DFCS Training for New County Directors

Workshop No. 4
Budget and Fiscal Management
Participant's Guide

The Mission of the Department of Human Resources: To strengthen Georgia's families by supporting their self-sufficiency and helping them protect their vulnerable children and adults by being a resource to their families, not a substitute.

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Workshop 4 Overview

Workshop 4 is the fourth of a series of four workshops designed for new County Directors. Although new County Directors bring a lot of skills and knowledge to the job, the specifics of managing a fiscal budget will be new to most participants. In this two-day instructor-led course, you will learn about your role as a County Director in managing budgets and fiscal matters and will learn about various reports and sources of data related to budgets. You will also learn how to use the Administrative Services Policy and Procedure Manual (the APPM) to access key information about budgeting, purchasing, and related policies, budget types and sources of funding. Finally, you will be presented with resources and best practices, and will be given opportunities to practice new information through hands-on activities.

Workshop Objectives

Upon completion of this workshop, new County Directors will be able to:

➢ Describe the budget process from legislature to creation, revision, and close out.

➢ Describe the County Directors role in managing budgets.

➢ Differentiate different budget types.

➢ Differentiate different fund sources.

➢ Demonstrate how to review and use the 500 series accounts.

➢ Describe various financial reports required for budgeting and fiscal management.

➢ Given a financial report, identify trends and potential problems.

➢ Describe how to complete monthly monitoring.

➢ Identify which accounts are set and which are loaded as needed.

➢ Describe the County Directors role in managing lapse and the factors that impact it.
  - Define lapse.

➢ Given a description of current staff allocation, account for the allocation and identify options to take and best actions.
  - Define staff allocation.

Workshop Objectives, *continued*

➢ Define the revenue maximization initiative and its purpose.
- Describe the purpose of Targeted Case Management Services (TCM) and why it is important.
- Describe Random Moment Sample Study (RMSS) and its purpose.
- Describe IV-E billing and the importance of determining appropriate client eligibility.

➢ Describe procurement rules.

➢ Describe how to set up and renew Memoranda of Understanding (MOU's), agreements and leases.

➢ Describe best practices in budgeting and fiscal management.

➢ Given a description of a County Directors action in a budgeting/fiscal management scenario, evaluate whether it was the appropriate action to take.

➢ Given information about the financial status of the county, identify appropriate actions for the CD.

Agenda

Day 1	Section	Topics
	Introduction and Opening	• Welcome • Icebreaker Activity • Overview, Goals, Agenda and Ground Rules
	Budget Process Overview and the County Director's Role	• Overview of the Budget Process • County Director's Role in Managing Budgets
	Budget Types and Fund Sources	• Budget Types • Fund Sources & the 500 Series • Guidelines for 500 Series Accounts • Loaded vs. Fixed Accounts
	Reports and Monitoring Budgets	• R&E Compared to Budget • Consolidated Financial Reports • Balance Sheet
	Managing Staff Allocation and Lapse Factor	• Managing Staff Allocation • Managing Lapse Factor
	Activities that Generate State or Federal Funding	• Intro to Rev Max • TCM • Random Moment Sample Study • IV-E Billing
Day 2	**Section**	**Topics**
	Purchasing and Procurement	• Rules and Policy • Setting Up and Renewing Agreements and Leases • Setting Up and Renewing MOUs
	Best Practices and Resources	• Best Practices • Resources / Support for Budgeting Responsibility
	Putting It All Together	• Activity: Expenditure Detective
	Workshop Summary and Wrap-Up	• Finalizing Your Personal Development Plan • Summary and Workshop Evaluation

