

CONTRACT POLICY AND INFORMATION MANUAL (CPIM)

PROVIDER AGENCY

TABLE OF CONTENTS

INTRODUCTION

DCF.P1.00 CONTRACT NEGOTIATIONS AND REVISIONS

- DCF.P1.01 Documents and Conditions Required for Processing, Executing and Documenting a DCF Third Party Contract (Issued: August 31, 2007)
- DCF.P1.02 Timely Execution, Renewal Conditions and Sanctions for Contracts (Issued: August 31, 2007)
- DCF.P1.03 Charitable Registration and Investigation Act (Issued: August 31, 2007)
- DCF.P1.04 Request for Proposal (Revised: December 18, 2023)
- DCF.P1.05 Concurrent Contract Term and Provider Agency Fiscal Year (Issued: August 31, 2007)
- DCF.P1.06 Standardized Board Resolution Form (Issued: August 31, 2007)
- DCF.P1.07 Funding Authorization for Third Party Social Service Contracts (Revised: December 18, 2023)
- DCF.P1.08 Request for Proposal (RFP) Appeal Process (Revised: December 18, 2023)
- DCF.P1.09 The Acquisition, Affiliation, Consolidation or Merger of a Provider Agency (Issued: August 31, 2007)
- DCF.P1.10 Contract Modification (Revised: April 1, 2016)
- DCF.P1.11 Significant Events (Issued: August 31, 2007)
- DCF.P1.12 Clusters (Revised: January 1, 2014)
- DCF.P1.13 Emergency Social Services Procurements for the Safety of Children and Families (Issued: January 1, 2013)

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DCF.P1.15 Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Business Associate Agreement (BAA) (Issued: April 1, 2016)

DCF.P1.50 Multi-Year Contracting (Revised: January 1, 2015)

DCF.P2.00 CONTRACT STANDARD LANGUAGE

DCF.P2.01 Standard Language Document For Social Service and Training Contracts (Revised: July 2, 2019)

DCF.P3.00 PROGRAMMATIC INFORMATION

DCF.P3.03 Cultural Competence in Contracts (Revised: January 1, 2013)

DCF.P3.52 Annex A – Standard Language Title XX Purchase of Service Contract (Issued: August 31, 2007 - NOTE: policy under revision - 6/16/10)

DCF.P4.00 FISCAL STANDARDS AND INFORMATION

DCF.P4.03 Lobbying (Revised: August 1, 2008)

DCF.P4.05 Equipment (Revised: April 1, 2016)

DCF.P4.10 Advance Payments (Revised: January 1, 2015)

DCF.P4.16 Restrictions on the Use of Federal Funds to Influence the Awarding of Contracts or Subcontracts (Federal Lobbying) (Issued: August 31, 2007)

DCF.P6.00 DONOR AGREEMENTS/MATCHING FUNDS

DCF.P6.01 Match Requirements for Social Services Block Grant Service Contracts (Issued: August 31, 2007)

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DCF.P7.00 CONTRACT CLOSEOUT AND AUDIT INFORMATION

- DCF.P7.01 Contract Closeout (Revised: September 16, 2019)
- DCF.P7.05 Pre-Award Survey (Issued: August 31, 2007)
- DCF.P7.06 Audit Requirements (Revised: March 2, 2020)

DCF.P8.00 GENERAL MANAGEMENT STANDARDS AND INFORMATION

- DCF.P8.01 Access to Records and Facilities; Retention of Contract Records; Confidentiality (Revised: January 1, 2012)
- DCF.P8.02 Business Registration (Revised: June 10, 2014)
- DCF.P8.03 Service Providers in Good Standing (Revised: December 18, 2023)
- DCF.P8.05 Conflict of Interest (Revised: July 1, 2008)
- DCF.P8.10 Nondiscrimination/Americans with Disabilities Act (Issued: August 31, 2007)
- DCF.P8.13 Copyrights (Issued: August 31, 2007)
- DCF.P8.14 Minimum Standards for Insurance (Issued: August 31, 2007)

DCF.P9.00 MONITORING

- DCF.P9.02 Department and Provider Agency Monitoring of Level of Service Delivery (Issued: August 31, 2007)
- DCF.P9.05 Contract Default (Issued: August 31, 2007)

DCF.P-Misc.00 MISCELLANEOUS POLICY

- DCF.P-Misc.03 Provider Agency Chief Executive Officer and Contract Program Director (Issued: August 31, 2007, Effective: July 1, 1988)
- DCF.P-Misc.04 Persons Delivering Contract Services (Issued: August 31, 2007, Effective: July 1, 1988)

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DCF.P-Misc.06	Child Abuse or Neglect (Issued: August 31, 2007)
DCF.P-Misc.07	Financial Transactions with Clients, Patients and Residents (Issued: August 31, 2007)

DCF.PG.00 POLICY GUIDELINES

DCF.PG97-1	Department Equitable Interest in Contract Purchased Equipment (Issued: August 31, 2007)
DCF.PG00-1	Auditors Access to Client Records (Issued: August 31, 2007)
DCF.PG05-1	Cognizant Contracting (Issued: August 31, 2007)
DCF.PG07-1	Applicability of the Federal Davis-Bacon Act and the New Jersey Prevailing Wage Act (Issued: August 31, 2007)
DCF.PG07-2	Debarments, Suspensions, and Disqualifications Pursuant to Executive Order #34-1976 (Issued: August 31, 2007)

GLOSSARY

APPENDICES

Appendix 1	Executive Order No. 34
Appendix 2	Executive Order No. 189
Appendix 3	Guidelines for Executive Order 189

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

**PROVIDER AGENCY
CONTRACT POLICY AND INFORMATION MANUAL
(CPIM)**

INTRODUCTION

The Department of Children and Families (DCF), Office of Contract Administration (OCA), maintains responsibility for the development and revision of policies and procedures. The OCA will be the single contract authority across DCF that supports and sustains the integrity of our procurement processes. The mission of the OCA is to provide centralized contract services, foster consistency and standardize practices for and across all operational components. The primary goal of the OCAAP is to develop contract processes that are standardized, consistent and possess intrinsic value for the children and families we serve.

The purpose of this Manual is to communicate contracting policies and procedures to Provider Agencies. The Contract Policy and Information Manual is one of two manuals issued by the DCF to Provider Agencies. The companion manual, the Contract Reimbursement Manual, contains principles and procedures for establishing costs and rates for Contracts with the Department. The Contract Policy and Information Manual contains all additional Department policies, procedures and information with regard to the Contract process. All material in the Manual has been developed to ensure consistency and compliance with applicable State and federal regulations. This policy manual is available to Provider Agencies on the DCF Internet.

August 31, 2007

NOTICE:
POLICY UNDER
REVISION

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

DEPARTMENT POLICY: DCF.P1.01-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Documents and Conditions Required for Processing, Executing and Documenting a Third Party Contract**

I. PURPOSE

The purpose of this policy is to standardize contract documentation on a departmental basis.

II. SCOPE

This policy circular applies to all DCF Third Party Contracts and Individual Provider Agreements.

III. DEFINITIONS

The definitions and/or purpose and use for the documents are stated individually on each document.

IV. POLICY

A. Minimum Requirements

Contracts shall not be executed without the minimally required documents. The following documents are the minimum required when executing a contract regardless of the contract value or funding source or Departmental Component responsible for managing the contract:

1. DCF departmental component contract award or renewal letter;
2. A list containing the contact persons in the departmental component for the provider agency, including the name, title, phone and e-mail information. The list would minimally include the program manager, contract supervisor, contract administrator and, where applicable, the person responsible for payments;
3. A copy of the Required Documents Checklist (Attachment 1);
4. Two Standard Language Documents (SLD), each with original signatures by the contract provider's board authorized signatory (DCF.P2.01). The

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

appropriate SLD for the provider agency will be identified by the departmental component;

5. Signed and dated Public Law 2005, Chapter 51 Contractor Certification and Disclosure of Political Contributions Form(s) (N.J.S.A. 19:44A-20.13-20.25, superseding Executive Order 134 (2004) Certification Form(s);
6. Signed and dated Ownership Disclosure Form, required by N.J.S.A. 52:25-24.2.
7. Signed and dated Public Law 2005, Chapter 92 Survey Form for State Contracts (N.J.S.A. 52:34-13.2, formerly Executive Order 129);
8. Two duplicates of the appropriate Fiscal Budgets: either an Annex B, B-2 and/or Budget Summary each with original signatures by the Contract Provider's Board Authorized signatory (DCF.P2.01):
 - a. An Annex B (including the contract information form, contract expense summary, contract expense detail-personnel, contract expense detail-other than personnel, and the following six schedules: cost allocation data, revenue, applicable credits, related organization, depreciation/use allowance, cost of equipment;
 - b. An Annex B-2; or,
 - c. A Budget Summary.
9. An Annex A (or a description of the project/initiative from the original grant proposal) (or an Annex A Update Form for a renewal);
10. Performance outputs or outcomes (these may be included in the Annex A);
11. A copy of the insurance declaration page(s) showing the amounts and types of insurance. The "State of New Jersey" must be named as the additional insured (followed by the name of the departmental component and its mailing address). Also bonding certificates/insurance must be submitted where applicable (DCF.P2.01); (individual providers' do not have to indemnify the state, however, they must provide a copy of their malpractice insurance declaration/face sheet showing the amount of their coverage);
12. A copy of the certificate of incorporation (DCF.P1.01);

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

13. A completed standardized board resolution form (signed by the chairperson) approving the terms and conditions of the contract, naming the contract signatory, signatories for invoices and checks relating to the contract, and addressing any other contractual commitments. (DCF.P1.06) and (CRM, 5.3)

B. Other Requirements

1. The following documents, if not available at the time the contract is executed, must be provided or be available on site (See Attachment 1 for allowable options (within 30 days of executing the contract:
 - a. A dated, current list of board members, their terms, the officers, each member's home address, and any business address or affiliation.
 - b. A copy of all applicable licenses;
 - c. 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. The awarding agency, amount, term, and the type of service(s) of the contract/grant(s) must be listed;
 - d. A chart showing the organizational structure of the Provider Agency (DCF.P1.01, DCF.P-Misc.03);
 - e. A copy of the Agency's current Personnel Manual or Employee Handbook;
 - f. A copy of the Certification issued by the NJ Department of the Treasury, Division of Contract Compliance and Equal Employment Opportunity (IMP91-2), or a copy of the EEO AA 302 form, a copy of the Provider's Affirmative Action Policy, or if not available a plan to meet the Affirmative Action requirements in the Standard Language Document (DCF.P2.01) certification.
 - g. A copy of the Provider Agency's Conflict of Interest Policy (DCF.P8.05);
 - h. A copy of the Provider Agency's By-Laws (current or latest revision) (DCF.P1.01) Note: the cover sheet for the by-laws should show a date of Board review no older than 3 years);
 - i. A copy of all local certificates of occupancy (where applicable);

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- j. A copy of the lease or mortgage(s)
 - k. A copy of the Annual Report to the Secretary of State (DCF.P1.01, DCF.P1.04);
 - l. A copy of the Annual Report – Charitable Organization (DCF.P1.03, DCF.P1.04);
 - m. 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;
 - n. A copy of the Agency’s Procurement Policy;
 - o. A current Equipment inventory of items purchased with DCF funds (DCF.P4.05) (Note: the inventory shall include: a description of the item, a State identifying number or code, original date of purchase, date of receipt, location at the Provider Agency, person(s) assigned to the equipment, etc
 - p. A copy of all Subcontracts or Consultant Agreements, related to the DCF Contracts, signed and dated by both parties (DCF.P2.01).
2. A Departmental Component may require a Provider Agency to complete additional contract forms (e.g. unique reporting or attendance forms). See Attachment 1.

