the audit report, unit cost report and management letter must be submitted, in writing, to the Executive Director of DD Resources within the 120 days of the end of the Service Provider's fiscal year. In all cases, approval shall be obtained prior to extension and/or exceptions being implemented.
 8. Failure to meet these audit requirements may result in the termination of any continuing funding.
 9. In addition to audits by independent Certified Public Accountants, on-site fiscal reviews of selected funded programs may be performed by, or for, DD Resources.
- F. All fiscal records must be maintained for seven (7) years after the end of each contract period, and if need still remains, such as unresolved issues arising from an audit related records must be retained until the matter is completely resolved.
- G. DD Resources funds may not be used for any illegal purpose.
- H. The approved terms of the Funding Application and the Funding Agreement specify the services to be supported by DD Resources funds.

VII. MONITORING PROCEDURES

- A. Funding Agreement:
1. The purpose of the funding agreement is to serve as the formal statement of mutual expectations between DD Resources and the applicant with regard to realistically achievable levels of service and cost.
 2. The Funding Agreement constitutes a formal contract between DD Resources and the Service Provider for the provision of specified services. The Funding Agreement specifies the term of funding, the services to be provided, the extent of DD Office financial participation and other conditions and contingencies as required by the DD Resources Board.
 3. Prior to the disbursement of any funds, the Funding Agreement must be approved and signed by DD Resources and the representative of the provider as specified on the Funding Agreement.

4. The approved funding application and funding agreement are used as the primary source document for monitoring Service Provider financial and service performance through fiscal, administrative and monitoring site visits.
5. The approved funding application and funding agreement specifies planned expenditures and revenue for all DD Resources funded and Non-DD Resources funded programs and planned service levels for all DD Resources funded programs.
6. The funding application must be submitted by the Service Provider and reviewed by DD Resources staff prior to DD Resources Board approval of Funding Agreement between DD Resources and the Service Provider.
7. If the audited unit rate is less than the current contracted rate, DD Resources reserves the right to request a reimbursement.
8. The Service Provider may be requested to submit a written explanation when program expenditures or service levels vary from the planned funding application. If the variances are permanent, i.e., not likely to be corrected by the end of the Funding Agreement period, a request to revise the funding application and funding agreement must be submitted by the Service Provider for review and approval. Permanent variances may result in an adjustment in the amount of the funding award. Services provided beyond the approved individual plan will not be funded unless there is prior approval in writing. See "Budget Revisions and Monitoring Policy" on Page 31 for more information.

B. Financial and Service Reporting:

1. The Service Provider must submit monthly financial reports (billing) as requested on forms designated by DD Resources. More frequent or additional financial reports may be required if a Service Provider is experiencing significant financial difficulties.
2. The Service Provider must submit monthly reports as requested on persons served and services provided on forms designated by DD Resources.

C. Fiscal, Administrative, and Monitoring Site Visits:

1. The purpose of site visits is to collect and assess management information in order to ascertain whether the funded Service Provider is performing in accordance with its Funding Agreement. Each funded service is monitored by DD Resources in terms of its performance versus the projections in the funding application. Service records in the form of case records and monthly billing forms are of crucial importance in documenting public tax dollars and program service delivery.
2. Funded Service Providers shall make available to DD Resources staff and representatives of DD Resources all financial records, individual attendance and/or service records, and case records defined on page 36.

3. In order to supplement the financial and service reports and to maintain personal contact with funded Service Providers, DD Resources staff and/or DD Resources Board Members may visit funded programs for the following reasons: to observe the service occurring (monitoring visit) or to review adherence to guidelines outlined in the Funding Agreement and/or Funding Manual. The site visit may include a review of written reports, a sample of case records and other information as required. A separate site visit to review Service Provider's financial reports and records may be required. Fiscal Site reviews were implemented 07-01-90.

It is expected that all requested information identified in a letter sent prior to the site visit will be readily available. If the information requested is not readily available at the time of the site visit, DD Resources will presume that the Service Provider does not have the requested information to share with DD Resources. Additionally, DD Resources reserves the right to request reimbursement if requested documentation is not presented.

4. The Service Provider will receive a written report or verbal report during or following site visits, indicating the status of the Service Provider and funded programs and any suggestions or requirements for further action. The report will be mailed to the Executive Director. An additional copy will be mailed to the Executive Director to be forwarded to the Board of Directors, if applicable. If corrective actions are not addressed within the designated timeframe, payment for billing will be withheld.
5. DD Resources staff will offer assistance and consultation to the Service Provider, as needed or requested, in areas identified during the site visits.
6. The Service Provider will allow DD Resources representatives to conduct both scheduled and/or unscheduled visitations. The purpose is to observe a program in its most natural process and to place more emphasis on contact with individuals and direct service personnel.

