

DEPARTMENT OF HEALTH

GRANT AGREEMENT PAYMENT AND OPERATIONAL PROVISIONS

1. The Department will reimburse the Grantee for services rendered during the term of this Grant Agreement in accordance with Appendix C, for the services identified in the Work Statement, Appendix A as follows:
  - a. To the maximum amount of state funds during the term of this Grant Agreement to finance drug and alcohol abuse prevention, intervention, treatment and case management services as set forth in Appendix C of this Grant Agreement.
  - b. To the maximum amount of federal funds during the term of this Grant Agreement for drug and alcohol abuse prevention, intervention, treatment and case management services as set forth in Appendix C of this Grant Agreement.
2. County Match Requirement
  - a. The Grantee shall contribute local funds to match state funds (Appropriation 10-653) at a minimum ten percent (10%) matching rate during the term of this Grant Agreement in the following activities:
    - (1) Administration (Activities 51)
    - (2) Prevention (Activities 61, 62, 63, 64, 65, 66, 67)
    - (3) Intervention (Activities 71, 72)
    - (4) Outpatient (Activities 86A1, 86A2, 86B)
  - b. The county's minimum required match is calculated on state funds in matchable activities. For example, for a cost of \$90 in state funds in a matchable activity, the county must contribute a match of \$10. Note that the \$10 match does not represent 10 percent of the \$90 (state funds) but 10 percent of the \$100 (total of state funds and county match). In other words, for matchable activities, state funds comprise 90 percent of the cost and local funds comprise 10 percent of the cost.
  - c. The Grantee's cost shall be calculated as the total service expense, less federal or other grant revenues, interest income and third party income received, as provided for in subparagraph 3b below. Match funds can be composed of local government tax revenues (including federal revenue sharing) and private, civic funds directly received and disbursed by the Grantee, providing such funds are not used to satisfy other

matching conditions. Federal funds, other state funds, Driving Under the Influence fine money, Accelerated Rehabilitative Dispensation fees, in-kind services or donated furnishings or equipment shall not satisfy the Grantee match responsibility.

- d. The actual year-end county match obligation due shall be based upon the final year-end fiscal report that shows the final expenditure of state funds by matchable activities. Grantees not meeting the minimum match requirement at the end of this Grant Agreement's term or at the end of any annual period [July 1 through June 30 state fiscal year (SFY)] during the term of this Grant Agreement shall remit a check to the Department in the amount of the under-match with the submission of the fourth quarter report.

3. Interest Income and Third Party Income

- a. State and federal funds received under this Grant Agreement shall be promptly deposited in an insured interest-bearing account. Interest income derived from such deposits is Departmental funds and, as such, shall be reported on a bi-annual basis each year of the Grant Agreement to the Department in accordance with the Bureau of Drug and Alcohol Programs (BDAP) Report Schedule. All interest income earned by the Grantee from the use of BDAP funds obtained through this Grant Agreement (except for third party reimbursement for program services) shall be utilized before BDAP funding is utilized, or to purchase additional services. All subcontractors, except fee for service providers, that derive interest income from Departmental funds provided to such subcontractors by the Grantee shall also be required to utilize such income before BDAP funding is utilized or to secure additional eligible drug and alcohol services.
- b. The Grantee and subcontractors shall ensure that funds received under this Grant Agreement are not utilized to pay for any item or service to the extent that payment has been made or can reasonably expect to be made with respect to that item or service through third party income. Third party income resulting from the provision of services under this Grant Agreement shall be applied against the approved cost or charge of such services rendered during that same period in order to reduce the amount of reimbursement due from the Department or Grantee. Examples of such third party income include, but are not limited to, medical assistance reimbursements, client fees, insurance reimbursements, training fees, and food stamp redemptions. Records of receipt and disposition of fees shall be maintained in accordance with Paragraphs 9, 10 and 11 of Appendix D.

4. Travel

The Grantee and subcontractors shall be bound by the terms and conditions regarding travel and subsistence rates as set forth in Appendix J of this Grant Agreement and Part 4.03, 312 Staff Travel of BDAP's Fiscal Manual.