V. PROCEDURES

A. Agency Contract Documents:

The following contract documents are to be returned to the provider agency upon execution of the contract:

- 1. SLD (one of the two originally signed documents);
- 2. Annex B, B-2 or budget summary (one of the two originally signed documents); and
- 3. Annex A (or Annex A Update Form for a renewal); and
- 4. Payment schedule (if applicable, a copy of completed, signed document).

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

The remaining, required contract documents may be copied and returned to the provider agency; or, if the volume of paper makes this impractical, each document that is included in the official contract can be specifically referenced in a letter to the provider agency acknowledging receipt, approval and its inclusion in the official contract file.

B. Access to Documents

Certain DCF Contracting forms are available for downloading from the DCF website. No documents may be altered in any manner except for the insertion of required information. The DCF version of the manuals is the legally binding version.

C. Authorized Signatory

Electronic signatures are permissible per N.J.S.A. 12A:12-3, et seq., and are therefore permissible on documents transmitted electronically. It is up to the departmental component to determine if any electronic signature document must be followed up with an originally signed document.

D. Sanctions

Non-compliance with this policy may result in a notice of termination to the provider agency or any other action deemed necessary by the departmental component.

E. Requirements for Updating Contract Documents

The provider agency is responsible to assure that the departmental component is provided with updates to any documents that have been changed. Updates must be submitted within 10 business days of the change or as otherwise approved by the departmental component.

F. Requirements for Policy Content

1. Wherever there is a requirement for a provider agency to submit a copy of the provider agency's policy for a particular subject matter (e.g. conflict of interest, procurement practices, discrimination policies and practices, etc.) there is a corresponding DCF policy detailing the essential content requirements.
2. Where the provider agency's policy does not meet the essential criteria as defined in DCF policy, the provider agency's policy must be amended to include the required information. The revised policy must show the date of

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

the revision, minutes of the governing board meeting approving the revision, and the signature of the board authorized signatory.

- G. Because each departmental component maintains its own files, provider agencies that contract with multiple DCF departmental components must submit duplicate documents for each contract.
- H. Checklist

The provider agency checklist is attached. (Attachment 1).

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

REQUIRED CONTRACT DOCUMENTS CHECKLIST

Instructions: The Departmental Component shall:

- Check off all of the required documents the provider agency needs to submit (or have available for an onsite review, if noted);
- Send a copy of this form to the provider agency for signature and return along with the required documents;
- Document and monitor the compliance status of the submissions by completing the last four columns; and
- Assure this form is completed annually as part of the preparation of a contract package.

Contract Number _____

Contract Agency _____

Contract Term _____

Provider agency's authorized signatory _____

Departmental component _____

DCF Reviewer & Title _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

REQUIRED CONTRACT DOCUMENTS CHECKLIST

Compliance status-for DCF completion

Required Documents	<u>Agency needs to provide to DCF only if checked</u>	<u>Check if the document submitted is on file and in compliance</u>	<u>Check if NOT in compliance or add other comments</u>	<u>Check if document is to be reviewed at the Agency</u> Include date when reviewed Onsite	N/A
DCF Award letter					
A Letter /list containing DCF contact persons					
A copy of the Required Contract Documents Checklist					
Two Standard Language Documents					
A Signed/dated PL 2005, Chapter 51					
A Signed/dated Ownership Disclosure Form					
A Signed/dated PL 2005, Chapter 92					
Annex B, B-2 or Budget Summary					
Annex A or Annex A Update					
Performance Outputs/Outcomes					
Copy of Insurance Declaration Page(s) and/or Malpractice Insurance					
Copy of Certificate of Incorporation					
Board Resolution form with authorized Signatories					
Board Resolution/DCF forms for match responsibilities					
A dated current Board Members list					
A copy of all applicable licenses					
A list of all contracts and grants (if not on the Annex B)					
A organizational structure chart					
A copy of the Personnel Manual or Employee Handbook					
Copy of the EEO Affirmative Action Certification or AA302 form					
Copy of the Provider's Affirmative Action Policy or Plan					
Copy of the Conflict of Interest Policy					
Copy of Provider Agency's By-Laws					
Copy of all local certificates of occupancy					
Copy of Lease or Mortgage (s)					
Copy of the Annual Report to the Secretary of State					
Copy of the Annual Report-Charitable Organization					
Copy of the latest Audit					
Copy of Tax Exempt Form 990					
Copy of U.S. Corporation Income Tax Return , form 1120					
Copy of Procurement Policy					
Current Equipment Inventory					
Copy of Subcontracts/Consultant agreements					
Copy of signed Payment Schedule					
Reports:					
Programmatic					
Fiscal					
Close out					
Other Departmental Component-specific documents (D.C. is to specify documents):					

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.02-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: Timely Execution, Renewal Conditions and Sanctions for Contracts

I. PURPOSE

The purpose of this policy is to apprise Department of Children and Families (the Department) personnel and Provider Agencies of the documents and conditions required for the timely execution of new and Renewal Third Party Contracts.

II. SCOPE

This policy applies to all Department Third Party Contracts.

III. DEFINITIONS

The following terms when used in this policy have the meaning(s) indicated:

Contract means one of the Department's social service or training Contracts with a Provider Agency. Terms and conditions of the Contract are included in the Standard Language Document, Annex(es), Appendices, attachments, Contract Modifications (including any approved assignments and subcontracts) and supporting documents. The Contract constitutes the entire binding agreement between the Department and the Provider Agency.

Renewal is the process of continuing the Contract into a new contract period.

IV. POLICY

A. Time Frames

For Department distribution and Provider Agency submission of Contract Renewal documents, the time frames are as follows:

1. Contract Renewal packages are to be sent out by the Departmental Component within five months of the Renewal date. and
2. Completed Contract packages are to be received by the Departmental Component at least one month prior to the Renewal date.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

B. Contract Renewal

The establishment of a Contract with the Department should not be construed as an obligation to renew the Contract beyond the negotiated contract period. Should the needs of the Department warrant the Renewal of an existing Contract, a Renewal packet will be sent to the provider within five months prior to the end of the Contract period. All required reports (attendance, service, financial, performance, etc.) must be current.

Where any required documents (see policy DCF.P1.01) are outstanding at the time of Renewal, it is at the discretion of the Departmental Component whether to:

1. Process the Contract on a conditional basis pending submission of the material and
 - a. Not withhold payments; or
 - b. Withhold all /or a portion of the provider's payments;
2. Process the Contract for an abbreviated and conditional length of time (e.g. at the end of three months "X" requirements must be met or the Contract will be terminated).
3. If there is material change in the terms and conditions of the Contract, signature by both parties must be obtained prior to the official date of the Contract.
4. Take other steps as stated in policy DCF.P9.05, Contract Default.

C. Payments for Pre-Award Costs

Payment is available for those expenses incurred on or after the date when the Contract is signed, except in the case of certain pre-award costs. These costs are allowable only to the extent that they would be allowable if incurred after the date of the Contract and only with the written approval of the appropriate Department administrator.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.03-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Charitable Registration and Investigation Act**

I. POLICY

The purpose of this policy is to advise private non-profit provider agencies of the necessity to be in compliance with the Charitable Registration and Investigation Act of 1994, P.L. 1994 Chapter 16 (N.J.S.A. 45:17A-18 et seq.) The Act applies to non-profits with fiscal years ending December 31, 1994 and thereafter.

II. SCOPE

This policy circular applies to all private non-profit provider agencies that contract with the Department of Children and Families.

III. DEFINITIONS

Charitable Registration and Investigation Act N.J.S.A. 45:17A-18et seq., specifically 45:17A-21b was developed to protect the public from fraud and deceptive practices.

IV. POLICY

Private non-profit provider agencies must be in compliance with the Charitable Registration and Investigation Act of 1994 and all reporting and auditing requirements of the Division of Consumer Affairs, Office of Consumer Protection.

V. PROCEDURES

- A. In accordance with policy DCF.P1.01, Contract Proposal Process, upon request the provider agency must provide written verification of compliance with all conditions of the Charitable Registration and Investigation Act. Information about the Act can be obtained by telephoning the Division of Consumer Affairs, Office of Consumer Protection, P.O. Box 45021, Newark, NJ 07101 at (973) 504-6215 or reviewing online at www.nj.gov/oag/ca/charhlp.htm.
- B. Every registered organization, unless otherwise exempt, is required to file an annual Registration Statement with the Division of Consumer Affairs, Office of Consumer Protection, Department of Law and Public Safety within six months of the close of its fiscal period.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.04-2010

EFFECTIVE DATE: January 12, 2010

SUBJECT: **Request for Proposals**

I. PURPOSE

The purpose of this policy is to standardize the Request for Proposals (RFP) process throughout the Department of Children and Families (DCF)

II. SCOPE

This policy applies to all Departmental Components issuing an RFP, and to all groups or entities participating in the Department's RFP process. This policy is promulgated to provide a consistent approach to the awarding of grants, subgrants/contracts that do not fall within the parameters of the New Jersey Law, N.J.S.A. 52:34-6 et seq.

III. POLICY

The grant, procurement or reprocurement process has three (3) distinct phases:

A. The Solicitation Phase: During this phase, the RFP is developed by the Departmental Component for which the services are being procured after receiving approval to proceed from the DCF Grants Management Committee. Upon completion of the RFP, notice is posted on the DCF's website and is sent to grantees or providers who have registered on the DCF's bid notification list for the goods and/or services that are the subject of the RFP. Written questions received will be answered in the form of a written addendum to the RFP. DCF may also, in its sole discretion, conduct what is known as a pre-bid conference. Attendance at this conference may either be voluntary or mandatory, and will be clearly indicated in the respective RFP. If it is mandatory, all Applicants must attend. Conferences are held in order to answer questions Applicants might have regarding the RFP. In order to ensure that the conference proceeds smoothly, any presentation or materials to be presented on behalf of the State must be approved in advance with the DCF's Chief of Staff's Office. Answers to the questions raised by Applicants before or during the pre- bid conference will be in the form of a written addendum to the RFP. Also a Notice of Intent to Bid may be issued for potential Applicants to notice the Department of their Intention to Bid. Questions and bids

will only be entertained by those that complied with the request for Notice of Intent to Bid requirement.

B. The Evaluation Phase: Following initial review, bid proposals are distributed to an Evaluation Committee for evaluation.

In technically evaluating bid proposals received, the Evaluation Committee uses a point score methodology to score the bid proposals. The Committee may also conduct a cost comparison between and among the bid proposals which will be part of the scoring process reviewing price and other factors. The Evaluation Committee's work concludes with the production of a report known as an Award Recommendation, which is forwarded to the Commissioner of the Department of Children and Families ("Commissioner") to assist in his/her determination as to which bidder should receive the contract award.

C. The Award Phase: Upon receipt of the Award Recommendation from the Evaluation Committee, the Commissioner decides which Applicant will receive the contract award. Bidders are notified in writing of the Commissioner's intended decision. Following a period in which Applicants are permitted to protest, a contract is issued by the (DCF) to the selected bidder.

D. When Not Required: The RFP process shall not be required for the renewal or expansion of DCF purchase of service contracts that do not exceed \$29,000. For example a contractor may provide counseling services and additional counseling services may be added. A new service however, such as home visitation may not be added without an RFP regardless of the dollar amount. The RFP Process shall not apply to an annual renewal of an existing contract unless the Departmental Component determines that the services are to be re-bid in its sole discretion.