D. Program Evaluation

Primary responsibility for program evaluation rests with the funded Service Provider. It requires that a treatment philosophy be developed for each program with written program objectives that are consistent with that philosophy. Funded Service Providers must develop evaluation methodologies that address the issue of the effective and efficient use of program resources. These documents shall be available for review by DD Resources upon request.

E. Licensure, Accreditation, Program Standards

1. All funded treatment facilities and programs must be in complete compliance with all state licensure requirements and local ordinances with regard to fire, building, zoning, sanitation, health, and safety
2. Applicants are strongly encouraged to strive to conform to the appropriate program standards already published by the Joint Commission of Accreditation of

Hospitals (JCAH), Commission on Accreditation of Rehabilitation Facilities (CARF), Intermediate Care Facilities for the Mentally Retarded (ICF/MR), The Council on Quality and Leadership, Missouri Quality Awards, or other appropriate accrediting body applicable to the Service Provider /Independent Contractor (i.e. DMH certification).

3. Funded Service Providers must employ professional staff sufficient to meet state licensure, registration, or certification standards appropriate for the program.

VIII. PROCESS OF AWARDS

A. Notification of Awards

Service Providers awarded DD Resources funds shall receive a letter of notification and shall sign a Funding Agreement developed pursuant to the action of the DD Resources Board stating the amount of units awarded, the unit rate to be paid, the number of people to receive services, the effective time period of the award, the services to be delivered utilizing the funds, and any additional conditions, stipulations, or contingencies attached to the award.

B. Disbursement of Funds

DD Resources is a reimbursement funding source. Disbursements to a funded Service Provider under any other condition shall be approved in writing by DD Resources.

IX. AUTHORITY TO MODIFY AN AWARD/ALLOCATION

All actions to reduce, increase or terminate an Award require prior review and approval from the DD Resources Board or the individual receiving the services via the Individual Support Agreement.

A. Reduction of Award:

1. During the funding cycle, if it is determined that an agency has a two year consecutive history of underutilizing their award amount by at least 25%, DD Resources staff will make a recommendation to the DD Resources Board of Directors to put into reserve a percentage (either 25% or 50%) of their award for the following fiscal year. During the course of the following fiscal year, said agency is able to access the reserve amount if needed, but if it remains unspent in its entirety, then the award amount is reduced by the percentage for the following fiscal year. This information is communicated to the agency during the funding cycle in the form of a Project Analysis and is subject to final approval by the DD Resources Board of Directors.
2. Procedure for redirection of units through redirection of services by individuals
 - a. Second cause for a unit reduction could be the redirection of units by an individual from the original service provider to new service provider of like or similar services.
 - b. It is the role of the case manager to fill out an *Authorization to Re-Direct*

Residential, Employment, or Related Service Hours with the individual. This form should be used when an individual wants to re-direct money to pay for another like service. This form needs to be filled out within 120 days of the initial redirection. If the individual does not have a service advocate/coordinator, then the individual indicates this on the service advocate/coordinator signature line. This form can be accessed at www.stlidd.org or by contacting the Project Team.

- c. The completed form is submitted to the Project Team to verify that the amounts listed on the form are correct.
- d. If amounts are not correct, the individual and case manager will be notified by the Project Team to correct the form.
- e. If the amounts are correct the request will be processed.
- f. The Fiscal Team adjusts both the original provider and the new provider units and awards in the Web Billing System.
- g. A copy of the Authorization to Re-direct Residential, Employment or Related Service Ticket Hours form will be filed in both providers billing file.
- h. For the following fiscal year:
 - (1) If the individual redirected part of their original units, then each service provider would submit Individual Service Agreements indicating the correct amount.
 - (2) If the individual redirected all of their original units, then the new service provider would submit an Individual Service Agreement indicating the correct amount.
 - (3) If another redirect occurs, the individual would have to fill out additional paperwork.
- i. The reductions of units will occur when the individual signs the *Authorization to Re-Direct Residential, Employment, or Related Service Hours* with the new service provider for the same or similar service.
- j. The service provider will be notified by the individual that they are going to a different provider.
- k. Confirmation of the number of units redirected from the first service provider to the second provider can be confirmed via the individuals signed *Authorization to Re-Direct Residential, Employment, or Related Service Hours* form.
- l. If the individual changes service any time other than the beginning of the fiscal year the remaining units available to the individual will follow

them to the second service provider

- m. When the redirect form is completed, the units available to the individual will be annualized to include the units used at the first service provider in the prior fiscal year. The total units available to the individual will be reflected in the new Individual Service Agreement for the new fiscal year. This agreement will also provide the first Service Provider the information as to the total units that are following the person to the second service provider.
- n. Units follow the individual.

