

**Knox County Mental Health Board**

**FUNDING GUIDELINES**

**INTRODUCTION:**

The Illinois Community Mental Health Act [405 ILCS 20/1] provides that units of local government may establish a Community Mental Health Board. Knox County, Illinois has established such a board. The purpose of the Knox County Mental Health Board (KCMHB) is to plan, fund, coordinate, and evaluate public services and facilities within Knox County to aid/treat persons with mental illness, developmental disabilities, and substance use/abuse issues.

This document sets forth the service, financial and administrative accountability requirements of the KCMHB. These requirements and guidelines outline the way the KCMHB monitors and evaluates compliance with the KCMHB's service, fiscal and administrative requirements.

**I. MISSION STATEMENT:**

To provide funding for community based services for persons within Knox County who are impacted by developmental disabilities, mental illness, or substance use disorders.

**II. SERVICE AREA:**

The service area of the KCMHB shall be Knox County, Illinois. Services which are purchased by the KCMHB with Knox County tax funds will be used for the benefit of Knox County residents.

**III. ADMINISTRATIVE BUDGET PROCESS:**

**A. GENERAL OVERVIEW:**

**1. KCMHB Budget:**

- a. The KCMHB shall annually prepare and approve a budget and service plan and, according to those plans, request that the Knox County Board levy a tax to create a Community Mental Health Fund. The KCMHB, with the assistance of the Knox County Clerk and Treasurer, shall administer that fund.
- b. Consistent with relevant Law and the availability of funding, the KCMHB may also administer and manage other funds from state, federal, or private sources.
- c. The management of such funds will follow KCMHB guidelines and any additional requirements according to the funding source.

## 2. KCMHB Budget Designations:

a. The KCMHB shall have a total of four (4) annually budgeted categories. Two of the four (4) annually budgeted categories shall be:

(1). Operational Budget: Defined as budgeted monies utilized to address KCMHB operational needs.

(2). Contingency Budget: Defined as budgeted monies utilized to address expenses for unanticipated, unusual, unique and/or emergency circumstances which may confront either the KCMHB or service providers. Contingency monies may also be referred to as Reserves.

b. The KCMHB shall have two (2) annually budgeted categories which shall be designated to provide funds to organizations serving Knox County citizens with mental illness, developmentally disabilities, and persons with substance use/abuse issues. Those two (2) funding categories are:

(1). General Funding Categories: Funds utilized to address expenses for the services defined within the KCMHB “Funding Categories” document.

(2). Special Funding Categories: Funds utilized to address expenses for special programs defined within the KCMHB “Funding Categories” document.

## 3. KCMHB Budget Disbursements:

The release of KCMHB funds for any budget category (Operational Budget, Contingency Budget, General Funding Categories and Special Funding Categories) or specific awards (Reimbursement Awards, Purchase of Services Awards and Lump Sum Awards) to any applicant or for any other purpose shall require majority approval by vote of the KCMHB. The actual disbursement of funds will be made by the Knox County Treasurer and remain consistent with established Knox County accounting and payment procedures.

## B. BUDGET TIME-LINES:

1. Knox County: The Knox County fiscal year has been established as: December 1 to November 30.

2. KCMHB: The KCMHB’s fiscal year shall coincide with the Knox County fiscal year.

### 3. Application for Funding Period:

Shall refer to the dates when applications for funding may be made. Those dates shall be designated by the KCMHB and may vary from year to year. (Also see Part V. Funding for Organizations, Section A.2 of these Guidelines.)

### 4. Funding Review Period:

Shall refer to the second quarter (April, May and June) of each calendar year in which the KCMHB will review and consider applications for all Funding Categories which have been submitted by eligible organizations during the first quarter of the calendar year. (Also see Part V. Funding for Organizations, Sections A.2, B. 1,2,3,4 and C. 1, 2 of these Guidelines.)

5. Special Funding Review Period:

Shall refer to any time within a twelve (12) month period between July 1<sup>st</sup> of one calendar year through June 30<sup>th</sup> of the subsequent calendar year in which the KCMHB will review and consider applications for Special Funding Categories which have been submitted by eligible organizations.(Also see Part V. Funding for Organizations, Sections A.2, B. 1,2,3,4 and C. 1, 2 of these Guidelines.)