IV. **DEFINITIONS**

In addition to the defined terms included in the Glossary of the DCF Contract Manual, the following terms, when capitalized, shall have the meanings as stated:

Applicant means the person, agency or entity responding to an RFP.

Evaluation Committee means the individuals approved by the Grants Management Committee to evaluate the proposals.

Grants Management Committee means the committee appointed and approved by the Chief of Staff to coordinate and manage the grant and request for proposal process among a variety of Departmental Components.

Grants Management Support Unit means the unit in the Chief of Staff's Office to support and maintain records of requests for proposals and responses to grant

applications. The unit shall also support the grant application process for federal or other grants.

V. PROCEDURES

The Departmental Component shall follow the procedures set forth in this policy when requesting proposals for the provision of third-party social services or training.

A. Approval to Proceed to Develop an RFP/Grant

1. The Departmental Component shall provide a request to the Grants Management Committee to recommend to the Chief of Staff the approval to proceed to develop an RFP or Grant. The Departmental Component shall contact the Grants Management Support Unit for the formal format of the request.
2. Upon approval, the Departmental Component shall proceed to develop the RFP/Grant and ensure that all participants in the development process provide appropriate ethics forms proscribed by the New Jersey State Ethics Commission for participation in the public procurement process relating to personal and financial relationships.

B. Request for Proposals (RFP)

1. The Department shall issue a public announcement regarding the availability of funds for the purchase of services. The announcement shall be drafted in accordance with the format and guidelines set forth in this policy and issued in a manner that permits reasonable competition among eligible service providers. The final draft shall be approved by the Grants Management Committee and recommended to the Commissioner or designee for final approval and retained on file with the Departmental Component and the Grants Management Support Unit.
 - a. Upon completion of the RFP and the approval process, the final document **shall** be published:
 - i. On the DCF Web Page on the internet; and, if appropriate, other publications intended to solicit reasonable competition.
 - b. A second announcement regarding the RFP **may** be published in the *New Jersey Register* and/or newspapers of general distribution.
 - c. Once the final document is issued, no information regarding the RFP shall be disclosed except as provided for in the public processes outlined in this policy.

- d. Pursuant to N.J.S.A. 52:14-34.5, the Department shall publish in the New Jersey Register, at a minimum semi-annually, the address of the DCF website where prospective Applicants may access information regarding the availability of funding and Requests for Proposals.
2. Prospective Applicants shall be provided an opportunity to obtain technical assistance and additional or clarifying information regarding the RFP or the services to be provided through a Bidders Conference and/or a time limited electronic Question and Answer (Q/A) period as determined by the Departmental Component and indicated in the RFP.
 - a. Attendance at the Bidders Conference may be voluntary or mandatory and shall be specified in the RFP;
 - b. Written inquiries received in the Q/A period shall be answered and posted on the DCF website as an addendum to the RFP.
 - c. Applicants may be requested to provide a Notice of Intent to Bid Form as provided on the DCF website in accordance with the terms set forth in the RFP. Failure to provide the Notice of Intent to Bid in the timeframe provided in the RFP will automatically disqualify an applicant from bidding on the RFP.
 - d. No contact other than through the question and answer process and the available website, DCFASKRFP@dcf.state.nj.us, shall be permissible during the RFP process. Failure to comply with this requirement may subject the potential applicant to a disqualification from bidding on the procurement.
 3. The RFP process shall be completed within 120 days of publication, inclusive of the review processes unless the process is extended due to unforeseen circumstances.
 4. All relevant documents, forms and materials shall be available on the DCF website, and may be supplied by the Grants Management Support Unit to a potential Applicant upon written request for an RFP/application package.

The RFP/application package may contain the following information and requirements: however the exact requirements shall be specified in the RFP:

- a. The amount of funds available, the source of funds, the purpose, scope, and goals of the programs and services being solicited, the geographic area to be served and any specific conditions, requirements, and/or constraints such as spending caps or match requirements;

- b. All requirements that must be met in order for the proposal to be evaluated;
- c. Applicant eligibility criteria;
- d. The address, contact person and telephone number to which the proposal is to be sent, the submission deadline (time and date), time frames for review of the proposal and awarding of Contracts, and the target date for implementation;
- e. The method and procedures that will be utilized to provide prospective Applicants technical assistance and additional or clarifying information regarding the RFP or the services to be provided, such as a Bidders' Conference or a Question and Answer (Q/A) period;
- f. Proposal evaluation criteria as delineated in this policy;
- g. The appropriate information forms and a list of required supporting documents as included in this policy;

B. Sole Source Services

Where there is none or only one response to the RFP, and after specifications of the RFP have been cited and all criteria of this policy have been met, the Department may issue a sole source contract. Documentation of any and all efforts to obtain multiple responses/proposals shall be kept in the Department's RFP file. Such documentation shall include every contact made by the Departmental Component to find a suitable service provider.

C. Internal Controls for Proposals

- 1. The Grants Management Support Unit shall retain all relevant correspondence in the RFP records. Such correspondence shall be maintained by staff other than those who are participating in the proposal review and selection process.
- 2. The following information, at a minimum, shall be maintained on file by the Grants Management Support Unit:
 - a. Name of the program;
 - b. Submission deadline date;
 - c. Date the completed proposals are received from the Applicants;

- d. List of Applicants whose proposals were disqualified or rejected as a result of Preliminary Screening processes, if applicable;
 - e. Name of the Department staff person receiving and/or screening the proposals;
 - f. Recommendation of the Proposal Evaluation Committee (Award Recommendation Report) and the Department's decision regarding contract awards; and
 - g. Date the decision letter notifying Applicants of acceptance or rejection was sent.
3. Proposals received from Applicants are to be date and time stamped upon receipt, or a written receipt if the time is not available.
 4. All notification letters concerning acceptance and rejection shall have the same date and be issued via email, first class mail, or overnight on that day.

D. Application/Proposal Requirements

Proposals/applications submitted in response to an RFP shall contain the information required by the RFP. Upon completion of the initial screening, proposals meeting the requirements of the RFP shall be distributed to the Proposal Evaluation Committee for its review. Failure to meet the criteria outlined in this section, or the submission of incomplete or non-responsive applications, may constitute grounds for immediate rejection of the proposal. The Departmental Component may issue a written notification to Applicants whose proposals were rejected as a result of the screening process. The following shall be required in each RFP

1. Statement of Assurances, as set forth on the DCF website;
2. Certification regarding debarment, as set forth on the DCF website;
3. Contractor Certification and Disclosure Forms in accordance with PL 2005, Chapter 51, as set forth on the DCF website, together with a completed Ownership Disclosure form, as set forth on the DCF website. Both forms and instructions can be found on the Department of the Treasury website at <http://www.state.nj.us/treasury/dpmc/forms.html>
4. Copy of the IRS Determination Letter regarding the Applicant's charitable contribution or non-profit status (if appropriate);

E. Composition of the Proposal Evaluation Committee

The Departmental Component shall nominate an Evaluation Committee of at least three (3) voting members to review proposals and make recommendations for funding.

1. The proposed Evaluation Committee shall be submitted to the Grants Management Committee and approved prior to the receipt of proposals.
2. The Evaluation Committee shall be broadly representative and culturally diverse. Members may include DCF staff and/or state or municipal representatives having expertise in areas such as contracting, finance, and program services.
3. The Evaluation Committee may utilize the services of a consultant to provide programmatic or technical expertise that will assist its members in the proposal evaluation process. Consultants may not serve as voting members of the Committee.
4. All voting and non-voting members shall receive a copy of the DCF Evaluation Committee Instructions and sign the Acknowledgement and Certification form as well as provide a signed Ethics Business Disclosure form to the Office of Legal Affairs.
5. An Evaluation Committee member (voting or non-voting) shall disqualify himself or herself when he or she has any interest, financial or otherwise, direct or indirect, in any Applicant, proposed sub-contractor thereof, or the results of the Committee's evaluations (see Conflict of Interest Law, N.J.S.A. 52:13D-12 et seq.).
6. Records shall be maintained by both the Departmental Component and the Grants Management Support Unit regarding the composition of the Evaluation Committee, including a listing of all voting and non-voting members, original and/or copies of all Evaluation Committee Member Acknowledgement and Certification forms. Any Ethics Business Disclosure form and/or disqualifications due to a Conflict of Interest shall be maintained by the DCF Office of Legal Affairs.

F. Evaluation of the Proposal

1. Proposals shall be assessed by the Evaluation Committee to ensure satisfactory documentation, capability, clarity, cost effectiveness and consistency with the requirements of the RFP.
2. The evaluation of proposals shall be documented in writing using pre-established forms and the point scoring methodology set forth in the RFP.

3. All meetings of the Evaluation Committee shall be documented and a summary of the results of those meetings retained as a copy of the Award Recommendation Report with the Grants Management Support Unit. The Evaluation Committee shall document the strengths and weaknesses of each proposal.
4. After all proposals have been evaluated and scored, a final Evaluation Committee meeting shall be convened, at which time a determination shall be made as to which Applicant(s) will be recommended to the Commissioner for a contract award.
 - a. The Evaluation Committee shall participate in the drafting of the Award Recommendation Report, which is signed by each evaluation committee member and forwarded to the Grants Management Support Unit. Upon approval by the Chief of Staff, the award recommendation package is prepared by the Grants Management Support Unit and provided to the Chief of Staff and then the Commissioner to assist in his/her determination as to which Applicant(s) will receive a contract award;
 - b. The Evaluation Committee's work concludes with the production of the signed Award Recommendation Report.
5. All Evaluation Committee proceedings, proposals and recommendations are considered confidential and shall not be disclosed by any member of the Evaluation Committee or DCF staff until the award(s) has been publicly announced.

G. Notification of Decision and Appeal Procedures

1. Upon determining which proposals are most responsive and advantageous to the needs of the clients to be served or services to be rendered, costs and other factors considered, the Grants Management Support Unit, under the Commissioner's signature, shall notify all Applicants in writing of its selection within the time frames specified in the RFP, not to exceed 90 days from publication.

The review process must be completed in a time-frame appropriate to Departmental policy as referenced in the RFP, and the total RFP process may not exceed 120 days from publication on the DCF website unless circumstances prevent the process to occur within this period.

2. In the event that a party appeals the determination of the Evaluation Committee, appeals shall be provided by mail, courier or overnight carrier to:

Office of Legal Affairs
Contract Appeals-3rd floor
222 South Warren Street
Trenton New Jersey 08625

3. Acceptance letters shall indicate that:

The award is contingent upon a successful Contract negotiation and that the Contract is not binding until funding has been verified and the Department's Standard Language Document, as set forth on the DCF website, is signed by both parties.

H. Retention of Documentation

Awarded Contracts, originals, all support materials and the record copy shall be retained by the Departmental Component for 3 years after the termination of the Contract and 4 years thereafter at the records center prior to destruction. Unsuccessful proposals shall be retained for 3 years by the Departmental Component and then may be destroyed.

The materials to be retained include the RFP, Applicant proposals, all evaluation sheets, documentation from Evaluation Committee meetings, and any other documentation that details why the agency was selected or not selected.

I. Post Award Reviews

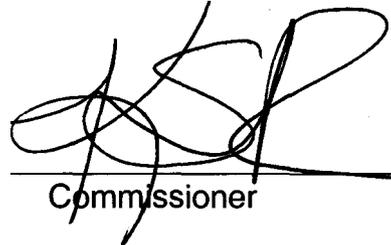
The Grants Management Support Unit may offer unsuccessful Applicants an opportunity to review the Evaluation Committee's rating of their respective proposals and a representative sampling of those that were selected for funding.