B. Termination of Award:

Termination of an Award will be undertaken only after the DD Resources Board has made every reasonable effort to reach an acceptable settlement with the funded service provider.

- 1. Cause for termination: Due cause for termination of Award exists when a funded Service Provider or funded Service Provider's Program:
 - a. Fails to take adequate action to comply with DD Resources requirements within ninety (90) days of notification of suspension of funding; or,
 - (i) Repeatedly fails to comply with requirements of DD Resources as stated in the Funding Agreement, in the applicable provisions of the Funding Guidelines or in the Monitoring Procedures and Requirements of DD Resources.
 - (ii) If the Service Provider is in violation of health and safety per city codes or as determined by DMH reports.
 - (iii) If the Service Provider fails to obtain the levels of insurance specified in the funding agreement and/or this manual (Updated 1/12/06).
- 2. Procedures for termination of Award:
 - a. DD Resources Board is notified in writing by DD Resources staff of a cause for termination for a funded Service Provider. The written document will include a statement of the requirements with which the funded Service Provider or funded Service Provider's program is in non-compliance, a statement of the actions that DD Resources has taken to urge the funded Service Provider to avert termination and move to compliance with DD Resources requirements, a statement of the responses of the funded Service Provider, and the recommended date of the possible termination of funding.
 - b. Upon the recommendation of the Executive Committee, the Director of the funded Service Provider shall be notified, in writing, certified mail,

return receipt requested, by the DD Resources Executive Director, that the funded agency or program funded may be terminated. The notification shall include the written document provided to the Executive Committee and a request for the Director of the funded Service Provider to meet with the DD Resources staff and Executive Committee of the Board of Directors.

- c. Based on the outcome of this meeting, the Executive Committee will make a recommendation to the full Board of Directors at the next regularly scheduled meeting of the DD Resources Board.

REQUIREMENTS FOR NOT-FOR-PROFIT CORPORATIONS

- I. **BOARD OF DIRECTORS** - Not-For-Profit Corporations shall have a Board of Directors. The Board of Directors shall be ultimately responsible for policy development, planning and evaluation, funding and program rendition in accordance with the responsibilities of boards under all applicable state and federal law.
- II. **COMPOSITON OF BOARD OF DIRECTORS** - The Board of Directors shall be composed of men and women who are:
 - best able to represent the needs of the primary service population of the Corporation, with attention to geographic, social, cultural, racial and economic elements of the primary service areas; and,
 - best able to help the Corporation meet its organizational goals.
- III. **BY-LAWS** - Not-For-Profit shall maintain current by-laws, which describe:
 - the primary purpose of the Corporation;
 - the responsibility(/ies) of the Corporation;
 - the size of the board and provisions for turnover of its members;
 - the duties and responsibilities of Board members;
 - the positions, duties, responsibilities, and terms of office of officers;
 - provisions for standing committees and/or other committees as appropriate to the needs of the Corporation;
 - provisions for at least quarterly business meetings, special meetings and an annual meeting of the Board; and,
 - provisions for amendments of the by-laws.
- IV. **OTHER NON-PROFIT BOARD REQUIREMENTS**
 - A. No paid staff member of a Corporation or his/her spouse shall serve on that Corporation's Board of Directors.
 - B. Boards of Directors shall have available to DD Resources a schedule of all board meetings and must adhere to the Missouri Sunshine law (For more information, see www.stlidd.org under the "Board Information" listing or the Attorney General's website at www.ago.mo.gov under the "Sunshine Law" listing.

- C. Boards of Directors must maintain written minutes of all activities of the board. Corporations shall provide copies of board minutes/board action at the request of DD Resources.
- D. Corporations are required to maintain and/or submit if requested a board of Directors membership list showing names, addresses, telephone number, occupation, term of office including identification of officers yearly. Corporations shall notify DD Resources of changes in membership in order to ensure the accuracy of DD Resources records.

REQUIREMENTS FOR INDEPENDENT CONTRACTORS, NON-INCORPORATED

I. DEFINITION AND REQUIREMENTS

DD Resources allows certain services to be provided by non- incorporated independent contractors to increase provider choices by St. Louis city residents.

The individual receiving the service employs the non-incorporated Independent Contractors they have hired/chosen. DD Resources acts only as a fiscal intermediary through the service ticket program as directed by the individual.

The independent contractor must be 18 or over, cannot live in the same household as the service user and cannot be a parent or stepparent of the service user.