Budget Development Cycle

Appropriations

Appropriations passed; Sent to Governor for Signature

Next Fiscal Year Planning Begins

Begin to Implement

Legislative Appropriations Process

Plan Presented to Board

Governor Proposes Budget to General Assembly

Operationalize Budget

Governor's Office Works with Agency To Develop Governor's Proposal

Budget Proposal To Governor

April
March — May
February — June
January — July
December — August
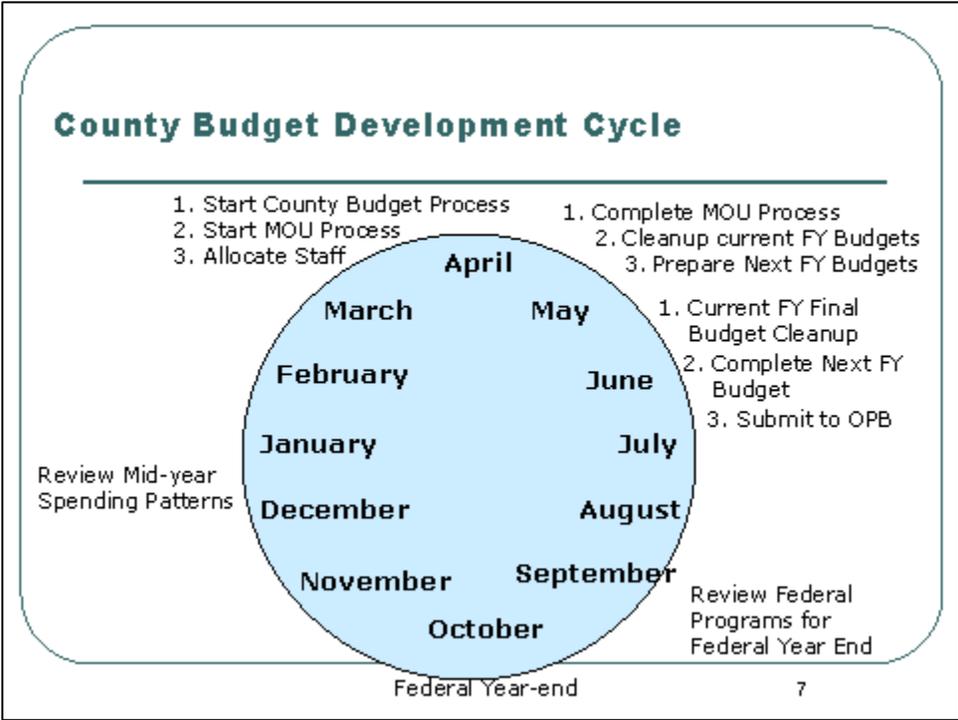November — September
October

Overview of the Budget Development Cycle

The following provides an overview of the annual budget process from development, through proposal, appropriation, and implementation. For illustration purposes, we will use FY 05 as the current budget year and FY 06 as next year.

Month	Activity
April 2005	Start planning for next fiscal year (FY 06).
April / May 2005	County Director and will be asked for input into FY 06 budget planning. A plan will be created and discussed at DFCS Management Team.
June 2005	Plan goes to Department level and is presented to DHR board.
July 2005	Current (FY 05) budget is implemented.
September 2005	FY 06 Budget proposal is submitted to Governor's office.
October, November, and December 2005	Governor's Office consults with the Department and the Division comes up with FY 06 Governor's proposal.
January 2006	FY 06 proposal submitted to legislature.
February / March 2006	Legislative appropriations process takes place for FY 05 supplemental budget and FY 06.
March 2006	Appropriations are passed for current year supplemental budget and next FY budget and governor signs off.
April 2006	Preparations are made to implement FY 06 budget.
April 2006	Once the state budget is set, then we get into county DFCS budgets (cycle starts all over again).

County Budget Development Cycle

County Budget Development Cycle

1. Start County Budget Process
2. Start MOU Process
3. Allocate Staff

1. Complete MOU Process
2. Cleanup current FY Budgets
3. Prepare Next FY Budgets

1. Current FY Final Budget Cleanup
2. Complete Next FY Budget
3. Submit to OPB

April
March   May
February   June
January   July
December   August
November   September
October

Review Mid-year Spending Patterns

Review Federal Programs for Federal Year End

Federal Year-end   7

Month	Activity
March	• Start Local County Budget approval process. • County Director will start negotiating agreements and MOU's for next fiscal year.
April	Complete MOU's for upcoming fiscal year.
May	• Start current FY budget cleanup. • Establish local staffing based on staff allocation distributed by OPBS.
June	• Complete current FY budget cleanup. • Complete and submit upcoming FY budgets to OPBS.
July	New fiscal year budget is implemented.
September	Review Federal Programs for Federal Yearend (9/30)
January	Mid-Year review of spending patterns for needed adjustments
March	Start the budget process over for the next budget cycle.

County Director Role(s) in Managing Budgets

- County departments are in charge of developing annual budgets to assure adequate financial support for county operations.

- Once the annual budget is determined, the County Director must ensure that the county budget is maintained within the limits provided for each category (fund source), for totals, and for the number of staff allocated.

- County Directors and Regional Accounting (if applicable), will also monitor expense activity against budget availability. If a budgeted item is going to be overspent, the County Director must take the appropriate action to curtail the expense or transfer funds from other programs where appropriate.

- County Directors should always request additional funding if an account or program is low and/or overdrawn, especially if it prevents providing needed services to clients. Although requests can be denied, County Directors should ALWAYS ask!

Budget Types

- Regular Grant-In-Aid (all 100 series)

- County Cash Match (all 200 series)

- Special Grants (all 300 series)

- Local Operations (all 400 series)

- Direct Benefits to Clients (all 500 series)

- Cash Match Direct Benefits to Clients (all 600 series)

Activity Worksheet: UAS and Entitlement Codes

The web address for the Administrative Policies and Procedure Manual is:
http://167.193.143.47:9700

Directions: Using the list of UAS Codes in the COSTAR section of the APPM, complete the activity below. For each UAS code listed, write in the appropriate description.

UAS Code	Description
501	
502	
503	
504	
505	
506	
510	
517	
522	
521	
544	

UAS Code	Description
545	
571	
573	

Activity Worksheet: My UAS Codes

Directions: Refer to the R&E Compared to Budget report that you brought with you to class from your county. Using your R&E report as a guide, locate the first ten 500 series items or accounts on your report. Using the UAS Codes list in the APPM, fill in the complete UAS code and the description name below.