1. The Review may not include discussions or detailed comparisons of the unsuccessful proposal with those of other Applicants. Moreover, the Review may not reveal any information that is prohibited from disclosure by P.L. 2001, c. 404, or exempt from release under the Open Public Records Act including:
 - a. Trade secrets and proprietary commercial or financial information obtained from any source; or
 - b. Information which, if disclosed, would give an advantage to competitors or bidders.

2. A record of the Post Award Review shall be included in the RFP file.
3. Applicants shall not remove or make copies of any documents or materials that are made available during the Review session.

J. Contract Negotiations

At the time an award is made to the Applicant, negotiations shall proceed with the process of preparing and submitting a formal Contract package to the Department in accordance with DCF policy. The initial proposal as modified and agreed to by both parties may serve as the Annex A program description (see the Contract Reimbursement Manual and Contract Polic and Information Manual) for the Contract.



Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.05-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Concurrent Contract Term and Provider Agency Fiscal Year**

I. PURPOSE

The purpose of this policy is to ensure that Contract terms are concurrent with the Provider Agency's fiscal year.

II. SCOPE

This policy circular applies to all Cost-related Contracts.

III. POLICY

A. It is the goal of the Department to make the terms of every Cost-related Contract concurrent with the Provider Agency's fiscal year. Such alignment will facilitate the single audit concept, eliminate duplicate expenditure reporting, and establish consistency with the Provider Agency's books, records and annual financial statement.

1. One-year Term Contract

The Contract term and Provider Agency's fiscal year shall be concurrent.

2. Two-year Term Contract

The Contract term shall be concurrent with the two fiscal years of the Provider Agency.

B. The Department shall not require any Provider Agency to change its fiscal year.

IV. PROCEDURES

A. In order to implement this policy, the Department may:

1. Write a Contract with a less than or more than one-year term, with the date of Termination and the date of the Provider Agency's fiscal-year-end being the same date; or

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

2. Modify the term of the current Contract, in accordance with policy DCF.P1.10, Contract Modification, in order to make the successor Contract concurrent with the Provider Agency's fiscal year.
- B. If implementation of this policy would produce an undue hardship for a Provider Agency or the Department, the appropriate Departmental Component must make a written request to the Contract Policy and Management Unit for an exception. Any such request must include adequate explanation and documentation to support an exception to this policy. An exception will be granted only in extraordinary situations.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.06-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Standardized Board Resolution Form**

I. PURPOSE

The purpose of this policy circular is to standardize the content of the Provider Agency Board Resolutions across all Department of Children and Families (DCF) Departmental Components to assure that all of the required obligations are identified and committed to by the Provider Agency Board.

II. SCOPE

This policy applies to all DCF Third Party incorporated contracted Provider Agencies.

III. POLICY

Periodically, Boards of Directors, in conducting the business of their organizations, attest to their actions or decisions by way of written resolutions. The DCF requires incorporated Contract Providers to file the attached standard board resolution when executing a DCF Third Party Social Service Contract.

Requirements for completion, updating and submission

The Attachment 1, Pages 1 and 2 are to be completed by the Agency.

When any changes occur that would affect the contents of the form, the Board is to convene and complete a new Board Resolution and submit it to the Departmental Component within 10 business days of the change unless otherwise specified in the DCF policy.

The completed form is to be returned to the Departmental Component with all other required contract documents as part of the contract package. (See policy DCF.P1.01, Documents and Conditions Required for Processing, Executing and Documenting a DCF Third Party Contract.)

Commissioner

DEPARTMENT OF CHILDREN AND FAMILIES (DCF)

Standardized Board Resolution Form

Supporting Information for Contract # _____ for Contract

Period _____ to _____.

Agency: _____

Certification:

We certify that the information contained in, or included with, this contract document is accurate and complete.

Chairperson, Board of Directors

Date

Executive Director

Date

Authorized Signatories for Contract documents, checks and invoices are: (List full name and title)

Name

Title

Name

Title

Name

Title

STANDARDIZED BOARD RESOLUTION

The Board endorses the following commitments as defined in this document:

1. Health Insurance Portability and Accountability Act (HIPAA)*

Specific to HIPAA (Health Insurance Portability and Accountability Act), the above noted Provider Agency is either (check A or B):

___ A) A covered entity (as defined in 45 CFR 160.103)

___ B) A non-covered entity and has executed a DCF Business Associate Agreement (BAA) last dated_____.

___ C) A non-covered entity that will not be receiving or sharing personal health information.

Once executed, the BAA will be included in the Departmental Component's official contract file. The BAA *will be considered applicable indefinitely* unless there is a change in the Provider Agency's status, information or the content of the BAA, in which case it is the responsibility of the contracted Provider Agency to revise the BAA.

The Board agrees that if there is *any change* in their BAA Status, the Departmental Component will be immediately notified and the appropriate information provided within 10 business days.

*** This section is not applicable for DCF Office of Education Contracts.**

2. Legal Advice

The Board acknowledges that the Department of Children and Families does not and will not provide legal advice regarding the contract or about any facet of the relationship between the Department of Children and Families and the Provider Agency. The Board further acknowledges that any and all legal advice must be sought from the Provider Agency's own attorneys and not from the Department of Children and Families.

3. Public Law 2005, Chapter 51 (N.J.S.A. 19:44A-20.13-20.25, superseding Executive Order 134 (2004))

The Board agrees that the Public Law.2005, Chapter 51 compliance forms submitted with the contract are accurate.

4. Public Law 2005, Chapter 92 (N.J.S.A. 52:34-13.2, formerly Executive Order 129)

The Board agrees that the Public Law 2005, Chapter 92 compliance forms submitted with the contract are accurate.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.07-2008

EFFECTIVE DATE: May 1, 2008 REVISED: February 22, 2021

SUBJECT: Funding Authorization for Third Party Social Service Contracts

I. PURPOSE

The purpose of this policy is to standardize the Third-Party Social Services Contract funding authorization process throughout the Department of Children and Families (DCF).

II. SCOPE

This policy applies to all Departmental Components.

III. POLICY

The funding authorization process is implemented when the Department or its respective Divisions and Offices release new or reallocated funds to support third party contracted services or programs. Identified funds may include: State grants in aid; Federal appropriations; specific Federal grant awards; special State appropriations; annually distributed revenues such as Domestic Violence Victims Funds; redirected DCF budget funds; or other funding that is utilized by the Department to purchase contracted services.

This process is not required for the routine renewal of DCF Third Party Social Service Contracts with ongoing funding.

IV. PROCEDURES

The Departmental Component shall complete DCF Form 3-1 (Attachment 1) and follow the procedures and instructions set forth in this policy when requesting authorization to release new or reallocated Contract funds.

Instructions for completing the Social Service Contract Funding Authorization Form DCF 3-1 follow.

Section A

The DCF Program Administrator or designee completes DCF Form 3-1 Section A in its entirety as outlined in Attachment 2, Instructions for Completing Social Service Contract Funding Authorization Form. Once completed, the Form is forwarded to the DCF Budget Director for review and approval.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Section B

DCF's Budget Office completes Section B. The budget analyst reviews the request, completes Section B, signs Section B and forwards it to DCF's Budget Director for review and approval. If approved, the DCF Budget Director signs Section B prior to forwarding it to the DCF Office of Contract Administration (OCA).

Section C

The Office of Contract Administration (OCA) receives and records receipt of the DCF Form 3-1 and reviews the packet for completeness and accuracy. The Form is forwarded to the Director of Contracting for review and approval.

If approved, the Director signs and dates the Funding Authorization and OCA distributes it to the designated DCF Business Office(s).

Once the DCF Form 3-1 has been approved at all levels, the DCF Business Office may execute Contracts and Modifications under the scope of this authorization.

Distribution

Copies of the completed DCF Form 3-1 are forwarded to: the Office of Contract Administration; Budget Office; Office of Accounting; Office of Revenue and Financial Reporting; DCF Business Manager(s); the DCF entity responsible for program management; and other stakeholder(s), as necessary.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

SOCIAL SERVICE CONTRACT FUNDING AUTHORIZATION

Section A

Date of Request:

Division/Office/Unit Originating the Funding Authorization:

Division/Office/Unit Responsible for Program Management of the Contract:

Initiative/Program Name (Name of RFP):

Requestor Name and Title:

Requestor Contact Information: _____
Phone Number, Cost Code, Office

Funding Period: -

Total Funds Available: \$

Matching Fund Requirement: No or Yes – %

SPECIAL INSTRUCTIONS:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

List of Awardees:

If additional space is needed, please make copies prior to completion.

Agency Name:	Contract Term:
Contract #:	Effective/End Date of Award:
Federal ID #:	Prorated: Y or N
Corporate Address:	Start-up Funding:
Corporate Phone:	Annualized Amount:
Program Name:	Ongoing Funding:
Program Address:	One-time Funding:
Program Phone:	Funding/Award Amount:
Contact Name & Phone:	Rate for Service:
DCF/DHS Dictionary Service Category:	Contracted Units/Slots:
DCF/DHS Dictionary Service:	Number of Clients Served:
DCF/DHS Dictionary Sub-Service:	

Agency Name:	Contract Term:
Contract #:	Effective/End Date of Award:
Federal ID #:	Prorated: Y or N
Corporate Address:	Start-up Funding:
Corporate Phone:	Annualized Amount:
Program Name:	Ongoing Funding:
Program Address:	One-time Funding:
Program Phone:	Funding/Award Amount:
Contact Name & Phone:	Rate for Service:
DCF/DHS Dictionary Service Category:	Contracted Units/Slots:
DCF/DHS Dictionary Service Type:	Number of Clients Served:
DCF/DHS Dictionary Sub-Service:	

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Type of Funding (select one): ___ State ___ Federal ___ Dedicated					
SFY:	FFY:	Account #:	CFDA#:	Activity Code:	
Funding Period:			Total Amount:		
Grant/Appropriation Name:					
CMS Funding Source:					

Encumbrance/Expenditure Account Summary: (Enter in the chart below, if applicable)

<u>CFS Account</u>	<u>Payment Months</u>	<u>Amount</u>	<u>Federal Fiscal Year</u>

Budget Director: _____
Signature
Date Approved

Section C

The OCA receives and reviews the packet for completeness and accuracy. The Director of Contracting reviews and approves the funding authorization packet and then forwards it for distribution. The OCA logs the distributed Form to complete the funding authorization process.

 Director of Contracting

 Date Forwarded for
 Contract Execution

Attachments

- c: Office of Contract Administration
- Fiscal/Budget Office
- Office of Accounting
- Office of Revenue & Financial Reporting
- DCF Business Manager
- Other stakeholder(s) as necessary

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

**Instructions for Completing DCF Form 3-1
Third Party Social Services Contract Funding Authorization Form**

Instructions for completing DCF Form 3-1 Social Services Contract Funding Authorization Form follow:

Section A

The Project Coordinator or designee from the originating office completes DCF Form 3-1 Section A in its entirety. Once Section A is complete, the Form is forwarded to the Manager of the appropriate DCF Budget Office for approval.

Date of Request: Insert the date the request is initiated.

Division/Office/Unit Originating the Funding Authorization: Identify and insert the name of the Division/Office/Unit originating the request for funding.

Division/Office/Unit Responsible for Program Management of the Contract: Identify and insert the name of the Division/Office/Unit responsible for program management of the Contract.