II. INDIVIDUAL AGREEMENT STATEMENT FOR USE OF NON-INCORPORATED INDEPENDENT CONTRACTOR

DD Resources does not employ or control and does not have the right to control the actions and activities of the person providing services. DD Resources is not responsible to pay for services that do not follow the expected/defined outcome. Furthermore, DD Resources is not responsible for any actions or claims arising out of or resulting from the provision of services of any independent contractor. The independent contractor is responsible to hire their own service providers therefore DD Resources is not financially responsible for the providers including but not limited to: workman’s comp, unemployment benefits, and liability insurance. DD Resources acts only as the fiscal intermediary for the individual receiving services.

III. REIMBURSEMENT REQUIREMENTS

DD Resources is not responsible for any financial liabilities of the Independent Contractor

- A. In order to receive funding the individual will complete the appropriate DD Resources Service Ticket Packet. The packet will include a list of expected outcomes from the service.
- B. DD Resources will reimburse for services that are directed towards those outcomes agreed to by the individual and the independent contractor.
- C. To ensure accountability of public funds, DD Resources reserves the right to reject

payment for services that will not improve the quality of life, support the individual in maintaining or improving independence or allow individual to be involved in activities outside the home.

- D. In addition, DD Resources will not reimburse for services that an independent contractor is not eligible to provide as outlined by the Department of Mental Health.
- E. Reimbursement is based on the availability of funds and DD Resources' agreement that the service is necessary and fulfilling the service goals and definitions.
- F. DD Resources must have a copy of a signed social security card and a current signed driver's license and/or state photo ID for all independent contractors prior to service in order to reimburse for services.

TERMINOLOGY

Award The annual amount of funding available for an individual designated to a specific service provider based on an assessment of the individual need for that specific service.

DD Resources Funded - A program or service which is requesting or being supported partially or wholly with DD Resources funds.

Funding Agreement – The agreement identifies the rate of pay for services rendered and it outlines agency-specific criteria for funding.

Funding Application – Forms consisting of program plan and budget that are used to apply for funding each fiscal year.

Habilitation A type of Employment Service that is provided to individuals under the care of a primary caregiver. This service acts as a one-on-one training service in the areas of pre-employment with the additional benefit of giving the primary caregiver a break from their daily responsibilities. Service Recipients can choose to use an agency-based provider or they can select their own provider, which is considered an Independent Contractor.

Independent providers – Individuals over the age of 18 who do not live in the household who have been hired by an individual to provide pre-employment habilitation services.

Non-DD Resources Funded - A program or service which is not requesting nor being supported partially or totally with DD Resources funds. The program or service will be covered or paid for by some other source other than DD Resources funds.

Program - A program is a distinct set of services directed to a target population with identified service staff. It is the specific program for which DD Resources funds are being requested by the Service Provider. A Service Provider offering only one type of service, e.g., sheltered workshop is both the Service Provider (or Agency or Independent Contractor) and the Program.

Purchase of Service (P.O.S.) Funding – A type of funding where a service provider is awarded a set amount of units to provide services at a set unit rate. Payment is rendered only for units of services provided to individuals.

Related Service Ticket – A type of funding in which the service recipient directs their funding to purchase their services from a group of providers that provide “related” services such as training on socialization skills.

Service Provider - The non-profit, for-profit or individual that is providing services to individuals requesting funding for services from DD Resources. Also synonymous with Agency, Independent Contractor, Applicant, Service Ticket Applicant, Service Ticket Provider.

Service Ticket– A type of funding in which the service recipient directs their funding to purchase their services from a group of providers that provides similar services. There are three voucher types: Employment, Residential, and Related Service.

Unit – The minimum length of service for which a service provider is contracted. Common units include but are not limited to: 15 minutes, 1 hour, 1 week, etc.

Unit Rate – A predetermined amount that a service provider is paid for each unit of services rendered.

ATTACHMENT A

**St. Louis Office for DD Resources
Board Designated Funds
(Approved 5/10/07, Updated 9/9/10)**

1. FISCAL POLICY

(Revised March 2007, March 2008, September 2010)

POLICY STATEMENT:

The St. Louis Office for Developmental Disability Resources (DD Resources) will allocate its funds annually according to the following guidelines.

DEFINITIONS

Forecasted Revenue: Revenues received in any given fiscal year consist of:

- St. Louis City property and other taxes
- Investment Earnings
- Metro (pursuant to RSMo 94.645 amended by SB #3)
- MODOT vehicle and transportation grants
- Missouri DMH – habilitation services
- HUD Supported Housing grants
- Missouri DMH – Education Coach
- Medicaid waiver services
- Targeted case management
- Other income

Base Level of Access:

Each fiscal year funding for DD Resources Program Services in total to be calculated as follows: (1) No less than 50% of previous fiscal year end audited net assets, excluding capital assets, plus new revenue received for specific purpose. Note: Contingent upon DD Resources Board approval, agency's request(s) of at least the amount as defined in the previous sentence. (2) Additionally no more than current fiscal year Board approved agency's award plus approved COLA if applicable. Cost of living adjustment (COLA) is calculated as the average of the consumer Price Index (CPI) and the Social Security Benefit increase as of the previous January.