6. Funding Award Period:

Will begin on July 1<sup>st</sup> and be expended by June 30<sup>th</sup> of the subsequent year. The Funding Award Period refers to the time that any eligible organization shall expend funds awarded by the KCMHB. Applications (General and Special Funding) submitted and approved during the second quarter of a calendar year will begin on July 1<sup>st</sup> of that year through June 30<sup>th</sup> of the subsequent year.

Unless otherwise specified, applications for Special Funding submitted and approved at any other time shall begin on the date it was approved by the KCMHB and be expended by the following June 30<sup>th</sup>. (Also see Part V. Funding for Organizations, Sections A.2, B. 1,2,3,4 and C. 1, 2 of these Guidelines.)

C. VOUCHERS:

1. After an organization under contract with the KCMHB has submitted the required reporting documents, the KCMHB will consider the release of the funding award. Upon approval, the KCMHB Secretary shall submit an appropriate voucher request for payment to the Knox County Finance Committee.
2. Upon authorization, the Knox County Treasurer will cause checks to be drawn and payments made to the organization.

D. MAINTENANCE OF RECORDS:

1. The Treasurer's Office shall maintain all financial records requested and/or required by the KCMHB.
2. All documents generated during the application process, approvals, the issuance of vouchers, payments made and all other relevant materials generated by the KCMHB shall be maintained and stored by the Knox County Clerk. All such documents shall be subject to all relevant laws regarding the open exchange and availability of information between a governmental entity and the public, including but not limited to: The Illinois Freedom of Information Act 5 ILCS 140/1.

#### **IV. ELIGIBILITY REQUIREMENTS:**

##### **A. GENERAL OVERVIEW:**

Any individual or organization which meets the following relevant criteria is eligible to apply for KCMHB Funds. The fact that an individual or organization may meet the following criteria is no guarantee that funding will be awarded. Unless otherwise specified, the term “organization” throughout the remainder of these Funding Guidelines shall refer to “individuals” as well as “organizations”.

1. An organization may be public or private, not-for-profit or for profit, or a governmental unit.
2. An organization will demonstrate that it has the appropriate professional staff with the appropriate academic certification/licensing, and appropriate experience.
3. The KCMHB requires organizations to have appropriate state or national licensing or certifications.
4. An organization will demonstrate financial reliability and stability.
5. An organization will demonstrate the capability of appropriate service, fiscal, and administrative accountability.

##### **B. FUNDING:**

1. KCMHB funding will supplement and not supplant other funding sources.
2. If another source of funding can support a service, the KCMHB will expect those funds to be utilized for that service.

##### **C. SERVICE RECIPIENTS:**

1. Service recipients will normally be residents of Knox County.
2. An exception shall be permitted, and services may be provided to non-Knox County residents, where a clear benefit to Knox County residents exists.

#### **V. FUNDING FOR ORGANIZATIONS:**

##### **A. FUND CATEGORIES:**

1. There are 2 funding categories for which organizations may apply:
  - a. General Funding Categories: Funds utilized to address expenses for the services defined within the KCMHB “Funding Categories” document.
  - b. Special Funding Categories: Funds utilized to address expenses for special programs defined within

2. To receive full consideration, an organization seeking either General Funding or Special Funding should file their application(s) which will become available during the first quarter of each calendar year. Requests within the “**Special Funding Category**” (as defined in the “Funding Categories” document) may also be applied for at **any time** during the year as a need may arise. An organization should utilize the standard application form when the request has been made outside the time period noted in Part IV. B. section 3 (above). Such application should explain, in detail, the unanticipated, unusual, unique and/or emergency circumstance(s) which require immediate funding consideration.

#### B. BOARD REVIEW:

1. When filed, each application will be assigned a unique number and code (For example: A Knox County Mental Health Board code such as: “MHB” and a unique numbering sequence which would identify the year and actual application number (e.g. 2017-MHB-001). Any funds awarded or denied will then utilize that unique number for tracking and/or filing purposes.