Initiative/Program Name (Name of RFP): Insert the name/title of the initiative or program to be funded.

Requestor Name and Title: Insert the name and official title of the Requestor.

Requestor Contact Information: Insert the business telephone number, cost code, and operational office for the Requestor.

Funding Period: Insert the start and end dates that funds will be available.

Total Funds Available: Insert the total amount of funds that will be made available as a result of the authorization.

Matching Fund Requirement: Check “Yes” or “No” to indicate if matching funds are required. If matching funds are required, insert the percentage of funds to be matched by the awardees/Service Provider.

Special Instructions: Insert any special instructions in the space provided. Such instructions may include the required, allowable or restricted use of the funds. Include as much detail as necessary to help ensure the proper execution of the Contract.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

List of Awardees: Identify each Contract and/or program component that is to receive funding through the authorization. Provide specific information as requested using the RFP document, the approved proposal and budget, the award letter and the DCF/DHS Service Dictionary as references.

Note: Space is provided for two Contract awards. If more than two Contracts are to receive awards as a result of the funding authorization, additional pages are used to include all recipients.

Required Attachments: Check appropriate boxes and attach copies of the required documentation to the Form.

Program Manager Approval: The Manager of the Departmental Component that oversees the program area approves or rejects Section A and signs the Form accordingly. If approved, the Form is then forwarded to the DCF Budget Office.

Section B

The appropriate Fiscal/Budget Office completes Section B; the Director of the Budget Office signs the Form and then forwards it to the DCF Office of Contract Administration.

Each page of Section B can document up to three accounts per Provider, designated by three identical boxes. If there is more than one Provider receiving funding, or more than three accounts per Provider, use additional pages to include all recipients and accounts.

Provider: Insert the name of the Service Provider or organization awarded the Contract.

DCF Contract Number: Insert the DCF Contract Number to be used to expend the funds being authorized.

Record/Component #: Insert the CMS Record/Component # if selecting an existing Contract.

Contract Term: Insert the beginning and end dates of the Contract.

Type of Funding: Check the appropriate box to indicate the source of funding used to support the Contract.

State Fiscal Year (SFY): Insert the State Fiscal Year of the funding.

Federal Fiscal Year (FFY): Insert the Federal Fiscal Year of the funding.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Account Number: Insert the account number against which Contract funds are to be charged.

Catalog of Federal Domestic Assistance (CFDA)#: Insert the five-digit number the Federal government assigns its awarding documents for grants and cooperative agreements attached to the funding.

Activity Code: Insert the identifier for a funding purpose within a larger account.

Funding Period: Authorized start and end dates of the service period for which the funding applies.

Total Amount: Insert the amount of funding available through the authorization for each funding stream.

Grant/Appropriation Name: Insert the name of the grant or appropriation.

CMS Funding Source: Identify and insert the appropriate funding source from the list provided on the Contract Management System (CMS) Funding & Revenue Source information screen. This should coordinate with the source of funding.

The budget analyst fills in the Encumbrance/Expenditure Account Summary chart, if applicable.

The Approving Budget Analyst signs and dates the document.

The Budget Director approves or rejects the authorization and signs and dates the Section B accordingly. If approved, the Form is then forwarded to the DCF Office of Contract Administration (OCA).

Section C

The Office of Contract Administration (OCA) receives DCF Form 3-1 and reviews the packet for completeness and accuracy. The Form is forwarded to the Director of Contracting for review and approval.

The Director approves or rejects the funding authorization request and returns the entire packet to the assigned OCA staff responsible for processing.

The OCA records receipt of the funding authorization packet and forwards it to the appropriate contract staff for Contract execution. If the Director does not approve the funding authorization, OCA addresses the concerns and resubmits the packet to the Director for approval as appropriate.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Note: The Director's signature memorializes the date the funding authorization was logged out of the Central Office, and the entire funding authorization packet was forwarded to the designated Business Office(s) for execution. The OCA logs the distributed Form to complete the funding authorization process. Once the DCF Form 3-1 has been approved at all levels, staff may execute Contracts and Modifications under the scope of this authorization.

Distribution

Copies of the completed DCF Form 3-1 are forwarded to: the Office of Contract Administration; DCF Budget Office; Office of Accounting; Office of Revenue and Financial Reporting; DCF Business Manager; and other stakeholder(s) as necessary.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.08-2008

EFFECTIVE DATE: August 1, 2008

SUBJECT: Request for Proposals (RFP) Appeal Procedures

I. PURPOSE

The purpose of this policy is to set forth the parameters for handling Protests or Appeals of contract award determinations resulting from a public Request for Proposals (RFP) issued by the Department of Children and Families (DCF).

II. SCOPE

This policy applies to all Requests for Proposals issued by the Department.

III. DEFINITIONS

In addition to the defined terms included in the Glossary of the Manual, the following terms, when capitalized, shall have the meaning as stated:

Protest/Appeal is the procedure defined herein for unsuccessful applicants to challenge the determination of the proposal review and evaluation process from which they were denied funding.

IV. POLICY

A. Pursuant to the provisions set forth in N.J.A.C. 17:12-3.3, an unsuccessful applicant, after submitting a proposal in response to an RFP issued by the Department, may submit a written Protest or Appeal to the Director of the DCF Office of Contract Administration, Accounting and Procurement (OCAP) concerning the following:

1. Rejection of its proposal when such rejection arises under the provisions of N.J.A.C. 17:12-2.2, Requirements for Bidding and DCF P1.04 Screening for Eligibility, Conformity and Completeness. Such Protests may only dispute whether the facts of a particular case are sufficient to meet the requirements for rejection; and/or
2. Notice of non-selection or determination not to award contract funding. Such Protests or requests for appeal will be heard only if it is alleged that the Department has violated a statutory or regulatory provision in awarding the grant.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- B. An unsuccessful applicant, after submitting a proposal in response to a public RFP and finding cause to Protest decisions pursuant to Section IV.A. 1 or 2 above, shall make a written request to the OCAP Director, setting forth, in detail, the specific grounds for challenging the Department's determination. The Protest shall be filed within 10 business days following the date of the written notification from DCF that the applicant's proposal has not been accepted, unless other timeframes are specified in the RFP.

A Protest regarding the Department's decision to reject a proposal or award a contract shall contain the following items:

1. Identification of the RFP (i.e. title and/or service description and issue date);
2. The specific grounds for challenging the rejection or intended contract award, including all arguments, materials and/or other documentation that may support the protester's position that the contract award should be rescinded; and
3. A statement as to whether the protesting applicant requests an opportunity for oral presentation and the reason(s) for the request.

- C. The OCAP Director may disregard a Protest when:

1. The written Protest or Appeal does not contain all of the items set forth above;
2. The applicant disagrees with the Evaluation Committee's exercise of its proper discretion or professional judgment in the evaluation and scoring of a proposal;
3. The applicant is seeking feedback regarding the perceived strengths and limitations of its proposal; and,
4. A protest of award is filed after the 10 day protest period.

- D. The Department shall, except as set forth below, hold all contract awards until a final decision is rendered by the OCAP Director on the merits of the Protest. The OCAP Director may award the contract, notwithstanding the receipt of a Protest, if the failure to award the contract will result in danger and/or risk to the safety and well-being of DCF clients, or substantial cost to the State. In such event, the OCAP Director shall notify all interested parties in writing.

- E. The OCAP Director shall acknowledge receipt of the Protest or request for Appeal in writing to the applicant within 3 days by e-mail or certified mail.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- F. The Protest accepted by the OCAP Director shall be resolved by written decision on the basis of a review of the written record including, but not limited to:
1. The written Protest;
 2. The terms, conditions and requirements of the RFP;
 3. The proposals submitted in response to the RFP;
 4. The Proposal Evaluation Committee report and/or the Award Recommendation document; and
 5. Pertinent administrative rules, statutes, case law; and any associated documentation the Director deems appropriate.

In cases where no oral presentation is held, such review of the written record shall, in and of itself, constitute an informal hearing.

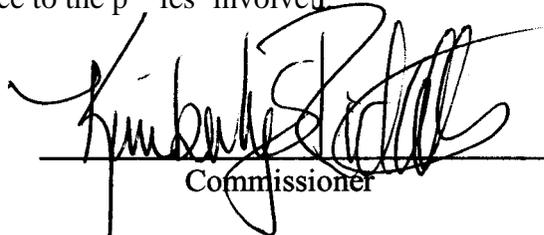
The OCAP Director is also entitled to request, receive and review copies of any and all records and documents that he/she deems appropriate and relevant to the issues and arguments set forth in the Protest. Upon receipt of the Director's request, the protesting applicant shall promptly provide the requested records and documents free of charge in the time, place and manner specified by the Director. Failure of the protesting applicant to comply with this section may, at the reasonable discretion of the Director, constitute sufficient basis to resolve the Protest against the applicant. The Director may also consider relevant information requested and received from other parties as deemed appropriate.

- G. The OCAP Director has sole discretion to determine if an oral presentation by the protesting applicant is necessary to reach an informed decision. Oral presentations are fact-finding for the benefit of the Director. The Director also has sole discretion regarding who may attend the oral presentation.
- H. The OCAP Director or designee may perform a review of the written record or conduct an oral presentation directly. The Director's designee shall not include members of the Proposal Evaluation Committee. In the case of a review or oral presentation being handled by a designee, the determination of the designee shall be in the form of a report and recommendations to the Director, which shall be advisory in nature and not binding on the Director.
- I. Subsequent to the review, the OCAP Director shall make a written decision on the matter of the Protest and confer with the DCF Chief of Staff for final

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

approval. With the authorization of the Chief of Staff, the determination shall be signed and issued by the OCAP Director, and such determination shall be a final Departmental decision pursuant to N.J.A.C. 17:12-3. The determination letter shall include a summary of the Director's findings and a statement that final determinations on matters of Protest are appealable to the Appellate Division of the Superior Court of New Jersey. Copies of the final determination letter and all accompanying documentation shall be retained on file and forwarded to the following:

1. Commissioner's Office;
 2. DCF Chief of Staff;
 3. Director of the DCF Office of Legal Compliance & Strategic Planning;
 4. Director of the RFP Originating Division/Office; and the
 5. Coordinator of the Proposal Evaluation Committee.
- J. To the extent that the OCAP Director agrees with the protester, the Department shall take such action as it deems necessary to correct the situation.
- K. All Protests shall be completed within the timeframes specified below:
1. Protests filed pursuant to Section IV.A.I of this policy regarding rejection in accordance with the provisions of N.J.A.C. 17:12-2.2, Requirements for Bidding and DCF P1.04 Screening for Eligibility, Conformity and Completeness shall be resolved prior to the Proposal Evaluation Committee's review and scoring of accepted applications.
 2. Protests filed pursuant to Section IV.A.2 of this policy regarding non-selection shall be completed within 30 days of the OCAP Director's receipt of the applicant's written Protest or Appeal.
- L. The OCAP Director may, in instances where public exigency exists or where there is potential for substantial cost benefit or other such advantage to the State, modify or amend the time periods noted in this policy. In these instances, the Director shall give adequate notice to the parties involved.



Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.09-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **The Acquisition, Affiliation, Consolidation, or Merger of a Provider Agency**

I. PURPOSE

The purpose of this policy is to establish Departmental policy and procedures regarding the continuation of a Contract when an Acquisition, Affiliation, Consolidation, Merger, etc. occurs with a Provider Agency.

II. SCOPE

This policy applies to all Provider Agency Contracts that are affected by Acquisition, Affiliation, Consolidation, Merger, etc.