DD Resources' General and Administration (not to exceed the lesser of 13.5% of forecasted revenue, or the cumulative amount of investment earnings and specific dedicated revenues).

Capital/Equipment and/or depreciation expense (DD Resources not to exceed 1.5% of forecasted revenue).

One-time funding and/or new program services (remaining forecasted revenue).

Note: The Board of Directors of DD Resources has the discretion to modify the percentage limits listed above and/or the fact the forecasted expenditures shall not exceed the forecasted revenue based on facts supporting the change.

Emergency Reserve Fund: Annually establish a reserve of no less than \$250,000. This reserve is available for appropriations in excess of the Base Level of Access.

Additional Board Designated Fund: Funds in excess of the \$250,000 Emergency Reserve shall accumulate in this fund to be designated by the Board of Directors for current and for future program funding.

- Additional Board Designated Funds may be utilized by DD Resources and/or for agency requests for certain services in future years program funding cycle and for certain requests that do not create an ongoing obligation that would increase the Base Level of Access for DD Resources' program of core services such as:
 - Residential
 - Employment
 - Transportation
 - Related Services
 - Capital/Equipment and/or Depreciation Expense
 - Discretionary

APPLICATION OF POLICY

- Annual appropriations will be made in the following order:

Base Level of Access
Emergency Reserve Funds
Additional Board Designated Funds

- The Emergency Funds will be depleted first before the Board Discretionary Funds, as long as there is a positive balance.
- The St. Louis Office for DD Resources' Finance Committee will review the fiscal policy each year to determine if it meet DD Resources' needs. The committee recommendations for changes to the DD Resource fiscal policy must be approved by the full board at or prior to the May Board meeting to take effect on the following fiscal year, beginning July 1.
- The Board of Directors of DD Resources has the discretion to modify the percentage limits noted based on facts supporting the change.

2. POLICY ON GENERAL ALLOCATION FORMULA FOR BASE LEVEL OF ACCESS

(Revised March 2007, March 2008)

The St. Louis Office for DD Resources shall allocate Base Level of Access funds annually based on the following process:

- The Base Level of Access will be forecasted based on the year-to-date revenue received and expenditures budgeted and requested.

- DD Resources operating budget (general and administration) not to exceed 13.5% of the forecasted revenue and specific dedicated revenue.
- DD Resources' capital and depreciation will be determined and approved, not to exceed 1.5% of forecasted revenue.
- DD Resources will set aside an amount for one-time projects and new program services, if applicable. All cancellations and shortages within the fiscal year will be re-designated by the Board of Directors in the same fiscal year
- The Finance Committee will review the allocation of the remainder of the Base Level of Access. The recommendation of the Finance Committee will be based on the most recent needs assessment.
- The Board of Directors will be responsible for allocating the above funds to renewal projects, expansion and/or new/demonstration projects within their planned program of services. The Board of Directors of DD Resources has the discretion to modify the percentage limits listed above based on facts supporting the change.

3. POLICY ON ALLOCATION FORMULA FOR THE ADDITIONAL BOARD DESIGNATED FUNDS

(Revised March 2007, March 2008)

DD Resources shall allocate the Additional Board Designated Funds after the close of the fiscal year end based on the following process:

- DD Resources shall set aside an amount that would fund certain services for a future program funding cycle.
- The remainder, the Board of Discretionary Fund will be available for other one-time projects as approved and recommended by the Board of Directors.

ATTACHMENT B

DD Resources (H.I.P.A.A.) Business Associates Agreement

This Health Insurance Portability and Accountability Act Business Associates Agreement ("Agreement") is entered into on this _____ day of _____, 201__, between the St. Louis Office for Developmental Disability Resources ("Covered Entity") and _____ ("Business Associate"). If an agreement or contract already exists between Covered Entity and the Business Associate, this Agreement supplements and is made part of the existing agreement. This agreement is effective as of _____ ("Effective Date").

WHEREAS, the interaction between Covered Entity and Business Associate is governed by an existing contract under which Covered Entity and Business Associate use or disclose between themselves Protected Health Information ("PHI") as defined by the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and this PHI assists Business Associate in providing necessary goods and services to the Covered Entity, and

WHEREAS, Business Associate may receive from, create or receive PHI on behalf of Covered Entity while providing necessary goods and services to Covered Entity, and

WHEREAS, both parties recognize the importance of and are committed to protecting the privacy and confidentiality of any PHI disclosed to the Business Associate pursuant to this Agreement, in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA) and any regulations promulgated there under by the U.S. Department of Health and Human Services, and

WHEREAS, both parties receive considerable benefit from their interactions with each other and wish to continue their relationship in the future, and

WHEREAS, the purpose of this Agreement is to satisfy the requirements of HIPAA and any regulations promulgated there under, including, but not limited to, Title 45, Section 164.504 (e) of the Code of Federal Regulations ("CFR"), as the same may be amended from time to time.