The first ten 500 series accounts located on my R&E report are:

UAS Code	Description

Activity Worksheet: 500 Series Accounts

Directions: Refer to the APPM, UAS Synopsis Code Pages tab, in order to complete this activity. Answer the questions below.

1. What is the program name for UAS Code 521 and what is the program purpose?

2. What is the program name for UAS Code 571 and what is the program purpose? Is an MOU necessary to purchase these services? What is the expenditure cap per family?

3. What is the program name for UAS Code 573 and what is the program purpose? Is an MOU required to purchase these services? What is the expenditure cap per family?

4. What is the program name for UAS Code 544 and what is the program purpose? How many hours per week should the adult person be working, in school, or in training to qualify for this program?

5. What is the program name for UAS Code 516 and what is the program purpose? Can clients or vendors be reimbursed for the cost of child care?

6. A Caseworker, Jill, approaches you regarding a TANF recipient who needs a uniform in order to get a job in a hospital. She wants to know if there are funds available to pay for client uniforms. What do you tell her?

7. A medically fragile child dies while in foster care. One of your Supervisors, Jim, is unsure about whether there is money available to cover the funeral expenses for the child. What do you tell him?

8. A Caseworker, John, approaches you because his Supervisor is new. He wants to know if the agency can pay for legal fees related to a child adoption. What do you tell him?

9. What is the program name for UAS Code 518 and what is the program purpose? What is the maximum length of time that services can be provided under this program? What is the purpose of the Summer Safety/Summer Enrichment program and what is the maximum dollar amount allotted per child?

10. A Supervisor, Gwen, approaches you about a case. A foster family just had a death in the family and need to travel to Alabama on an overnight trip to attend the relative's funeral. They have a foster child and would like to see if there are any options for caring for the child while they are away. What do you tell her?

11. A caseworker, Charlotte, approaches you as her Supervisor is out of the office. A former foster child is now 21 and is registered for the Independent Living Program (ILP). She will be attending the community college, and the caseworker wants to see if there are any funds available to pay for books or tuition. What do you tell her?

12. What is the difference between fund source 501 and 502?

13. What is the difference between fund source 505 and 506?

14. What is the difference between fund sources 508 and 509?

15. What is the difference between fund sources 516 and 517?

16. What is the difference between fund sources 555 and 556?

R&E Compared to Budget Report Sections

The R&E Compared to Budget report is broken out by both revenues and expenditures. There are five columns in the report:

- *Budget:* Shows the annual budgeted amount allocated for each line item.

- *Current:* Shows the total expenditures for last month at close-out.

- *Year-to-Date:* Shows year-to-date expenditures for each line item.

- *Pct:* Shows the percentage of the annual budget spent to date.

- *Remaining:* Shows the amount of available funds for each line item.

Activity Worksheet: R&E Compared to Budget

Directions: Using your R&E Compared to Budget report, complete the following:

1. What percentage of year has elapsed to date?

2. Based on percentage of year elapsed to date, which line items in the *PCT* column might indicate an overspending situation? Highlight them using a highlighter pen and be prepared to ask your Field Fiscal Officer about them, if needed.

Activity Worksheet: Balance Sheet Checklist

Directions: Using your Balance Sheet report, use the following checklist to review and analyze your balance sheet.

Balance Sheet Checklist

Criteria	Description	Findings
1	To balance, total assets must equal total liabilities and fund balances on the statement.	
2	The cash account (114.101) should NOT have a negative or low amount – this could indicate a cash flow problem. This balance includes the current year's county funds plus any surplus (fund balance) left over from prior years.	
3	There should not be any negative balances on the balance sheet – this should prompt a County Director to ask questions.	
4	The Restricted fund accounts (284.251 to 284.259) shown at the bottom of the report should equal the Cash-Bank (117.102/Bank 2) plus any Restricted Fund savings (117.106).	
5	The Operating Fund Balance (320.271) should be equal to or greater than the county savings account (114.107).	

Activity: Managing Fixed Accounts

Part 1 - Directions:

The following tables show various fixed accounts and annual SFY03 allocations. Using the figure provided, calculate a monthly expenditure for the county to help manage the funds appropriately throughout the year.

Prevention of Foster Care Allocations by UAS Program

County	PUP SFY03	Average Monthly Expenditure	Early Intervention SFY03	Average Monthly Expenditure
Effingham	*$13,221*	*$1,101.75*	*$21,250*	*$1,770.83*
Fulton	$386,916		118,537	
Lincoln	$4,819		$15,233	
McDuffie	$11,744		$4,193	

Child Care Allocation – UAS 544

County	SFY03 Allocation	Average Monthly Expenditure
Emanuel	*$596,458*	*$49,704.83*
Fulton	$16,764,369	
Lincoln	$129,136	
McDuffie	$801,329	

Part 2: My County's Fixed Allocation Accounts

Directions: Look at your R&E Report Compared to Budget. Using your report as a reference, complete the chart below:

Account	Annual Allocation	Year to Date Expenditure	Percent Spent to Date	Percent Year Elapsed
544 (Child Care)				
573 (Parent Aide)				
571 (Homestead)				

Based on the figures above, do you have any concerns about any of these accounts? Which ones and why?