5. Invoicing Instructions

a. In order for BDAP to provide working capital and meet Grantee cash needs, payments will be made in at least twelve (12) installments to the Grantee, in accordance with thirty (30) day disbursement projections as determined by the Department, up to the total amount available for each respective SFY of the Grant Agreement. However, the Grantee may submit fewer than twelve (12) invoices if invoicing on an after-the-fact (reimbursement) basis.

~~3~~.b. The Grantee shall develop criteria to support a thirty-day cash advance request. The Grantee shall consider cash on hand from prior advances and disbursement projections for the period requested (including client service trends, actual, immediate cash requirements of the subcontractor, invoicing timeframes) to arrive at a cash request amount. Cash payments by the Grantee to subcontractors shall be limited to the minimum amounts needed and shall be timed to be in accordance with the actual, immediate cash requirements of the subcontractor in carrying out the purpose of the approved subcontract. The timing and amount of cash payments shall be as close as is administratively feasible to the actual disbursements by the subcontractor for direct program costs and the proportionate share of any allowable indirect costs.

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~~4~~.c. Request cash needs for each of the funding categories identified on the invoice. If a particular funding source has not been awarded to the Grantee, leave that category line blank. If funds are not needed for any one of the funding categories awarded to the Grantee, enter zero (-0-).

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~~4~~.d. If the Grant Agreement is amended during the SFY, adjust Line A Current Approved Budget to reflect the revised total amount available for each particular funding source. The Grantee shall not make adjustments to Line A until notified by BDAP that the amendment has been approved by the Department.

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~~5~~.e. The Grantee is responsible for controlling the amount of cash requested and for maintaining accurate records of liquidations by funding source category. As monthly cash is requested for each funding category, record amounts requested and remaining balances to ensure that categories are not overdrawn or that excessive cash balances are not accumulated.

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~~6~~.f. Grantees are to submit invoices to BDAP fifteen (15) days preceding the month to which it applies. For example, the cash request for March is due to BDAP on February 15. Do not submit accelerated monthly requests.

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~~7~~.g. Grantee requests should be continuous in time during the year. If cash is not needed for a particular time period and an invoice is not submitted, then the next invoice submitted should reflect the entire time period since the last request to avoid the appearance of missing any one particular month.

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8.h. The Grantee shall ensure that invoices are complete and correct. Incorrect or inaccurate invoices (e.g., mathematical errors, missing signature, time period, dates) will be returned to the Grantee for correction, thereby delaying payment.

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i. The Grantee shall submit an original invoice, signed by an authorized official of the Grantee directly to the Pennsylvania Department of Health, Bureau of Drug and Alcohol Programs, 02 Kline Plaza, Harrisburg, PA 17104. Invoices shall show the SAP Vendor number, SAP Document number, Federal identification number, date when submitted, name of person preparing invoice, billing period, and total invoice amount.

11.i. The Grantee shall ensure, upon receipt of a check, that the payment agrees with the processed invoice. A transmittal stub is sent to the Grantee along with the payment. If the County Commissioner's Office receives checks directly, the Grantee is still responsible for verifying payments.

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k. If the Grantee has made arrangements with BDAP to receive payment through an automatic transfer process, the Grantee will receive a transmittal that includes the agreement number, invoice number, payment amount, and Grantee name. The transmittal is mailed to the Grantee at the time the Public Health and Human Services Comptroller's Office processes the invoice for payment. The Grantee should expect payment within two (2) weeks from the date the transmittal was produced.

l. The Department has the right to disapprove any expenditure made by the Grantee that is not in accordance with the terms of their Grant Agreement and adjust payment to the Grantee accordingly.

m. The payment provisions as outlined in this Paragraph 5 are subject to change by the Comptroller or the Department as required to better facilitate the cash management objectives of the Commonwealth.

6. The preparation and subsequent release of payments by the Department, under the provisions of Paragraph 5 of this Appendix B, shall be contingent upon the Grantee's timely responsiveness and compliance with the following:

a. The Grantee's receipt of an approved Grant Agreement from the Department.

b. The existence of a separate Personnel Agreement between the Grantee and the Department.

c. Receipt of a list of subcontractors to this Grant Agreement in accordance BDAP's Report Schedule.

d. Completion of responsibilities for monitoring the drug and alcohol projects and services funded which are related to the Single County Authority (SCA) Plan and contractual work statement.