2. All funding applications will be reviewed by the KCMHB.

3. KCMHB members are not limited to any specific selection criteria. The following information may be utilized to assist with the review process:

a. Statement of Need: Does the program provide services to the developmentally disabled; persons with mental illness and persons with substance use/abuse issues? How closely does the proposed program align with the KCMHB’s 1 year and 3-year goals and objectives?

b. Program Design: Is the program evidence-based? How likely is it that the objectives and activities will be achieved within the scope of the funded program? Is the program well-planned? Is the budget appropriate and realistic? Does the budget justification explain in detail the reasoning and need for the costs associated with the program? If the proposed program includes collaboration with (other organizations) are the roles of the partners appropriate, relevant and clearly defined?

c. Impact: Will the project have a substantial positive impact on the target populations? Is the project likely to be long-term?

d. Capacity: Does the organization, have the expertise to effectively implement all aspects of the project? Is there evidence of past success in delivering services to the target population? Is the organization fiscally capable of managing the funded program, including having appropriate financial controls in place? Does the applicant organization have the equipment, resources, tools, space, etc., to implement all aspects of the program? Does the organization or staff have appropriate licenses, certifications, and accreditation, etc. to deliver the proposed services? Does the organization have a plan to obtain the resources (financial, personnel, partnerships, etc.) needed to sustain the program beyond the funding term (if awarded)? Are collaborations (if proposed) likely to be sustained beyond the funding term?

e. Financial Management: Has the Organization previously applied for funding from the KCMHB and, if so, were all funds expended within the time frame(s) and for purpose(s) specified in the original application.

f. Monitoring and Evaluation: Is there a documented plan to measure progress against the stated program goal and objectives? Is there sufficient monitoring and evaluation expertise for the program?

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4. The fact that an organization may have received funding in the past is no guarantee that the organization or program will be funded in the future.

#### C. APPLICATION APPROVAL:

1. After the Review Process the KCMHB shall determine if an organization has been approved for funding and the amount of that funding. The KCMHB reserves the right to enter into discussions with applicant organizations regarding the potential for consolidation of similar programs.

2. Approved applicants will receive a Knox County Mental Health Board Contract which will affirm the amount of funding has been approved. Except as noted within these Funding Guidelines, all funds shall be used only for the purposes as set forth in the original application as well as any written modifications to that application. Once signed by the Chair of the KCMHB and the authorized representative of the organization the contract shall be considered finalized.

### **VI. FUNDING DETAILS:**

#### A. OVERVIEW:

1. Upon approval, the KCMHB will disburse funding awards according to the outline contained within these “Funding Guidelines” and the expectations specified within the contract issued by the KCMHB.

2. Disbursed funds will be limited to the approved services and shall only be issued to the organization specified within the contract.

3. Disbursed funds will not exceed the maximum amount approved by the KCMHB as specified within the contract.

4. The KCMHB shall require:

- a. That KCMHB Funding Awards do not supplant other funds.
- b. The KCMHB level of payment is reasonable and cost effective.

#### B. FUNDING AWARD TYPES:

1. Funding Awards have been generally identified as three (3) types:

- a. Reimbursement
- b. Purchase of Services (POS)
- c. Lump Sum

2. Funding Awards are generally defined as follows:

a. Reimbursement Awards: For the purpose of these Guidelines, Reimbursement Awards shall refer to the reimbursement of internal funds previously expended by an organization for the services specified within the Application. The funds shall be released after expenses for the service have been incurred. The organization must follow certain procedures to obtain reimbursement for a specified expense. Reimbursements will be made on an established and mutually agreed upon payment schedule upon the submission of documentation to verify the expenses noted.

(1). The KCMHB shall approve a specific amount for the services outlined within an application. Upon the receipt of the contract, the applying organization will be expected to expend the awarded funds exclusively for the services as outlined within the application except as otherwise permitted within these Funding Guidelines.

(2) At an agreed upon time the organization shall submit documents to confirm that the services provided in the awarded funds expended during the Funding Award Period correlate to those outlined in the application and the funding award contract.

(3). Upon receipt and approval of such documents by the KCMHB the specified reimbursement funds will be released.

b. Purchase of Services (POS) Awards: For the purpose of these Guidelines the POS shall refer to an approved application and the contract between the KCMHB and an organization for the purchase of a specific service for the persons served by that organization. Except as otherwise noted within these Funding Guidelines, POS funds shall only be used for the services set forth within the application.

(1). The KCMHB shall provide payment at a defined rate for the services as specified within the Funding Application. The KCMHB shall approve the Unit Rate for each service. A Unit Rate is defined as the amount that the KCMHB would pay for one unit of a particular service.