Activity: Managing Staff Allocation

Directions: Read the scenarios below and determine options for managing staff allocation based on the information provided.

Scenario #1: Some counties only have a portion of a position for a Social Services (SS) Supervisor.

   a) How can the counties create multi-county supervisors from the portions of positions?

   b) What would be the best way to move partial positions around to be most useful for every county?

Scenario #2: One Class 3 county has 35 staff and is allocated:

   a) 2 FSWII positions and they need another SS Caseworker position. Can they reallocate a FSW position to SSCM?

   b) Is allocated ½ OFI Caseworker and ½ SS Caseworker position. They need an OFI Caseworker. Can they create an OFI position from these two halves?

   c) Is allocated ½ administrative position and ½ SS Caseworker position. They need SS Caseworker. Can they create a SS position from these two halves?

Scenario #3: The region wants to have an ABD (Adult Medicaid) Supervisor position (which is currently not allocated) so that the OFI Supervisors do not have to assume this program in addition to all others. How can the region create this position that is not allocated?

Scenario #4:

County B has a total staff allocation of 65 staff members for FY03. County B has 3 vacant positions as of May FY03. County B receives its new staff allocation as of June 1, 2003 for FY04 and it is for 64 staff members (1 position less). Should County B fill the vacant positions or not? The other counties in the area each have gained three positions. How will filling these positions by County B affect these other counties?

2005 SUMMARY STAFF ALLOCATION

REGION	CLASS	#	COUNTY	OFFICE OF CHILD PROTECTION							OFFICE OF FAMILY INDEPENDENCE							ADMIN DIR/	REG'L ACCTG STAFF	2005 STAFF ALLOC	2004 STAFF ALLOC	DIFF STAFF ALLOC
				2005 OCP ALLOC	5.25% ALLOC (INCL IN OCP ALLOC)	OK HL/ MCH/24	COMM WORKER	COMM PROJ	SUPRV	CLER	2005 OFI ALLOC	5% ALLOC (2005 OFI Alloc.)	CRS	RDC	SPECL PROJ	SUPRV	CLER					
6.0	4	5	BALDWIN	13.50			1.25		2.50	2.00	18.75				3.00	2.50	3.75	2.25		49.50	48.50	1.00
6.0	5	11	BIBB	67.25			4.25		11.75	9.25	81.00					10.50	15.75	15.75		216.00	224.25	-8.25
6.0	2	39	CRAWFORD	4.75			0.75		0.75	0.75	4.50					.50	0.75	1.25		14.00	14.50	-0.50
6.0	4	76	HOUSTON	23.00			1.75		4.00	3.25	32.75					4.25	6.25	3.25		78.50	80.25	-1.75
6.0	2	84	JONES	8.25			1.00		1.50	1.25	6.25					0.75	1.25	1.50		21.75	21.50	0.25
6.0	2	102	MONROE	6.25			0.75		1.00	1.00	7.25					1.00	1.50	1.50		20.25	20.50	-0.25
6.0	3	111	PEACH	5.50			0.75		1.00	0.75	11.25					1.50	2.25	1.75		24.75	26.75	-2.00
6.0	2	116	PULASKI	3.50			0.75		0.50	0.50	4.25					0.50	0.75	1.25		12.00	14.50	-2.50
6.0	3	117	PUTNAM	6.00			0.75		1.00	0.75	6.25					0.75	1.25	1.50		18.25	19.00	-0.75
6.0	2	143	TWIGGS	4.00			0.75		0.75	0.50	4.25					0.50	0.75	1.25		12.75	14.25	-1.50
6.0	2	158	WILKINSON	3.25			0.75		0.50	0.50	4.50					0.50	0.75	1.25		12.00	13.25	-1.25
6.0			Regional Staff		9.00								12.25	7.00	1.00				3.50	10.00	21.50	30.00	-8.50
REGION VI TOTAL				145.25	9.00	0.00	13.50	0.00	25.25	21.00	181.00	12.25	7.00	1.00		23.25	35.00	36.00	10.00	501.25	527.25	-26.00

STAFF BUDGET versus ALLOCATION RECONCILIATION
100 SERIES PROGRAMS – SUMMARY

REGION NUMBER _____

(1) DIR. INITIALS	(2) COUNTY	(3) STAFF ALLOC	(4) INTERNAL REGION SWAPS	(5) REGIONAL ALLOCATIONS UAS 136	UAS 120	CRS	CRDCs	(6) TOTAL REG ALLOC (3)+(4)+(5)	(7) STATE ASSIGNED	(8) SPECIAL 100 PROGRAMS UAS 117	UAS 121	UAS 132	(9) TOTAL AUTHORIZED COUNT (6)+(7)+(8)	(10) TOTAL BUDGETED	(11) POSITION OVER (UNDER)
TOTAL															

APPROVED _____

FIELD DIRECTOR   DATE

INSTRUCTIONS:

This form should be submitted with your SFY 05 initial budgets. It should include your region number, county names and number of staff

The total of Col. 4 should be zero. If not, attach explanation.