NOW, THEREFORE, in consideration of the mutual promises below and the exchange of information between the parties, both parties agree that this Agreement will govern the manner in which Business Associate will protect, use, disclose and handle PHI provided by, created by or received by Business Associate from or on behalf of Covered Entity during the term of this agreement and after its termination as follows:

Section I. Definitions

- a. **Business Associate.** "Business Associate" shall mean St. Louis Office for Developmental Disability Resources.
- b. **Covered Entity.** "Covered Entity" shall mean "Agency".
- c. **Individual.** "Individual" shall have the same meaning as the term "individual" in

45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

- d. **Privacy Rule.** "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
- e. **Protected Health Information.** "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- f. **Required By Law.** "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

Any term used in this document that has not been otherwise defined herein shall be given the same definition as that term is given in the Privacy Regulations, specifically, 45 CFR 160.103 and 164.501.

Section II. Obligations and Activities of Business Associate

(a) *Permitted Uses and Disclosures.* Business Associate agrees that neither it nor any member of its workforce will use or disclose PHI in any manner or for any reason other than those expressly set out in this Agreement or required by law.

(b) *Safeguards.* Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI in any manner or for any reason other than those set out in this Agreement or required by law. Business Associate shall maintain a comprehensive written information privacy and security program ("comprehensive program") to protect such PHI. This comprehensive program will include administrative, technical and physical safeguards appropriate to the size and complexity of Business Associate's operations and the nature and scope of its activities.

(c) *Proof of Comprehensive Plan.* In order to ensure Covered Entity and Business Associate remain in compliance with the provisions of the Privacy Rule, Business Associate agrees to provide to Covered Entity or, upon request, to the Secretary of the United States Department of Health and Human Services ("Secretary"), proof of its comprehensive program to protect PHI and also agrees to provide Covered Entity or Secretary with access to Business Associate's facilities for inspection and copying of its books, records, internal practices, policies and procedures regarding this comprehensive program to protect PHI.

(d) *Workforce Training.* Business Associate agrees that any member of its workforce who work directly with or may come into contact with PHI will receive full training as to the comprehensive program as well as Business Associate's duties pursuant to this Agreement. Business Associate agrees to take appropriate disciplinary action against any member of its workforce who uses or discloses PHI in violation of this Agreement.

(e) *Reporting of Wrongful Use or Disclosure of PHI.* Business Associate agrees that if it learns of any use or disclosure of PHI by Business Associate or any member of its workforce in any manner or for any reason other than those set out in this Agreement or required by law, it will report such wrongful use or disclosure to Covered Entity within two (2) business days of its discovery. The report shall include: the date of the disclosure; the person to whom the disclosure was made; the address of the person to whom the disclosure was made, if known; a brief description of the PHI released; the purpose of the disclosure; and any corrective action Business Associate is taking to try to ensure such disclosures do not occur in the future.

(f) *Disclosure of PHI to Business Associate's Agents.* Business Associate agrees to ensure that any of its agents or subcontractors that receive any PHI will agree to the same restrictions and conditions on the use or disclosure of the PHI that the Business Associate has agreed to under this Agreement.

(g) *Access to PHI.* If Business Associate maintains PHI in a Designated Record Set, Business Associate

agrees that, when requested by Covered Entity, within ten (10) business days after the date of that request, Business Associate will provide, in a manner designated by Covered Entity, access to such PHI to either Covered Entity or to an Individual in order to meet the requirements of 45 CFR 164.524.

(h) *Amendments to PHI.* If Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make any amendment(s) to such PHI that Covered Entity directs or agrees to with an Individual pursuant to 45 CFR 164.526, within ten (10) business days after notification of such amendment and in the manner designated by Covered Entity.

(i) *Provide Accounting of Disclosure of PHI.* Business Associate agrees to: (1) document such uses or disclosures of PHI and all necessary information related to such uses or disclosures as would be necessary for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528 and (2) provide such documentation to Covered Entity or an Individual, in a time and manner designated by Covered Entity, not to exceed fifteen (15) business days, so that Covered Entity may respond to any request by an Individual for an accounting of disclosures in accordance with 45 C.F.R. 164.528. At a minimum, Business Associate shall provide Covered Entity with the date of the disclosure, the name of the entity or person who received the PHI and (if known by Business Associate) the address of such entity or person, a brief description of the PHI disclosed, and a brief statement of the purpose of the disclosure that reasonably describes the basis for the disclosure.