III. DEFINITIONS

In addition to the defined terms included in the glossary of the contracting manuals, the terms listed below shall have meanings as stated.

Acquiring Organization is the business entity that acquires, affiliates, consolidates, merges, etc. with a Provider Agency.

Acquisition means the takeover of one corporation by another, if both parties retain legal existence after the transaction.

Affiliation means the association of two or more entities for the advancement of a specific goal or purpose.

Consolidation is when two or more corporations cease to exist, and by the same process a new one is created, taking over the assets and assuming the liabilities of merging entities.

Marketable Asset is any item of value that can be sold, bartered or traded.

Merger occurs where one corporation is dissolved and absorbed by another that remains in existence.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Transfer of Governing Board is when the Provider Agency remains intact, but assigns control or governance to a new governing board.

Umbrella Organization is an affiliation among two or more business entities whereby each remains distinct, but joins to form a new collective directing organization. The new organization may be given management or service control, without acquiring the assets or liabilities of the existing entities.

IV. POLICY

- A. A Department Contract is not a marketable asset that may be purchased from a Provider Agency by another organization through an Acquisition, Affiliation, Consolidation, Merger, etc. Because a Department Contract is a negotiated instrument that establishes responsibilities between the Department and the Provider Agency, the Department is contractually obligated to the original signatory party(ies) only. If a Provider Agency is merged, consolidated, enters into any form of affiliation, such as an umbrella arrangement, etc., or is otherwise acquired by another organization, the Department is not obligated to honor the conditions, terms, or fiscal arrangements of the Contract or assume any of the liabilities of the Acquiring Organization.
- B. Department Contracts are not automatically assignable or assumable by the Acquiring Organization, and consent, in writing, for the transfer or Renewal of any and all contract rights is required from the Departmental Component(s) by the Acquiring Organization.
- C. Any anticipated change(s) in the corporate or legal status of a Contract signatory during the Contract term shall be transmitted, in writing, to the Departmental Component(s) at least 90 days prior to the intended change(s) or takeover.
- D. Whenever an Acquiring Organization acquires, affiliates, consolidates, merges, etc. with a Provider Agency, the Departmental Component may:
 - 1. Continue the current Contract with the Acquiring Organization and modify the Contract in accordance with Contract Modification policy DCF.P1.10.
 - 2. Continue the Contract on a conditional basis as stipulated in a Contract Modification, provided that the Acquiring Organization complies with all conditions indicated within the specified time frames established by the Departmental Component in the Contract Modification.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

3. Terminate the current Contract based on an evaluation of the criteria and documentation submitted in accordance with Section V. of this policy and issue a Request for Proposal (RFP) according to Department policy DCF.P1.04.
- E. The Department reserves the right to issue a Request For Proposal (RFP) for any subsequent Renewal Contracts when an Acquisition, Affiliation, Consolidation, Merger, etc. occurs.
- F. Although title to all equipment purchased through a Department Contract rests with the Provider Agency, the Department's equitable interest in that Equipment does not end or diminish with an Acquisition, Affiliation, Consolidation, Merger, etc. In addition, the Department has the right to require the transfer of any Equipment directly to the Department or to an eligible non-state party designated by the Department.
- G. Failure to submit the documentation required as outlined in Section V. of this policy will result in a delay in the Departmental Component rendering a final decision on Contract continuation.

V. PROCEDURES

- A. Whenever an Acquisition, Affiliation, Consolidation, Merger, etc. is anticipated, the Acquiring Organization and/or Provider Agency should provide the required information listed below. Time frames listed below are approximate due dates and refer to days before the intended Contract takeover date:

90 Days

A Provider Agency shall notify the contracting Departmental Component(s), in writing, of the anticipated takeover date of the Acquisition, Affiliation, Consolidation, Merger, etc. The notification shall be accompanied by a dated copy of the Provider Agency's governing board minutes indicating that the board approved the intended Acquisition, Affiliation, Consolidation, Merger, etc.

The minutes shall include the results of the approval vote and any other pertinent information. Such information shall include, at a minimum, a written statement, signed by the board chairperson and Provider Agency Chief Executive Officer (CEO) that establishes the name of the Acquiring Organization and the exact date of the intended Acquisition, Affiliation, Consolidation, Merger, etc.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

75 Days

A board resolution by the Acquiring Organization must be received by the Departmental Component(s) prior to the projected take over of the Contract indicating its desire for a continuance of the Department of Children and Families Contract. This correspondence will be on company letterhead and indicate the authorized signatories for contracts, invoices, and checks. The Acquiring Organization shall also submit:

1. A plan explaining how the Acquiring Organization will effect the Acquisition, Affiliation, Consolidation or Merger including safeguards to be taken to protect contracted services.
2. A plan outlining how the Acquiring Organization will notify current clients served under the existing Contract including any impact on the clients.

This information shall be retained on file by the Departmental Component(s) for reference.

60 Days

The following information must be submitted by the Acquiring Organization to the Departmental Component(s) for review before a determination can be made regarding a continuation of the current Contract.

1. The board of the Acquiring Organization will in writing, attest that all submitted documents are current and valid. The current minimum documents required to determine if a continuation of the current Contract is warranted, are:
 - a. Certificate of Incorporation
 - b. Current list of Board Members
 - c. Current list of staff
 - d. Conflict of Interest policy
 - e. Federal ID number
 - f. Personnel policies
 - g. Copy of the By-laws
 - h. Copy of the Acquisition, Affiliation, Consolidation, Merger, etc. agreement

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- i. Chief Executive Officer (CEO) statement certifying that the Acquiring Organization is in compliance with all state and federal laws and regulations
2. The name and address of the Acquiring Organization, including the address(es) of all program sites for Department contracted services.
3. A chart of the newly formed organization showing the new structure, along with a functional statement(s) noting the duties and/or responsibilities of all units that are associated with delivering contracted services to the Department.
4. A copy of the Acquiring Organization's balance sheet for all units that are associated with delivering contracted services to the Department which shows all merged assets and liabilities, as of the intended date of association or takeover in accordance with the Financial Accounting Standards Board (FASB) standards and/or interpretations.
5. A copy of the most recent annual organization-wide single audit of the Acquiring Organization, a corrective action plan, if needed, and a remedy of any unsatisfactory condition(s) found. Any other financial information concerning the Acquisition, Affiliation, Consolidation, Merger, etc. requested by the Departmental Component(s) must be submitted prior to any consideration for a continuation of the current Contract.
6. A list of all federal, state, local government and private agency Contracts and grants awarded to the Acquiring Organization that overlaps the term of the Department Contract. The list shall include at a minimum: the awarding agency and address, amount of the award, Contract period, corrective actions, purpose of the Contract/grant and a Contact telephone number of the granting agency.
7. A written statement from the Acquiring Organization that the newly formed entity recognizes its responsibility for any corrective action plan(s), questioned costs, or Contract overpayments incurred by its predecessor organization (Provider Agency) that may be identified in any subsequent audits of Contract(s) assumed by the Acquiring Organization.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

45 Days

The decision by a Departmental Component(s) to authorize or disapprove a continuation of the current Contract shall be rendered based on submitted documentation, timeliness of submitted documentation, and one or more of the following criteria:

1. The Acquiring Organization has a history of providing the same or like service(s) to individuals demonstrating needs similar to the Department's clients.
 2. The service history indicates that the Acquiring Organization, if they had a contractual relationship with the Department, has been satisfactory in:
 - a. Meeting contractual performance outcomes if stipulated in the Contract(s);
 - b. Providing accurate and timely interim reports as specified in any prior Department Contract; and
 - c. Providing acceptable contracted Levels of Service (LOS).
 3. The Acquiring Organization has received the endorsement of the Department-affiliated local planning entity, i.e., county mental health board; county human services advisory council; children's inter-agency coordinating council; etc.
 4. The Acquiring Organization has or is capable of presenting an acceptable plan which has a cost equal to or less than the acquired Provider Agency's service delivery cost, while ensuring the professional capability to provide Department of Children and Families contracted services.
 5. There is no disruption of service or diminution of the quality of service, including no loss of service days, while ensuring that an appropriate continuity of care and/or treatment is maintained, unless written permission to the contrary is obtained from the Departmental Component(s).
- B. A written notification that establishes the Departmental Component's intention to issue an RFP, authorize a Contract continuation or require a conditional Contract continuation shall be transmitted to the Acquiring Organization only after all required information and documentation from the Acquiring Organization is date stamped received. Up to sixty (60) days after receiving all required

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

documentation, the Departmental Component shall send written notification to the Acquiring Organization by certified mail of its decision, or advise in writing, if an extension is needed.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.10-2007

EFFECTIVE DATE: August 31, 2007

REVISED DATE: April 1, 2016

SUBJECT: **Contract Modification**

I. PURPOSE

The purpose of this policy is to outline the Department's requirements to obtain a Contract Modification. All material changes to the approved Contract shall be discussed and agreed to in writing by all parties through the Contract Modification process.

II. SCOPE

This policy circular applies to all Third-Party Social Service and Training Contracts.

III. DEFINITIONS

In addition to the terms defined in the DCF Contract Policy and Information Manual, the DCF Contract Reimbursement Manual, or the Standard Language Document (DCF.P2.01), the following terms, when capitalized, shall have meanings as stated.

Annex B Budget means the Attachments to the Contract Standard Language Document and Standardized Agreement containing financial information.

Budget Category means one of the major groupings of cost identified in the Contract Budget Annex B form.

Cluster means one or more service-related Programs designated by the Departmental Component and identified in the Contract.

Contract means one of the Department's social service or training Contracts with a Provider Agency. Terms and conditions of the Contract are included in the Standard Language Document, Annex(es), appendices, attachments and Contract Modifications (including any approved assignments and subcontracts) and supporting documents. The Contract constitutes the entire binding agreement between the Department and the Provider Agency.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Contract Modification means the formal procedures entailing the Department's written approval on the DCF.P1.10 Contract Modification Form (Attachment 1) to allow certain programmatic and/or financial changes in the Contract during the contract term.

Cumulative Increase means the combined effect of all budget changes within a Budget Category.

Departmental Component means the Office of Contract Administration (OCA) as the unit within the Department responsible for the negotiation, administration, approval, Closeout, and monitoring of certain Contracts.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than two years and an Acquisition Cost of \$1,000 or more per unit. General purpose Equipment includes office Equipment, reproduction and printing Equipment, motor vehicles, and automated data processing Equipment, whether or not special modifications are needed to make the Equipment suitable for a particular purpose.

Final Contract Closeout is the process by which the Departmental Component determines that all applicable administrative actions and all required work of the Contract has been completed by the Provider Agency and the Departmental Component. This process includes reconciling the Final Report of Expenditures (FROE) with the Provider's audit and determining whether any funds need to be recovered.

Flexible Limits means an upper dollar limit which is established for each Budget Category, and which may not be exceeded without an approved Contract Modification. Flexible Limits are determined by adding an amount to the approved Annex B Budget.

Letter of Approval means the written correspondence between the Departmental Component and Provider Agency authorizing a Contract Modification pending the submission and approval of a DCF.P1.10 Contract Modification Form (Attachment 1).

Line Item means each entry of cost within a Budget Category listed in the Annex B Budget (e.g., the salary or wages for each position listed under the Budget Category of Personnel).

Mail means letter, e-mail or legible facsimile (fax) transmission.

Net Cost means "Total Cost" less "Revenue".

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Preliminary Contract Closeout means the process, whereby the Departmental Component reconciles the 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 to the Departmental Component, and also the “final” process through which the Department of Children and Families determines that all applicable administrative actions and all required work of the Contract, with the exception of the final audit, have been completed by the Department and the Provider Agency.