Activity: Managing Lapse Factor for Urban Counties

Directions: Locate your Personal Services R&E Compared to Budget report. Using the instructions below, complete the chart on lapse in your county.

- ➢ The first row under the expenditure column is Personal Services and represents a negative number. This is the lapse figure for the county.
- ➢ At the top of the report, locate the % of Fiscal Year Remaining.
- ➢ Locate the Total Expenditures row on the last page of the report and find the percent column. Note that figure.
- ➢ Add the % of Fiscal Year Remaining with the Total Expenditures amount.
- ➢ If these two figures are 100% or less, the county is on target with lapse.
- ➢ If these two figures are over 100%, the county may need to keep a position or positions vacant for a while in order to manage lapse.

Personal Services Lapse	
% of Fiscal Year Remaining	
Percent Total Expenditures	
% of Fiscal Year Remaining + Percent Total Expenditures =	
On Target with Lapse?	Yes or No

Activity: Managing Lapse Factor for Counties in Regional Acct.

Directions: Locate your county on the Statewide Personal Services Lapse Report (Handout). Using the instructions below, complete the chart on lapse in your county.

- ➢ The second column is the Personal Service's lapse amount and it represents a negative number
- ➢ At the top of the report, locate the % of Fiscal Year Remaining.
- ➢ Check the Column for YTD Expenditures.
- ➢ Check the column for the total Projected Expenditures.
- ➢ The column for Projected Lapse is the lapse amount for the county.
- ➢ The column for Terminal Pay allows the Budget office to refigure the lapse if necessary due to unusual high Terminal Leave cost.

Personal Services Lapse	
% of Fiscal Year Remaining	
Total YTD Expenditures	
Projected Lapse	
On Target with Lapse?	Positive number YES Negative number NO

Activity: What's the Lesson Here? - Budget Scenarios

No.	Scenario
1	Kay Thompson, a new County Director in Lincoln, reviewed her Revenue and Expenditures (R&E) Compared to Budget report in September. She determined that her child care budget was projected to overspend by $60,000 at the current spend rate based on the percentage of the fiscal year that had elapsed to date (only 25%). Based on this, she knew she would be in trouble toward the latter part of the year and might have to place clients on a wait list for these services. To prevent this, she called her Child Care Consultant to request more funding (also known as an enhancement) – it was approved. She also made a plan to communicate to her line staff regarding the child care budget and provided each worker with some guidelines for making approvals for child care services in order to stay within the designated budget going forward throughout the year.
2	David Stern is a County Director in Bulloch County. He notices that he is currently not meeting lapse as he has had zero staff turnover. Although he is concerned, he knows that lapse is difficult to control, particularly if turnover is low. David knows that if he gets a vacancy in the near future, he may have to decide to keep the position open or vacant for a few months in order to meet or manage lapse. When this occurs, he will have to consider factors such as the criticality of the position that is vacant, and how keeping the position open would impact current workloads and client demand.
3	Bill Eschmund is a County Director from Hall County. One of his Supervisors leaves the agency and creates a position vacancy in the Social Services unit. The Supervisor's salary level upon leaving was $36,000. The position is posted and an experienced candidate, Jim, from a neighboring county applies for the position and is the top candidate. Jim has been with the department for 28 years and is currently making $50,000. Bill is weighing out the pros and cons of hiring this experienced Supervisor. Bill realizes that if he chooses to hire Jim, he may have to keep one or two positions open or vacant for the rest of the year in order to meet lapse. He is currently weighing out the pros and cons and considering various scenarios to determine if hiring Jim is the best action to take.
4	Ruby Ferguson is the County Director for Gwinnett County. In reviewing her current R&E report Compared to Budget, she sees that her PUP funds have already been depleted. However, her Supervisor brings to her attention a case where the Court orders a psychological screening on an adult which costs $1,000. She calls the State Office to request an enhancement to her PUP funds in order to pay for services such as psychological screenings. State Office approves this enhancement.

No.	Scenario
5	Amy Woo is the County Director for Douglas county, which is a Class 4 county. She realized that this county had a fund balance of $400,000 which is large for a Class 4 county. In addition, each year, the county was receiving $300,000 per year through the county board. Amy realized that there was no real spending plan in place to spend the county monies effectively. She met with her management team and the board and determined that they would enhance the services for foster children in the county. The team made a budget and agreed to spend a certain percentage of the fund balance on advanced services for foster children. For example, they were able to subsidize foster parents who work outside the home for child care expenses. The county chose to pay the difference between what the state paid the foster parents and what the day care centers charged (which was out of pocket expense for the foster parents). The team also made a spending plan for the following year to avoid having a huge fund balance in the future.

Activities that Generate State or Federal Funding

Rev Max

- The State of GA has implemented a statewide Rev Max initiative to increase federal funding for the services that our state agency provides and purchases.

- The more federal dollars we can draw for specific programs, the further State dollars can go to support programs.