(2). Payments may be made prior to or after the delivery of services as mutually agreed and specified within the contract. The KCMHB award will be based upon the total number of units expected to be delivered within the specified Funding Award Period and shall not exceed the maximum approved amount.

(3). At the conclusion of an agreed upon period of time the organization shall submit documents to confirm the agreed upon units have been delivered during the Funding Award Period.

(4). If an organization is unable to deliver the total number of units within the Funding Award Period specified within the approved application, the KCMHB may allow the organization to submit a written request (Change Order) to utilize funding in some different manner, provided that: the funds shall not exceed the maximum amount approved within the original contract, the funds shall not extend beyond the total Funding Award Period approved within the original contract. Any change shall not conflict with with the eligibility requirements or any other section(s) within these Funding Guidelines.

(5). Upon receipt and approval by the KCMHB of appropriate documentation the awarded funds will be released.

c. Lump Sum Awards: For the purpose of these Guidelines, the Lump Sum Awards shall refer to an approved application and the contract between the KCMHB and an organization for the purpose of obtaining the specified services for the persons served by that organization for a specified time period. The Lump Sum Awards may be issued at the beginning or at the end of the Funding Award Period, divided into quarterly payments at the beginning, at the end of the Funding Award Period or into twelve (12) monthly payments at the beginning or at the end of the Funding Award Period or some mutually agreed upon combination of such payment periods.

(1). The KCMHB shall approve a specific amount for the services outlined within an application. Upon receipt of the contract, the applying organization will be expected to expend the awarded funds for the services outlined.

(2). At the conclusion of Funding Award Period or at an agreed upon period of time the organization shall submit documents to confirm that the services provided and the awarded funds expended during that period correlate to those outlined in the application and the Lump Sum Award contract.

(3). Upon receipt and approval of such documents by the KCMHB the specified funds will be released.

#### C. AWARD DISTRIBUTION METHODS:

1. The KCMHB will consider the use of any of the Funding Award types specified within these Funding Guidelines.
2. The KCMHB reserves the right to select the award type believed to be in the best interests of the persons served, Knox County and the KCMHB.

#### D. DUPLICATE FUNDING AND PARTIAL AWARDS:

1. The KCMHB Funding Awards, unless otherwise noted, are expected to fully support the service as outlined within the application and the contract.
  - a. An organization shall not receive duplicate funding for the same service from another source.
  - b. An intentional violation of this section shall require the return of the KCMHB Funding Award and the potential loss of future participation in the KCMHB funding process.
2. Partial funding of the service shall be permitted provided that the contract specifies the partial funding and has identified the source of other funds utilized to complete the full funding of the service.
3. The KCMHB expects that additional, previously unreported, funding which may become available during the funding period should be reported to the KCMHB in a timely manner.



## E. CHANGE ORDERS:

1. If any organization under contract with the KCMHB is unable to expend all of the awarded funds or has realized excess monies from any awarded funds or desires to spend funds differently for any reason within the Funding Award Period, other than as specifically set forth within the approved application, the *organization* shall submit a Change Order to formally request approval from the KCHMB to utilize/reallocate the approved funding in some different manner.
2. Each submitted Change Order should conform to the following points at a minimum:
  - a. Change Orders should be written.
  - b. Change Orders should be signed and dated by the original Grantee.
  - c. Change Orders should clearly identify the amount of funds affected by the requested change and ensure that those funds shall not exceed the maximum amount approved within the original contract.
  - d. Change Orders should affirm that the funds specified within the Order will be expended within the original Funding Award Period.
  - e. Change Orders should explain, in detail, the reason for the funding change. Examples include but should not necessarily be limited to:
    - (1). Excess funds from savings realized as a result of efforts made by the funded organization.
    - (2). Excess funds from savings realized as the results of market reductions or some other unanticipated cost reduction event.
    - (3). Unexpected delays and/or other unavailability of proposed personnel, equipment, facilities or other commodity required to provide the services as originally outlined within the application process.
3. Each Change Order should correlate with the eligibility requirements and all other section(s) of these Funding Guidelines.
4. Each Change Order should be submitted in a timely manner to ensure that the KCMHB is aware of any potential alteration(s) to awarded funds which may require the reallocation or return of such funds.
5. Each Change Order shall be reviewed by the KCMHB. Upon review, the KCMHB shall:
  - a. Deny the Change Order and require the return of the funds as specified in the Change Order to the KCMHB Special Funds account or
  - b. Approve the Change Order and the expenditure of the funds as specified within the Change Order request.
  - c. Approve the change order and the expenditure of funds as specified within the change Order request with any modifications made and approved by the KCMHB.