(j) *Mitigate Losses.* Business Associate agrees that if it has knowledge of any harmful effect of a use or disclosure of PHI by Business Associate that would violate this agreement, it will mitigate such effect, to the extent practicable.

Section III Permitted Uses and Disclosures by Business Associates

(a) Permitted Uses.

Business Associate shall not use PHI except for: (i) the purpose of performing Business Associate's obligations to Covered Entity under any existing or future agreement, contract, contract provider agreement or purchase of services agreement between Business Associate and Covered Entity or (ii) any other purpose specifically permitted under this Agreement. Further, Business Associate shall not use PHI, created, received or disclosed pursuant to this Agreement, in any manner that constitute a violation of the Privacy Rule if so used by the Covered Entity except for the uses found in subsection (b) of this Section. The typical permitted uses or disclosures would be those for treatment, payment and/or healthcare operations as defined in 45 CFR Section 164.501, et seq.

(b) Additional Uses.

i. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

ii. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided that disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed *only* as required by law or for the purposes for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

iii. As permitted by 45 CFR 164.504(e)(2)(i)(B), Business Associate may use PHI to provide data aggregation services to Covered Entity, so long as the Covered Entity and Business Associate enter into an agreement or contract through which such services are provided.

(c) Permitted Disclosures.

Business Associate shall not disclose PHI in any manner that would constitute a violation of the Privacy Rule if disclosed by the Covered Entity, except that Business Associate may disclose PHI: (i) in a manner permitted pursuant to this Agreement; (ii) for the proper management and administration of the Business Associate; (iii) as required by law; or (iv) for the data aggregation services for the health care operations of

the Covered Entity. Before disclosing PHI to any third party, unless the disclosure is required by law, Business Associate must first obtain reasonable assurances from the entity receiving the PHI that it will: (i) maintain the confidentiality of the PHI and only disclose the PHI as required by law or for the purposes for which it was disclose to the third party and (ii) immediately notify Business Associate of any breaches of confidentiality as soon as it learns of such breaches.

Section IV Obligations of Covered Entity

- a. Covered Entity agrees to be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Business Associate pursuant to this Agreement, until Business Associate receives such PHI.
- b. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
- c. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
- d. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

Section VI Audits and Inspections

Upon learning of a possible HIPAA regulation violation, or that Business Associate has breached this Agreement, Covered Entity may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement. Business Associate shall promptly remedy any violation of any term of the Agreement. Any right of, action by or inaction by Covered Entity pursuant to this section, shall not constitute an acceptance of any unsatisfactory practice pursuant to this Agreement and does not relieve Business Associate of its responsibility to comply with this Agreement.

Section VII Amendment

The parties acknowledge that federal and state laws regarding electronic data security and privacy are rapidly evolving and that amendment of this Agreement might be required to ensure compliance with such developments. The parties agree to take such action as necessary to implement the standards and requirements of HIPAA, the Privacy Regulations, any other regulations promulgated under HIPAA, and any other applicable laws relating to the security and confidentiality of PHI. Thus, the parties agree that upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of any federal or state of Missouri court having jurisdiction over the parties to this Agreement or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of HIPAA or any HIPAA regulations, Covered Entity may, by written notice to Business Associate, amend this agreement in order to maintain compliance with that law, regulation, ruling, interpretive policy or opinion.

Section VIII Material Breach

If Covered Entity becomes aware of any pattern of activity or practice by Business Associate which would

constitute a material breach of any of the provisions of this Agreement, Covered Entity may, at its discretion, provide an opportunity for Business Associate to cure the breach and end the violation or immediately terminate this Agreement and any other agreements between the parties requiring the transfer of PHI. Further, if Business Associate does not cure the breach or end the violation to Covered Entity's satisfaction within a specified time frame, Covered Entity may, if feasible, terminate this Agreement and any other agreement requiring the transfer of PHI that might exist between the parties. If termination of this Agreement is not feasible, Covered Entity shall report Business Associate's breach or violation to the Secretary pursuant to 45 C.F.R. 164.504(e)(1)(ii).

Section IX Term and Termination

(a) *Term.* This Agreement begins on the Effective Date and remains in effect until all PHI is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this Section.

(b) *Effect of Termination.*

(i) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall retain no copies of the PHI. This provision shall apply to PHI that is in the possession of subcontractors or agents of the Business Associate.

(ii) In the event that Business Associate determines that returning or destroying PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of PHI is infeasible, Business Associates shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as the PHI stays in the custody of the Business Associate.