- CD's are responsible for Rev Max on the PMP – refer to Goal IV in the PMP.

- Three specific activities contribute to revenue maximization:

    - Targeted Case Management (TCM)
    - Random Moment Sample Study (RMSS)
    - IV-E Billing.

TCM

- Targeted Case Management Services (TCM) are defined as services which will assist individuals in gaining access to and managing needed medical, nutritional, social, educational, housing and other services.

- Under an agreement with the Department of Community Health, DFCS can draw down Medicaid funding for providing these services to certain targeted groups.

- This agreement allows DFCS to receive reimbursement for many of the casework activities already performed for adults, families and children in Georgia.

- Each county is given a TCM goal based on caseload size and the percentage of cases that are eligible for Medicaid.

- Some positions are funded through the reimbursement through Medicaid. If we don't bill for all eligible services, less money is available to the State and for positions.

- For rejections, County Directors should ensure that Supervisors are rebilling for those as they are usually rejected due to data entry errors.

Resources and Information about TCM:

- Each quarter, a TCM report is generated from the E&R Unit that will show how specific counties are doing.

- Additionally, there is a TCM report that can be pulled monthly from IDS Online – typically, Supervisors pull this report and review it. The report shows number eligible, number billed, and number rejected.

- Finally, SS Program Consultants are available to provide TCM training to groups, if needed.

Random Moment Sample Study (RMSS)

- RMSS is used to determine the amount of federal participation earned in each of the Division's programs.

- The study determines the amount of time spent on each program and collects this information through "strikes." Samples are collected for both SS and ES.

- Strike – Made to staff during the first 55 days of a quarter. During a "strike," the interviewer asks a County's staff member to identify what he/she is doing at a given moment in time. Data is only collected on service delivery staff (caseworkers).

- Reimbursement dollars are received for the State for activity that is spent on key programs such as Food Stamps, TANF, Medicaid, etc.

  Example: *Worker processing a Food Stamps application would provide reimbursement dollars; worker on break or at lunch or on annual leave will not.*

- Supervisors can maintain strikes or in some offices, a designated person is in charge of handling this process for the office.

- Interviewers get list of staff to "strike" – they collect information on the staff's activities and enter the data using an activity code which represent specific programs on whose behalf staff is working.

- County Directors need to understand that they are contributors to the State – State Office will know which counties are participating and reporting strikes.

- RMSS is important to staff as funds to pay salaries are earned this way.

- It is important that staff give exact and complete information regarding their activities in order to accurately charge the federal government for its fair share.

- Failure to post RMSS data in a timely fashion can jeopardize the validity of RMSS. This would adversely affect the allocation dollars for the Division.

IV-E Billing

- IV-E Billing refers to a federal source of foster care funding.

- Eligibility for foster care funding is based on the child's specific circumstances at the time they enter foster care.

- Three sources exist for foster care funding:
    - Initial Placement (503, 507, 579).
    - IV-E (Also known as AFDC-FC – includes 501, 505, 529, 560, 561, 562, 574, 575) which is federal.
    - IV-B (Also known as CW-FC – includes 502, 506, 530, 577) which is state.

- When children enter care, they only fall into one of the three initial categories.

- Eligibility workers make the determination as to whether a child is IV-E or IV-B eligible.

- Supervisors are responsible to ensure that IV-E is correctly billed and that eligibility errors are corrected.

- The order of preference is to use federal IV-E dollars first, Initial Placement dollars next, and use IV-B dollars last.

- County Directors are responsible for ensuring that their Supervisors and workers are billing correctly.

Setting Up and Renewing Agreements and Leases

Agreements

- Term Agreements
    - Used for equipment maintenance, rental or lease purchase, and for special services such as janitorial, security, refuse removal, etc.
    - Usually for a one-year period.

- Agreements that begin during the fiscal year may only cover the remainder of that fiscal year.

- A renewal clause can be included allowing the agreement to be renewed for two additional years under the same terms and conditions or under amended terms and conditions.

- Bid requirement apply.

- At the end of the renewal period, it must be rebid.

- The State of Georgia Standard Contracts for Maintenance, Services, Rental and Lease/Purchase Agreement must be used where applicable.

- A purchase order must be prepared to initiate or renew an agreement.

Five Types of Agreements

- Maintenance
- Services
- Installment (Lease/Purchase)
- Rental
- MOU

MOUs

- MOUs with appropriate annexes are used when making a service agreement with an independent contractor for the purchase of services from another agency.

- MOUs are only used when purchasing services for DFCS clients.

- Example: Providers who offer employment services, Homestead Services, Parent Aide services, Independent Living services, or others.

Exception to Using MOUs

- Use a County Purchase Order, not an MOU when:

    - Arranging conference rooms with a hotel.
    - Purchasing items such as luggage for an Independent Living client.

Activity: Purchasing and Procurement

Directions: Refer to the APPM, Section I, Purchasing and Procurement tab and answer the questions below.