- e. Compliance with personnel and other requirements which impact directly on the performance of the Grantee's activities, its adherence to the approved SCA Plan and the work statement and budget of this Grant Agreement.
- f. Adherence to the original budget or any approved budget modifications.
- g. Compliance by the Grantee with reporting requirements which include, but are not limited to, those supporting the fiscal and client data systems for state and federal funding associated with this Grant Agreement.

7. Budget Revisions

The Grantee has the option to reallocate funds among and within budget categories (i.e., Administration – Activities 51-54, Prevention – Activities 61-67, Intervention – Activities 71-72, and Treatment – Activities 82A – 88C), subject to the following criteria:

- a. On its own, the Grantee may reallocate funds between budget categories up to 10 percent of the amount budgeted for the category to which funds are to be transferred no more than once each half of the State fiscal year. The Grantee shall promptly notify the Department in writing of such transfers. Reallocation of funds between budget categories exceeding 10 percent, or more often than once each half of the State fiscal year, requires prior written approval by the Department. Budget revision requests shall be submitted to the Project Officer of the Department of Health no later than April 15 of each State fiscal year.
- b. Grantee may not reallocate funds to increase any salary, hourly wage, or fringe benefits except that in the event Grantee is subject to a collective bargaining agreement or other union agreement and, during the term of this Grant Agreement, salaries, hourly wages, or fringe benefits under this Grant Agreement are increased because of a renegotiation of that collective bargaining agreement or other union agreement, Grantee may reallocate funds to cover such increase. In such case, the Grantee must obtain the Department's prior written approval for such reallocation. Grantee shall submit to the Department written documentation of the new collective bargaining or other union agreement, which necessitates such reallocation. In addition, this paragraph is not intended to restrict any employee from receiving an increase in salary based on the employer's fee schedule for the job classification. However, all increases are subject to the availability of funds awarded under this agreement. The Commonwealth is not obligated to increase the amount of award.
- c. The following major revisions require an amendment to this Grant Agreement and also prior Department approval:
  - (1) A reduction in an approved allocation.
  - (2) Reallocation of funds among funding sources (appropriations).
- d. The Grantee may request a budget revision in concert with the submission of a revised budget form for an amendment to the Grant Agreement.

e. The Grantee must comply with all procedures and requirements for major and minor revisions as described in BDAP's Fiscal Manual.

8. Settlement between the Grantee and the Department for unexpended funds from cash needs requests SCAs must return any funds not expended or encumbered by June 30 (for deliverables to be received and paid within 60 days ~~August 31~~). Grantees should limit the amount of funds requested throughout the year on advance invoices to amounts anticipated for actual expenditures and thereby limit the amounts being refunded. All unexpended funds must be returned to the Department by August 31 along with the submission of the fourth quarter fiscal report. The refund check is made payable to the Department of Health. Unless approved by the Department, no payments under the Agreement between BDAP and the Grantee shall be made until this requirement is satisfied. This return of funds applies to all sources of BDAP funds (state monies, block grant funds, and other federal funds administered by BDAP) unless stated otherwise in the agreement between the Grantee and BDAP. If monies are due to the Grantee, an invoice must accompany the fourth quarter fiscal report.

In some instances (e.g., federal pass-through funds for a multi-year, limited term project), provisions are included in the agreement that will allow for the carryover of categorical funds designated for a particular project. In addition, the Grantee may receive late refunds from subcontractors after the August 31 deadline for submission of refunds to the Department. Such refunds may be due to audit findings or circumstances found during monitoring of their subcontracts. In such instances, it will not be necessary for the Grantee to adjust/resubmit their fourth quarter fiscal report unless the amount of the refund exceeds one percent of the total BDAP funds allocated for the applicable SFY or \$5,000, whichever is less. The Grantee must report the refunds received under the appropriate source of funds as a prior year adjustment on the second quarter report, Form 321, for the current SFY. The Grantee must also provide documentation identifying such prior year adjustments. If the amount of the refund exceeds the parameters outlined above, it will be necessary to submit a revised Fourth Quarter Report and a refund check made payable to the "Department of Health." Carryover of all other BDAP allocations from one fiscal year to the next fiscal year is not permitted.

9. 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 Grantee for administrative expenditures, unless the Grantee is the recipient of other state or federal special initiatives that allow for administrative expenditures.