

## **PART THREE: SCA FISCAL MANAGEMENT**

### **3.01 BUDGET DEVELOPMENT**

#### Agreement

The Agreement between BDAP and the SCA is a multi-year legal document that binds the SCA to the requirements of the Commonwealth and serves as the mechanism by which the SCAs can obtain federal and state funds. These funds are to be used for the provision of D&A prevention, intervention, treatment and treatment-related services, including administrative costs.

As part of the process for a new agreement period, the agreement is sent to the SCAs for review and signature prior to its implementation. Timely approval of the agreement is contingent upon how quickly the SCA returns the executed agreement and budget to BDAP, budget review and subsequent approval by BDAP, and the passage of the state budget.

Employees of the SCA and subcontractors who have financial responsibilities related to the receipt and disbursement of funds awarded under the Agreement in the amount of \$10,000 or above in an annual period shall be covered by a fidelity bond adequate to protect the Department and the SCA from any loss.

#### Award Letters and Summaries

BDAP issues a Tentative Schedule of Funding to the SCAs approximately three months prior to the start date of a new agreement. This award notice identifies the anticipated funding allocations for the SCA. Allocations are identified between state and federal funds, and, if applicable, by special initiatives. SCAs use this information in preparing the 34 Budget Form, which becomes part of BDAP's agreement with the SCA.

BDAP reserves the right to increase or decrease the total amount of the agreement when available funds differ from those approved in Appendix C of the agreement. In addition, BDAP reserves the right to review the SCA's use of funds. If there appears to be unused funds under the agreement, BDAP may reduce the total amount for a SFY in order to reallocate the funds elsewhere. BDAP will issue revised funding schedules to SCAs during the course of a fiscal year or over the course of the agreement, as necessary, relative to increases or decreases to the agreement. The SCA utilizes the funding schedule to prepare budget information applicable to amendments to their agreements. The revised Schedule of Funding outlines the total amount allocated to the SCA, including the original agreement allocation for a given fiscal year, plus any increases or decreases that may occur through amendment during the fiscal year. Any such increases during the term of the agreement will be effective when DOH approves the amendment to the agreement. Any such decrease during the term of this agreement shall be effective upon receipt by the Grantee of such written notice.

#### 34 Budget Form (Budget)

The budget portion of the agreement, known as the 34 Budget Form, consists of three pages for each fiscal year of the agreement. Each page of the budget has the proposed expenditures broken down by activity.

Page One of the budget includes BDAP program awards. SCAs complete this page by budgeting the dollars identified in the Schedule of Funding by activity code. Specific budgeting instructions are sent along with the Budget Form for assistance in the proper placement of funds by activity code. Funds budgeted and expended for Activity 51, Administration, shall not exceed twenty percent (20%) of BDAP state and federal funds. BDAP funds include all funding sources identified on Page One of the Budget Form. Of the funds identified on Page One, only state base funds (Appropriation 10-653) shall be used to reimburse the SCA for administrative expenditures, unless the SCA is the recipient of other state or federal special initiatives that allow for administrative expenditures.

Amounts budgeted on Page One for each of the three major funding streams (State funds, Federal SAPTBG funds and Federal SDFSCA funds) must match those identified in the award notice. SAPTBG funds budgeted under Drug Prevention, Alcohol Prevention, Drug Intervention/Treatment and Alcohol Intervention/Treatment must be budgeted as identified in the award notice as well. In addition, any amounts budgeted for special initiative funding must also match those on the award notice. Finally, the total funds budgeted in Column 7 must match the total amount on the award notice.

Page Two of the budget includes DPW revenue and income while Page Three includes revenue and income from a variety of other funding sources. The SCAs complete these pages by budgeting the funds received from identified sources by activity code. The SCA must adhere to any restrictions imposed by these funding sources. The SCA should budget all other funding received by the SCA but not specifically identified on the 34 Budget form, under the "Other D&A" column.

The 34 Budget Form must be completed accurately and must be mathematically correct. Subtotals and totals from Page One must be checked both vertically and horizontally and must match the Schedule of Funding. The form must be signed by the SCA director or appropriate official and returned to BDAP's Fiscal Section.

The SCA must also provide a Roster of Personnel (Form 313) for each year of the agreement. The form must list the position classification and position number, the hours required for work per week and the annual salary for the position. The personnel rosters will be included in the agreement as an attachment to the budget appendix.

Amendments to the agreement occur throughout the SFY. SCAs are to follow the same general procedures as identified above in preparing the amendment.