1. A County Director, June, regularly has lunch with Marcia, the owner of the janitorial company that has provided contracted services for over three years. Both of their kids attend the same school – in fact, they often get together outside of work for family get-togethers. Is this acceptable according to policy?

2. A statewide contract is available for training development services and is valued at approximately $150,000. What step needs to take place in order to advertise the bid opportunity to potential vendors?

3. One of your Supervisors is a long-time friend of yours and wants to buy a home computer for his/her son. You agree to issue a purchase order for the equipment to give your friend the benefit of the DFCS bulk discount. Is this acceptable according to policy?

4. What should the County department do if a vendor does not reply to an "Invitation to Bid?"

5. A vendor is providing $9,000 in services. To avoid the competitive bid method, you advise the vendor that you can split the order into two smaller orders for under $5,000 each. That way, you can avoid the lengthy competitive bid process and get on with it. Is this an acceptable practice according to policy?

6. Is an MOU required if you are arranging to use a conference room at a hotel?

7. If you use a MOU, you can avoid the competitive bidding process? True or False.

8. What is the one situation where a complete MOU is not required and a shortened version is acceptable?

9. Is an MOU required for foster parents who conduct IMPACT training?

10. Is competitive bidding required for Parent Aides or Homestead Services?

11. Who is responsible for developing or writing the MOU specifications? The County Department or the participating vendor?

12. What should you do with a proposal that meets minimum requirements but comes in after the MOU has already been awarded?

13. What must be completed to ensure that an independent contractor is not functioning as an employee of DFCS?

14. Which contractors must undergo a criminal records history investigation?

15. How long must MOUs be retained on file?

Activity: Agreements

Directions: Refer to the APPM, Section I, Purchasing and Procurement, and answer the questions below.

1. What is the advantage to paying quarterly or monthly on a maintenance agreement for copier machines?

2. You want to get an agreement together to provide maintenance on your offices personal computers. What type of contract do you need to set up?

3. You re-bid your janitorial services and selected a new service provider. What type of agreement should you set up?

4. You contracted with a new company to provide security services for your office. What type of agreement should you set up?

5. You have an agreement to rent some office equipment for a year. Can you include a renewal clause, and if so, for how long?

Activity: Setting Up and Renewing MOU's

Directions: Refer to the APPM, Section I, Purchasing and Procurement tab and answer the questions below.

1. Which attachment would you use for examples of the appropriate legal advertisement for Parent Aides and Homestead Services?

2. Are competitive bidding procedures required for Parent Aides and Homestead Services?

3. Which agencies and organizations should you encourage to participate as potential providers?

4. What criteria should be used when selecting a service provider?

5. Which questionnaire must be used that an individual service provider is an independent contractor and not an employee of DFCS?

6. Who should you contact if you are unsure about independent contractor status?

7. What procedure should be followed at the end of the 10-week session, if the County Department uses a foster/adoptive parent to co-lead IMPACT sessions?

8. In the above situation, when is a Form-1099 Miscellaneous Income Form required?

9. Name at least three components that must be included in all MOUs.

10. If the terms or conditions of an MOU change, amendments may be necessary. Who should be contacted for guidance on developing the MOU amendments?

11. Which contractor (and those they employ) are required to have a criminal records history investigation, including both a GBI and FBI fingerprint check? Provide a few examples.

12. Which forms must be signed by the contractor who has a criminal records check?

13. What should you do with an MOU, if a contractor does not pass the criminal records check?

14. If the contractor chooses to use employees or subcontractors, who is responsible for conducting the criminal records check on these individuals?

15. Is an MOU required if you are arranging to use conference rooms at a hotel?

16. If you use an MOU, you can avoid the competitive bidding process. True or False?

17. Are the MOU annexes the same for Social Services agreements and Employment Services Agreements?

Best Practices for Managing Budgets

- Review the R&E report and Balance Sheet monthly to look for problem areas and/or discrepancies.

- Keep the APPM updated regularly and notate the tracking log which pages were updated and when (the manual transmittals).

- If in doubt about which fund source to use to pay for services, check the APPM. Next, contact your Regional Director, Regional Accounting, or State Office.

- Keep all your financial reports organized by month in a file folder or notebook with tabs. Use it as a desk reference since you will refer to these reports often.

Resources and Support

- Administrative Policies and Procedure Manual (APPM)

- Regional Accounting / Accountant

- Regional Directors

- Budget Analysts

- Field Fiscal Services

- Division Legal Services Unit

- Peer County Directors

Activity: Expenditure Detective

Directions:

1. Review the R&E Report (handout).

2. Look for any areas that stand out as exceeding projected expenditures as well as any being under spent (red flags).

   - Determine why expenditures might be exceeding projections.
   - Determine which require immediate attention and which are justifiable.