## F. LATE REPORTS:

1. An organization which has received an award payment as outlined within the contract shall submit performance reports as specified in a timely manner.
2. The failure to submit required reports in a timely manner may result in the reduction and/or termination of the current contract and may be grounds for the denial of future funding applications.

## **VII. ACCOUNTABILITY:**

### A. MEETINGS:

1. Upon the receipt of the contract an organization shall advise the KCMHB of meetings of their Board of Director's on a timely basis. Additionally, the organization will permit a KCMHB Member to attend Board meetings if or when requested.
2. Upon request, an organization under contract will provide the KCMHB minutes of their Board of Director's meetings.

### B. OTHER PUBLIC FUNDING:

1. An organization under contract may be required to provide the KCMHB with a full copy of any other request or application for funding of a new or adjusted request for other public funding for mental health, developmental disabilities, and/or substance abuse services within one week of the time the other request has been submitted to the other funding body. See Funding Details Part V. E. Duplicate Funding. The Illinois Community Mental Health Act (405 ILCS 20 3 (e)(j)) requires that the KCMHB review and provide comments, as necessary, on such requests and applications. This includes applications to units of federal, state and local governments.
2. An organization under contract with the KCMHB and which may receive separate funding from any department of Illinois State Government in support of a similar KCMHB mission regarding: mental health, developmental disabilities and/or substance abuse services may be required to submit relevant documents to the Board within a mutually agreed time following a submission for such funding to the Illinois Department/Agency. The documents (as mutually identified) may include but may not necessarily be limited to:
  - a. Budget applications
  - b. Service plans
  - c. Program Service and Funding Plans
  - d. End of year Service and Fiscal Reports
  - e. Any other documents commonly referred to as "Agency Plans"

### C. FINANCIAL ASSURANCES:

1. The KCMHB expects that all expended funds shall support effective services to eligible individuals in a cost-efficient manner and that all costs submitted for such services will be accurate and reasonable. To ensure that expectation, any organization under contract with the KCMHB shall agree to provide any financial information requested by the KCMHB and/or provide access to any financial records so that the KCMHB may confirm the

accuracy and reasonableness of such costs as they may relate to use of Board funds.

2. The KCMHB shall require an organization under contract with the KCMHB to cause an appropriate Financial Assurance Report (Financial Compilation or Financial Review or Financial Audit) to be completed as requested by the KCMHB and/or as mandated by pertinent law and applicable guidelines. Any such financial assurance report shall comply with all required and generally accepted accounting procedures appropriate for the type of organization in question.

3. Organizations under contract will submit the results of a Financial Assurance report within 30 days of the completion of the report. If the financial assurance report has produced a finding that the organization is not fully compliant the KCMHB shall be notified immediately. The report should properly identify income and expenses related to the KCMHB contract and should normally include the management letter and any noncompliant findings and recommendations.

4. An organization in receipt of a KCMHB contract will permit the KCMHB to select an auditor, at the KCMHB's expense, to perform an independent audit of the organization in question.

#### D. KNOX COUNTY MENTAL HEALTH BOARD AUDITS:

1. Audits of the KCMHB Funds and subsequent Awards will be subject to annual audits performed by the Knox County Treasurer and Clerk's Offices.

2. Such auditing costs shall be budgeted and paid from within the KCMHB Operational Budget.

#### E. EVALUATION REPORTS AND MONITORING:

1. An organization under contract shall report services provided and other requirement(s) as outlined within the contract in a time frame consistent with the contract terms.

2. An organization under contract has agreed to "on-site" monitoring by Members of the KCMHB to determine the degree of compliance with the contract and these Funding Guidelines. The frequency of "on-site" visits may vary depending on the type of service and the results of previous monitoring visits.

#### F. CANCELLATION OF AWARDS:

1. The KCMHB reserves the right to terminate an organization's contract.

2. Such termination shall take place by written notice.

3. Upon such cancellation all un-expended funds shall be returned to the KCMHB.