Program means a specific service and is generally represented by each column in the Contract Expense Summary of the Annex B Budget.

Reimbursable Ceiling means the cost of the Contract to the Departmental Component and the maximum payment to the Provider Agency.

Revenue means the total income generated by the Provider Agency from its Programs and activities.

Total Cost means all costs of the Provider Agency’s Programs, activities, and Equipment before Revenue

IV. POLICY

A. Contract Modifications are required under the following circumstances:

1. Change in the Reimbursable Ceiling
2. Increase in Total Cost
3. Change in the Contract term
4. Change in any Budget Category that exceeds the Flexible Limits as stated in this policy under Section IV. E
5. Transfer of budgeted cost across DCF Contracts, or Clusters as identified in the Contract
6. Transfer of federal and/or other revenue across DCF Contracts, or Clusters as identified in the Contract
7. Change to the method of allocating General and Administrative costs, including any changes in an approved indirect cost rate, its application, or increases/decreases to the indirect cost amount allocated to the contract

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

8. The addition or deletion of any Budget Category (A through M individually) from the Budget
 9. The addition of Line Items within Budget Category (B) Consultants and Professional Fees
 10. The addition of any item of equipment not in the approved budget, above \$5,000 per item
 11. Change in the payment methodology
 12. Change in the payment rate(s)
 13. Change in target population
 14. Change in contracted performance standards
 15. Change in contracted level of service
 16. Change in contracted staff/client ratios
 17. Change in subcontractors providing direct services or subcontracted direct services (See Standard Language Document DCF.P2.01, section 5.02).
- B. Authority and Exceptions
1. This Policy shall not supersede existing State of New Jersey or Department of Children and Families policies, including but not limited to those on Procurement, Revenue Sharing, Clusters, Reporting, Closeout, Audit Policies, the Contract Policy and Information Manual, the Contract Reimbursement Manual, or the Standard Language Document except that:
 - The Annex B Contract Expense Detail for Personnel (reporting of salary line items) is required for the third quarter expense report and the final Report of Expenditure (ROE). It is not required for the first quarter or second quarter interim expense reports.
 2. The Department reserves the right to require that Provider Agencies submit a detailed Annex B Budget and supporting documentation indicating all adjustments to Budget Categories as an accompaniment to a Contract Modification. Conditions under which these items may be required include, but are not limited to, the following:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- a. Inclusion of new initiatives;
 - b. Under-spending based on an expenditure report analysis;
 - c. A new Provider Agency;
 - d. An unsatisfactory audit;
 - e. A failure to meet Contract performance indicators as defined in the Contract;
 - f. A reporting problem; and
 - g. An agency requiring intensive monitoring or technical assistance.
3. Failure to complete a required Contract Modification to the applicable Departmental Component may result in:
- a. Adjustments to the contract terms and conditions;
 - b. Notice of Contract Default;
 - c. Recoupment of funds; and
 - d. Other adjustments or actions as deemed necessary.
- C. Procedures for Requesting a Contract Modification or a Pre-Approval
1. A Contract Modification may be requested by either the Provider Agency or the Department.
 2. The Provider Agency may initiate a Contract Modification by submitting a written request to the Departmental Component. As specified in Section IV.D. of this policy, the Departmental Component shall respond in writing regarding its decision within ten (10) business days after receiving the initial request.
 3. When a Contract Modification for cost-related services is initiated, the Provider Agency shall submit a revised Annex B Budget, the applicable DCF.P1.10 Contract Modification Form and any other Contract documents affected.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

4. When a Contract Modification entails any change in rate information, the appropriate Departmental Component shall complete a revised Annex B-2: Contract Rate Information Summary.
5. The Departmental Component shall forward copies of the approved DCF.P1.10 Contract Modification Form and attachments to the Provider Agency and other offices as necessary for inclusion in the official contract file.
6. The Department must approve a Contract Modification prior to its effective date. Generally, a Contract Modification is not retroactive. There are five exceptions to this requirement:
 - a. In accordance with policy DCF.P9.02, Department and Provider Agency Monitoring of Budgeted Units of Service;
 - b. In a Cost-Related Contract where payment is based on a provisional rate, a retroactive Contract Modification may be required in conjunction with a revision of the provisional rate or the establishment of the final rate;
 - c. In a Non-Cost Related contract where payment is based on a rate established by an outside rate setting authority such as a home state, county, or other prime user; or
 - d. When the Department must do so in order to meet specific administrative and/or operational responsibilities or to promote contract efficiencies.

D. Approvals, Effect and Notification

1. Contract Modifications shall be approved or disapproved, in whole or part, by an official of the Departmental Component authorized to perform this function. This official shall sign the Contract Modification Form and shall enter the approved effective date.
2. A Provider Agency's use of Contract funds does not establish the Department's level of participation in the financing of successor Contracts.
3. The last approved Contract Budget and program Annex(es) for the Contract term are the documents of record, and they will be utilized when conducting the Preliminary Contract Closeout process. (Refer to DCF.P7.01 Contract Closeout).

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

4. A Contract Modification request must be received by the Contract Administrator prior to the last month of the Contract term. Subsequent requests will be reviewed at the discretion of the Departmental Component.
5. Within 10 business days of receiving a Contract Modification request from a Provider Agency, the Departmental Component shall approve or reject the request and issue a written response regarding its decision.
 - a. Letters of Approval shall stipulate that:
 - i. The Provider Agency has been granted concept approval to proceed with the modification process;
 - ii. The Provider Agency must submit the required contract documents to the Departmental Component within ten (10) working days; and
 - iii. The Contract Modification is contingent upon submission and approval of a DCF.P1.10 Contract Modification Form (Attachment 1) and other required materials (i.e. Annex A changes, Annex B, Annex B-2, etc.)
 - b. If the request is still under consideration at the end of ten (10) business days, the Departmental Component shall inform the Provider Agency in writing as to the reasons, and provide a date when a decision may be expected, such date shall not exceed thirty (30) calendar days from the date of receiving the completed materials.
 - c. A Contract Modification shall be deemed to be approved, if there is no written Departmental response within 30 calendar days from the date of receiving the completed materials.
6. Letters shall be presumed to be received by the addressee no later than five business days from the postmark, after being sent to the last address known by the sender. Transmissions that are not electronically date stamped shall be presumed to be received by the sender no later than five business days after being sent to the last address known by the sender.

E. Granting of Flexibility for Budget Management

1. A Provider Agency shall be granted flexibility in managing Contract budgets based on the establishment of Flexible Limits.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

2. A Provider Agency shall be permitted to reallocate funds, within the Flexible Limits, without notice to a Departmental Component, and without a Contract Modification, except where any single condition specified in IV.A has occurred.
3. Flexible Limits shall apply only to an executed Contract.
4. Flexible Limits shall change only when a Contract Modification has been approved.
5. When Flexible Limits have been reached or are expected to be exceeded, a Provider Agency must request a Contract Modification by following the procedure specified in this policy.
6. A Departmental Component is not responsible for the effect of Provider Agency misapplication or miscalculation of Flexible Limits.
7. Separate Flexible Limits must be developed and applied for each Budget Category as described in IV.E.8:
 - a. Within a Cluster;
 - b. For Direct Costs (All costs that are not classified as General and Administrative); and
 - c. For General and Administrative costs.
8. Applicable Budget Categories and Allowable Budget Modification Flexible Limits are:
 - a. Personnel Category, Category A

(This Budget Category has been split for modification purposes to treat Fringe Benefits separately from other Personnel Line Items).

 - i. A Cumulative Increase in total salaries, excluding Fringe Benefits, of more than five percent (5%) from the approved Annex B Budget.
 - ii. A Cumulative Increase in Fringe Benefit costs of more than fifteen percent (15%) from the approved Annex B Budget.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

b. Other Than Personnel, Categories B, C, D, F

(These Budget Categories have been consolidated for modification purposes except that “Specific Assistance to Clients” is maintained as a separate Budget Category).

A Cumulative Increase in the combined value of Other Than Personnel categories * of more than ten percent (10%) from the approved Annex B Budget.

The 10% Flexible Limit is applied only to the combined value of the following Annex B Budget categories, (B+C+D+F) x 10%:

- * (B) Consultants & Professional Fees
- * (C) Materials and Supplies
- * (D) Facility Costs
- * (F) Other

c. Specific Assistance to Clients, Category E

- i. All changes below the approved Annex B Budget require a modification.
- ii. A Cumulative Increase of more than fifteen percent (15%) from the Approved Annex B Budget requires a Contract Modification.

d. Equipment, Category I

- i. An item of equipment not included in the approved Annex B Budget of over \$5,000 per item requires a Contract Modification.
- ii. A Cumulative Increase of more than ten percent (10%) from the Approved Annex B Budget requires a Contract Modification.

9. Flexible Limits for the Budget Categories above are determined by calculating an amount based on the allowable Total Cost for the Budget Category as contained in the approved Annex B Budget. The allowable Total Cost for the Budget Category shall be adjusted by an amount as stipulated in IV.E.8 to create the Flexible Limit.

10. The calculation of the State’s share of allowable costs, and of all other funds and revenues within the budget, shall be managed in the same manner upon which those funds and revenues are budgeted, regardless of whether a Contract Modification impacts Total Cost, Net Cost or Reimbursable Ceiling.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- a. Where it is clear that State funding is the “last dollar in” as in deficit funded contracts, the State’s share of the modification shall always be presumed as the last dollar to be allocated.
- b. Where State and other funds are budgeted through the use of matching percentages, as in an approved federal financial participation rate (i.e. Title XIX), the State share of the modification shall be similarly calculated.

F. Required Forms

1. Contract Modifications that have no budget impact require Attachment 1 the DCF.P1.10 Contract Modification Form.
2. Contract Modifications that have a budget impact require Attachment 1, the DCF.P1.10 Contract Modification Form, and an Annex B Budget.
3. Contract Modifications that affect the Personnel Budget Category also require the Annex B Contract Expense Detail for Personnel. (This detail is also required with the initial budget and with the final Report of Expenditures).
4. The Annex B Contract Expense Detail for Other Than Personnel is required when a line item is added within Budget Category (B), Consultants and Professional Fees.
5. A Worksheet (Attachment 2) is provided as an example of the intended calculation of Flexible Limits under this Policy. The Provider Agency may request confirmation of Flexible Limits at any time. Such requests and confirmations do not serve, on their own, to alter Flexible Limits. The Worksheet is not a required document for any Contract Modification, or any other purpose.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES
CONTRACT MODIFICATION FORM**

Provider Agency Name _____ Modification # _____
Fiscal-Year-End _____ Contract Term _____ thru _____

Contract # _____ Cognizant Contract: Yes _____ No _____
Division(s) affected by the Modification _____

Date of most recently approved Contract Modification: _____

Requested effective date for this Contract Modification: _____

Check applicable area(s) for modification:

- 1) _____ Change to the Reimbursable Ceiling: from _____ to _____
- 2) _____ Increase in Total Cost: from _____ to _____
- 3) _____ Change in the Contract term: currently *from* ___/___/___ *to* ___/___/___ *to the revised term* ___/___/___ *to* ___/___/___
- 4) _____ Change exceeding the Flexible Limits.
- 5) _____ Transfer of budgeted cost across DCF Contracts or Clusters.
- 6) _____ Transfer of federal and/or other revenue across DCF Contracts or Clusters.
- 7) _____ Change to the method of allocating G&A, the indirect cost rate and/or its application.
- 8) _____ Addition or deletion of an entire Budget category (A through M individually).
- 9) _____ Addition of Line Items within Budget Category (B) Consultants and Professional Fees.
- 10) _____ Equipment not in approved budget above \$5,000 per item.
- 11) _____ Change in payment methodology.
- 12) _____ Change in the payment rate(s)
- 13) _____ Change in target population
- 14) _____ Change in contracted performance standards
- 15) _____ Change in contracted level of service
- 16) _____ Change in contracted staff/client ratios.
- 17) _____ Change of Subcontractors providing direct services or change to subcontracted direct services.