3. For those that require immediate action, develop a plan of action that includes several different options / strategies, such as:
   - Strategies for reducing expenditures
   - Requesting additional allocation
   - Transfer funds between line items
   - Negotiate with peer County Directors for resources

Terms and Acronyms

Term / Acronym	Meaning
AFCARS	Adoption and Foster Care Analysis Reporting System.
APPM	Administrative Policies and Procedure Manual.
Asset	What an agency owns.
Balance Sheet	A financial statement which represents the agency's financial position as of a given date (for example, Feb. 28, 2003).
Cash Match	Funds which are a combination of appropriated, open-ended federal and local dollars.
COSTAR	County Statistical Reporting System – is a County-based accounting system which tracks the purchase of services and Title IV-E expenditures.
Current Assets	Assets that are cash, can be converted to cash, or may be used up within a year.
Current Liability	Liabilities that will be paid within one year.
Equity	The excess of assets over liabilities.
Expenditures	Decreases in assets or increases in liabilities that result in a decrease in net current assets.
Fiscal Year	A 12-month accounting period. The state's fiscal year is July 1 to June 30.
Form 527	Initial Authorization of Foster Care. Within five (5) days of a child entering care, SSCM completes this form and for up to six (6) months reports child as being eligible for one of the "Initial" UAS Foster Care programs.
Form 529	Authorization of Foster Care Status Change/Termination. A Form 529 must be completed for any change in child's status.
Fringe Benefits	FICA, health insurance and retirement costs agency pays for each employee.
Fund Balance	Excess of current year revenue over expenditures and prior years excess funds not returned to grantor (county government and other local entities.
GIA	Grant in Aid – state monies provided to counties in order to operate during fiscal year.
IDS	Internal Data System.
IFC	Institutional Foster Care.
IV-B (Child Welfare Foster Care)	Title IV-B is a federal child welfare block grant that provides funds to states for foster care expenses. A child who is eligible for IV-B has been determined ineligible for IV-E Foster Care.
IV-E Foster Care	Title IV-E is a federal funding source for children in foster care who meet certain eligibility requirements, including parental deprivation and financial need.
Lapse	Personal Services monies that the County will not receive from their budget.
LOC	Level of care.

Term / Acronym	Meaning
Liabilities	What an agency owes.
MAPP	Model Approach to Partnerships in Parenting – is a model of individually preparing families to foster and/or adopt by involving them in the integrated processes of education, self-assessment and decision-making.
MATCH	Multi-Agency Team for Children – is a multi-agency collaboration for the provision of therapeutic services for emotionally disturbed children.
MES	Medicaid Eligibility Specialist – is responsible for determining child's eligibility for IV-E and Medicaid, and for preparing Form 529 that indicates "IV-E" or "CW-FC (IV-B)."
MIER	Monthly Income and Expense Report – provides monthly expenditure amounts by program and fund source, which is electronically transmitted via UAS.
MOU	Memorandum of Understanding – is used by County departments when making a service agreement with an independent contractor or for the purchase of services from another agency.
OFS	Office of Financial Services – state business office that provides operating funds to counties through Grant In Aid funding.
Per Diem	Per day.
Personal Services	Salaries and fringe benefits costs the agency is responsible for paying for each employee.
RMB	Reimbursable Travel for Training
RMSS	Random Moment Sample Study – is used to determine the amount of federal participation earned in each of the Division's programs. Information is collected through "strikes" which are made to staff during the first 55 days of a quarter. During a "strike," the interviewer asks a County department staff member to identify what he/she is doing at a given moment in time. This information is used to request federal reimbursement for the federal fair share of the expenses incurred by the County departments. RMSS is important to staff, as funds to pay salaries are earned this way.
Restricted Funds	Funds held in trust for adults, children or donated funds that are administered by the agency with restrictions. Funds that may be spent only for the designated purpose, program or activities specified by the donor or agency.
Revenue Maximum	An initiative by DHR to ensure that all federal reimbursement programs are utilized for children in out of home placements are eligible for reimbursement under the Social Security Act Title IV-E Foster Care and Title XIX Medicaid programs.
Revenues	Increases in assets or decreases in liabilities that result in an increase in net current assets.
SCOA	State Chart of Accounts or Standard Chart of Accounts.
SSCM	Social Services Case Manager.
SMI	Systems Methods Inc. – the accounting vendor responsible for maintenance of SMILE accounting system and technical support for DFCS

Term / Acronym	Meaning
	accounting staff and state administrators.
SMILE	Systems Methods Inc. Lending Help Eliminating Problems – the accounting system used by DFCS staff.
TCM	Targeted Case Management – services which will assist individuals in gaining access to and managing needed medical nutritional, social, educational, housing and other services. Under an agreement with the Department of Medical Assistance, DFCS can draw down Medicaid funding for providing these services to certain targeted groups.
UAS	Uniform Accounting System – State accounting system used to enter original budget, budget revisions and transmit monthly expenditures for reimbursements. UAS was written fro DHR Office of Financial Services to manage grants provided the Division of Family and Children Services, The Division of Public Health, the Division of Mental Health, Mental Retardation and Substance Abuse.

My Personal Development Plan: Budget and Fiscal Management

Knowledge / Competencies Needed	Activities	Deadline for Completion	Measure of Success	Method for Tracking Progress
	1.			
	2.			
	3.			
	1.			
	2.			
	3.			
	1.			
	2.			