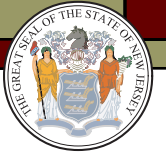


Division of Developmental Disabilities (DDD)

CONTRACTING WITH DDD



Contract Administration Unit

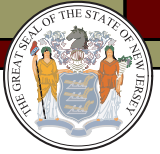
- Establishes new contracts, modifies existing contracts, renews contracts, and manages contract costs, fiscal annexes, and expenditure reporting.

- Part of Fiscal and Budget Operations; report to CFO



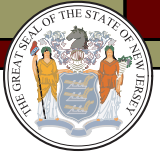
A DDD Third-Party Contract is...

- A binding agreement between DHS and the Provider Agency for social services or training. Terms and conditions of the contract are included in the Standard Language Document, annexes, appendices, attachments, contract modifications (including any approved assignments and subcontracts), and supporting documents.



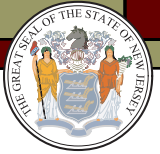
Life of a Contract

- ❑ Contract created and agreed upon by the parties
- ❑ Contract may be modified
- ❑ Quarterly reports of expenditure (ROEs) are received from Provider
- ❑ Contract is closed out



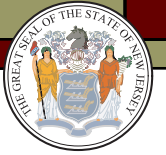
Contract Creation

1. Goal - contract concurrent with Provider Agency's fiscal year.
2. Review budget (Annex B) and contract's program/services content (Annex A)
3. Obtain forms, certifications, documents
4. Obtain budget and Annex A approval
5. Obtain contract signatures
6. Input to PROMIS



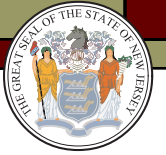
Required Documents...

- DDD Contract Award/Renewal letter;
- A list/letter of DDD contacts (name, title, phone, e-mail)
- Required Documents Checklist
- Standard Language Documents (SLD)
- N.J.S.A. 52:34-13.2 (source disclosure);
- "Pay-to-play" forms (for-profit organizations only)
- appropriate Fiscal Budgets (Annex B, B-2 and/or Budget Summary)
- Annex A
- Performance Outputs or Outcomes (may be included in Annex A);
- copy of Provider Agency's Insurance Policy Declaration page(s)
- Certificate of Incorporation
- completed Standardized Board Resolution Form stating who is authorized to sign the Contract, invoices and checks relating to the contract
- Certification of Employee Information Report (EEO/AA reporting)



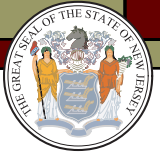
Required Documents...(cont'd.)

- A dated, current list of **board members**, their **terms**, the **officers**, each member's **home address**, and any **business address or affiliation**
- A copy of all **applicable licenses**
- A **list of all contracts and grants** to be awarded to the Provider Agency by any federal, State, local government, or private agency during the Contract term
- A chart showing the **organizational structure** of the Provider Agency
- A copy of the Agency's current **Personnel Manual** or **Employee Handbook**
- A copy of the Provider Agency's **Conflict of Interest Policy**
- A copy of the Provider Agency's **Affirmative Action Policy**
- A copy of the Provider Agency's **By-Laws**
- A copy of all **local certificates of occupancy** (where applicable)
- A copy of the **lease or mortgage(s)**
- A copy of the **Annual Report to the Secretary of State**
- A copy of the **State of New Jersey Business Registration**



Required Documents ...(cont'd.)

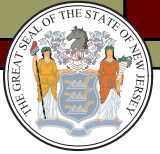
- A copy of the **Annual Report – Charitable Organization**
- A copy of the Provider Agency's most recently completed **audit**
- A copy of the most recent **Tax Exempt Form 990**, if the Agency is an incorporated not-for-profit, or a copy of the most recent **U.S. Corporation Income Tax Return, Form 1120**, if the Agency is incorporated as a for-profit
- A copy of the Agency's **Procurement Policy**
- A current **Equipment inventory** of items purchased with DHS funds
- A copy of all **Subcontracts or Consultant Agreements**, related to the DHS Contracts, signed and dated by both parties
- A copy of a **Business Associate Agreement** for Health Insurance Portability Accountability Act of 1996 compliance, if applicable, signed and dated
- Reports; any **programmatic, fiscal and close out reports** as required by the contract



Contract Creation (cont.)

Contract payment approaches:

- (1) Fixed Rate
- (2) Installment Payment (monthly – 1/12)
- (3) Cost Reimbursement via periodic payment of reported expenditures



Contract Modification

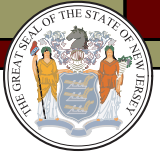
Process to allow certain programmatic and/or financial changes in the contract during its term.

- ❑ add new clients
- ❑ change in client's plan of care
- ❑ new programs
- ❑ program expansion
- ❑ one-time costs, e.g. vehicle
- ❑ addt'l equipment item above \$5,000 per item



Contract Modification (cont.)

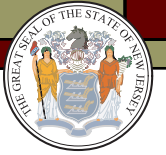
- change in
 - contract's reimbursable ceiling
 - contract term
 - allocation method for G&A costs
 - payment methodology
 - payment rate(s)
 - contracted level of service
 - contracted staff/client ratios
 - subcontractors



Contract Reporting Requirements

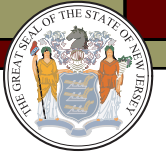
Types of contract expenditure reports:

- interim (quarterly)
- fiscal-year-end
- final (at contract termination and within a maximum of 120 days following termination)



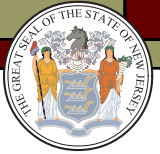
Contract Reporting Requirements (cont.)

<i>Expenditures:</i>	<i>Requirement:</i>
\geq \$500,000	Annual single audit
\geq \$100,000 and $<$ \$500,000	Annual organization-wide financial audit
$<$ \$100,000	Organization-wide audit <i>not</i> required



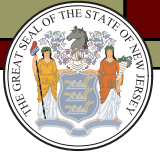
Contract Reporting Requirements (cont.)

- Audit requirements deal with Provider Agency spending of Federal and State funds.
- If another cognizant department requires an organization-wide audit of the Provider Agency, that audit report must be sent to DHS/DDD upon request.



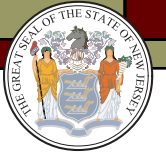
Contract Reporting Requirements (cont.)

- ❑ Audit itself is allowable contract cost.
- ❑ Audit reports due within 120 days of the agency's fiscal year-end; copy should be sent directly to the Office of Auditing in addition to forwarding to the cognizant Departmental Component.
- ❑ Provider Agencies that receive any amount of DHS funding are subject to audit by DHS at its [DHS'] discretion.



Contract Close-Out Process

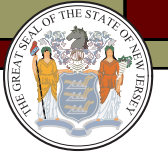
- DDD reconciles amount of funding paid to a Provider Agency during the contract term against the final Report of Expenditures (ROE) or the latest ROE submitted by the Provider Agency.
- DHS determines that all applicable administrative actions and all required work of the contract have been completed by the Department and the Provider Agency.
- Final ROE (FROE) is due within 120 days of contract term end.



Contract Renewal Process

- Contract renewal packages sent out at least **3 months** prior to renewal date.

- Completed contract packages due to DDD at least **1 month** prior to renewal date.



Contracts

Contract Manuals on the web at:

[www.state.nj.us/humanservices/ocpm/home/
resources/manuals/index.html](http://www.state.nj.us/humanservices/ocpm/home/resources/manuals/index.html)

Thank you.