Section X Miscellaneous

(a) *Disclaimer.* Business Associate is solely responsible for all decisions made by Business Associate regarding safeguarding PHI.

(b) *No Third-Party Beneficiaries.* Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

(c) *Choice of Law.* The law of the State of Missouri shall govern this Contract.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Agreement Effective Date.

Business Associate

Date

Covered Entity

Date

ATTACHMENT C

Employee/Volunteer Background Screening

Source: A letter from the Director of Office of Quality Management of the State of Missouri Department of Mental Health dated March 14, 2005.

These requirements are communicated and receive authority via three different sources.

- *Missouri Revised Statute 630.170; Disqualification for employment because of conviction-appeal process-criminal record, procedure—registry maintained, when.*
- Missouri Code of State Regulations 9 CSR 10-5.190, Background Screening for Employees and Volunteers.
- DMH General Contractual Requirements, Part III, Number 49

Paraphrased, the requirements are as follows as follows:

- Persons are disqualified from holding any position in any public or private facility or day program operated, funded (we generally consider this to include all with whom we contract) or licensed (to include those that we certify) by the Department of Mental Health or in any mental health facility or mental health program in which people are admitted on a voluntary or involuntary basis if any of the following are true:
 - Person is listed on the Department of Mental Health Employee Disqualification Registry
 - Person is listed on the Department of Health and Senior Services (formally DSS Division of Aging) Employee Disqualification list
 - Person has been convicted of or pled guilty or nolo contendere to any crime as identified in 630.155 RSMo or 630.RSMo
- Persons are disqualified from holding any direct care position in any public or private facility or day program operated, funded (we generally consider this to include all with whom we contract) or licensed (to include those that we certify) by the Department of Mental Health or in any mental health facility or mental health program in which people are admitted on a voluntary or involuntary basis if any of the following are true:
 - Person has been convicted of or pled guilty or nolo contendere to any felony offense against persons as defined in chapter 565, RSMO; to any felony sexual offense as defined in chapter 566 RSMO; any felony offense defined in section 568.020,568.045,568.050,568.060,569.020,569.25,569.035,569.040,569.050,569.070, or 569.160 RSMO or equivalent offense; or any violation of subsection 3 of section 198.070, RSMo.
 - Person who has received a suspended imposition of sentence or a suspended execution of sentence following a plea of guilty to any of the disqualifying crimes listed above
- Providers must initiate the criminal background checks and the DMH Registry and DHSS list inquiries within 2 working days of hire and prior to the employee or volunteer having contact with residents, clients or patients. Employee/volunteer records should reflect documentation that these inquiries were initiated promptly; and the results of those inquiries.

Providers may secure the required employee background screening information in a variety of ways. They may use the “Caregiver Background Screening” program managed by the Missouri State Highway Patrol; or they may utilize the “Family Care Safety Registry” managed by the Department of Health and Senior Services; or they may independently employ someone to secure the criminal history and DMH Registry and DHSS list information.

- “Family Care Safety Registry” Utilizing this process requires that the provider submit a form to the Department of Health and Senior Services requesting background information. Although it does not require a notarized signature from the employee upon whom the background check is being performed, it does require that the employee “register” with the Family Care Safety Registry” before the background check can occur. Some caregivers are required by law to register, such as child care workers and personal care attendants. Using the FCSR process requires the provider make only one request and they will receive one report that has the information from all the required background databases. Forms for registering employees and for requesting background checks may be downloading by accessing the following website:
<http://www.dhss.mo.gov/FCSR/AppsForms.htm/>.
Alert: The DHSS website also affords the opportunity to some providers to check the DHSS Employee Disqualification list on-line. We’ve had some providers mistakenly think that this list is the FCSR screen. It is not. It is merely one of the three required checks.
- “Caregiver Background Screening”: Utilizing this process requires that the provider submit a form to the Missouri State Highway Patrol requesting specific background information. This form requires a notarized signature of the employee giving permission to share this information. Section A of this form provides a list of possible databases from which the provider selects those that they are required to check. Upon receipt, the MSHP will copy the request to the appropriate agencies, which will respond individually to the provider. When our providers use this mechanism we would expect to see three separate documents in the screened employee’s file; a criminal background report from MSHP, a DMH Employee Disqualification Registry Report, and a DHSS Employee Disqualification List Report. This process requires the provider to make only one request, yet get responses back from all three required databases. The Caregiver Background Screening form may be downloaded by accessing the following website:
<http://www.dmd.mo.gov/hr/careback/caregive.htm>.
- Other: We have some providers who contact these agencies individually or hire private investigators to secure these background checks. In these cases, the provider should have some official document from MSHP on criminal background; DMH on its check of the DMH Employee Disqualification Registry; and DHSS on its check of the DHSS Employee Disqualification List.