Please attach an explanation

This form, its attachments and/or revised section(s) of the programmatic Annex A and/or the revised itemized Annex B Budget or Rate Information Summary, constitute this entire Contract Modification. The persons whose signatures appear below agree to this Contract Modification.

BY: _____
(Signature)

BY: _____
(Signature)

(Type name)

(Type name)

Title _____

Title _____

Provider Agency: _____

Departmental Component: _____

Date: _____

Date: _____

DATE EFFECTIVE: _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

SAMPLE WORKSHEET
REQUIRED FOR CONTRACT MODIFICATIONS

Provider Name _____

Contract Number ___ - ___ - ___ (____)

Contract, Program or Cluster Name (if Clustered) _____

a **	b	c***	d	e	f****	g	h*
TOTAL Agency G & A **	G&A Portion, as a Percent, borne by this Contract / Cluster	Currently Approved Annex "B" Budget	Allowable Modification Flexible Limits Percentage	Upper Budget Limit (c+(cxd))	Cumulative Changes Made to Date	Changes, this Request Only	Revised Current Budget Request (c+f+g)
Budget Category							
Salaries (A)		\$ 3,000,000	5%	\$ 3,150,000	\$ (174,450)		\$ 2,825,550
Fringes (A)		\$ 750,00	15%	\$ 862,50	\$ 112,50		\$ 862,500
Other Than Personnel (B,C,D & F)		\$ 050,00	10%	\$ 065,00	\$ 015,000		\$ 165,000
Specific Assistance to Clients (E)		\$ 050,000	15%	\$ 057,500	\$ 7,500		\$ 57,500
Equipment (I)		\$ 30,000	10%	\$ 33,000	\$ 3,000		\$ 33,000
Total Operating Costs		\$ 3,980,000			\$ (36,450)	\$ -	\$ 3,943,550
General & Administrative (G):							
Salaries (A)	\$ 1,000,000 27%	\$ 270,00	5%	\$ 283,50	\$ 13,500		\$ 283,500
Fringes (A)	\$ 500,000 27%	\$ 035,00	15%	\$ 055,25	\$ 20,250		\$ 155,250
Other Than Personnel (B,C,D & F)	\$ 100,000 27%	\$ 027,000	10%	\$ 029,700	\$ 2,700		\$ 29,700
Total for G&A Only	\$ 1,600,000	\$ 432,00			\$ 36,450	\$ -	\$ 468,450
Moved to Other Contracts, Programs or Clusters							
Total Cost		\$ 4,412,000			\$ -	\$ -	\$ 4,412,000
Less Revenue							
Net Cost		\$ 4,412,000			\$ -	\$ -	\$ 4,412,000
Profit							
Reimbursable Ceiling		\$ 4,412,000			\$ -	\$ -	\$ 4,412,000

*The "Revised Current Budget Request" is a cumulative amount and should include all amounts the Provider has previously moved, including amounts within the Flexible Limits.

** Total Agency G & A represents 100% of the Agency G & A irregardless of Division or Program. The calculation of allowable G & A may generally be a more complex manual process where G&A is fixed or controlled by factors outside the control of DHS. The percent is the portion of G & A borne by this contract / cluster.

*** Allowable costs only

**** Provides an example of the flexibility provided under P1.10 where Contract Modifications are not required.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.11-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Significant Events**

I. PURPOSE

The purpose of this policy is to instruct DCF Contracted Provider Agencies on the criteria for identifying significant events that may impact on the provider's organization and DCF Contracts.

II. SCOPE

This policy circular applies to all DCF Third Party Social Service and Training Contracts.

III. DEFINITIONS

Significant Events means a known or anticipated program, financial or administrative event or circumstance of a nature and extent that can reasonably be expected to diminish the quality or quantity of services to clients, or to influence or to jeopardize the ability of the Provider Agency to deliver contracted services, or to meet responsibilities under the Contract and which requires Notice to the Departmental Component. Examples include **Legal/Administrative/Financial/Services** such as, but not limited to, Bankruptcy petition, Merger, Acquisition, Affiliation, Consolidation, Civil or Criminal action taken against an employee of the agency, a finding of abuse or neglect against an employee of the agency and Planned Relocation or change in Service location(s).

IV. POLICY

A. Criteria For Notification

Notification by the Provider Agency to a DCF Departmental Component is required for Significant Events including, but not limited to:

1. The taking of any action by the Provider Agency which adds or eliminates significant personnel or program functions covered by the contract.
 - a Changes in salary line items are generally not reportable as a Significant Event, unless other criteria for Significant Event reporting are affected

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

(such as: the elimination or addition of DCF funded positions would be

b. reportable; however the use of temporary overtime, or payment of overtime to individual line items to meet daily operational needs are not reportable.)

2. Changes in the compensation, bonuses or benefit packages of the Provider Agency personnel covered in the DCF contract, and specifically the principal decision makers and/or the highest managerial personnel within the Provider Agency, when such changes are different, by a standard of reasonableness, than those offered or provided to other Provider Agency staff.
3. Any administrative, financial, service or program event or circumstance which can reasonably be expected to adversely impact on the provider's operation or service delivery. Such events may include but are not limited to:
 - a. Suspension or revocation of license
 - b. Loss of lease
 - c. Union strike/action
 - d. Child abuse investigation
 - e. Changes in corporate by laws
 - f. Loss of Insurance
 - g. Loss of funding associated with the contract
 - h. Significant facility damage
 - i. Client or other law suits
4. Changes, additions to or loss of any funding sources (other than DCF) supporting the contract.
5. Changes which are long term in nature and can reasonably be expected to continue into a new Contract period.

B. Unreported Significant Events

In circumstances where the Departmental Component learns of a Significant Event (e.g. through a site review, audit or other media) that was not reported, the non-compliance with this policy shall be brought to the attention of the contract signatory and the Provider Agency's Board by postal mail.

C. Department's Responsibilities regarding Significant Events

The Department is not obligated to assume the cost of a Provider Agency's

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Significant Event. In circumstances where the provider is not timely in notifying the Departmental Component about a Significant Event, regardless of the reason, the Department reserves the right to take reasonable action to assess the matter and, pending the assessment, also may provide a notice of termination, per the Standard Language Document, DCF.P2.01.

V. PROCEDURES

Person responsible, time frames for notification and response:

1. The Provider Agency's contract signatory is required to initially notify the DCF Contract Administrator(s) by phone or e-mail within 3 business days of the event, and the written notification is also to be received by DCF Departmental Component by postal mail within 10 business days of the Significant Event.
2. Upon written notification by a Provider Agency of a Significant Event, Departmental personnel shall respond within 20 working days.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.12-2007

EFFECTIVE DATE: August 31, 2007

REVISED: May 1, 2012

SUBJECT: **Clusters**

I. PURPOSE

The purpose of this policy is to instruct all Provider Agencies and DCF Departmental Components' contracting staff on the policy and procedures for identifying and utilizing Clusters within the Budget.

II. SCOPE

This policy applies to all Department of Children and Families (DCF) Third Party Social Services and Training Contracts.

III. DEFINITIONS

In addition to the terms defined in the DCF Contract Policy and Information Manual, and the DCF Contract Reimbursement Manual, the following terms, when capitalized, shall have meanings as stated:

Cluster means one or more service-related Programs designated by the Departmental Component, and identified in the Contract.

IV. POLICY

For contracting purposes, this policy will enable Provider Agencies to move funds between service-related programs to offset a deficit identified in one program with a surplus in another service-related program.

DCF recognizes two categories of Clustered services (see Attachment 1):

1. General Social Services/Non-Substitute Care Services;
2. Substitute Care Services

All other contracting policies apply. Special attention needs to be given to DCF.P1.10 Contract Modification, in particular to Section IV. E. Granting of Flexibility for Budget Management regarding Flexible Limits.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

A. Level of Service and/or Performance Outcomes Requirements

Each contracted service program component will have a minimum level of service and/or performance outcomes identified as part of the Annex A Contract requirements. These minimum requirements must be maintained as a prerequisite for any funds being transferred between service-related programs within the same Cluster.

B. Funding Source

Services funded under any one of the following sources may be Clustered (by funding source), unless otherwise prohibited by the funding source's regulations or policies.

1. Single funding source
2. Multiple funding sources for the same service
3. State funds
4. Federal funds

C. Fixed-Unit Rate Service Programs

Service program components funded under the fixed-unit rate method of payment will not be Clustered.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

CLUSTER CATEGORIES

1. General Social Services/Non-Substitute Care Services

Initial Response Services
Case Management Services
Family/Client Support Service
Health, Substance Abuse and Mental Health Treatment Services
Employment Related Services
Education Services
Planning, Management and Infrastructure
Technical Assistance

2. Residential, Resource Family and Kinship Care Placement Services/Substitute Care

Residential Treatment
Group Home Care
Treatment Home Care
Independent Living
Shelter Care
Public Institutional Care
Resource Family Care
Kinship Care Placement Services

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

DEPARTMENT POLICY: DCF.P1.13. 2013

EFFECTIVE DATE: January 1, 2013

SUBJECT: Emergency Social Services Procurements for the Safety of Children and Families

I. PURPOSE

The purpose of this policy is to clarify and standardize the process for emergency social services procurements on behalf of children and families served or intended to be served by the Department of Children and Families (DCF).

II. SCOPE

This policy applies to all Departmental Components. This policy is promulgated to provide a consistent approach to the awarding of, subgrants/contracts that do not fall within the parameters of the New Jersey Law, N.J.S.A. 52:34-6 et seq. or the policy that relates to the Request for Proposal Policy P 1.04 due to the need for an emergency procurement. The current New Jersey Administrative Code provides in § 10:3-3.13 Exceptions to Procedures (b) When there is an emergent danger and/or a risk to the health and welfare of clients as a result of strict adherence to N.J.A.C. 10:3-3, an exemption from the full RFP process may be granted and signed by the person in charge of the departmental component. This policy provides the procedures in place to accommodate procurements when these circumstances are in place.

III. POLICY

The RFP process shall not be required for an emergency as determined by the Commissioner for the purpose of serving children and families.

IV. DEFINITIONS

Emergency: Shall mean a situation in which the life, health, safety, or welfare of children and families are at risk or will be placed at risk absent prompt intervention. This can occur as the result of a natural disaster and its after effects, a sudden and unexpected withdrawal of a contract, or other circumstances as deemed necessary and appropriate by the Commissioner.

V. PROCEDURES

The Departmental Component shall follow the procedures set forth in this policy when requesting an emergency procurement involving the provision of third-party social services.

A. Approval to Proceed to Procure Services

1. The Departmental Component shall provide a request to the Commissioner for approval to proceed to procure services so that the effect upon children and families is minimized.
2. Upon written or email approval, the Departmental Component shall proceed to finalize the procurement and contract and ensure that all participants in the development process provide appropriate ethics forms proscribed by the New Jersey State Ethics Commission for participation in the procurement process relating to personal and financial relationships.


Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.15-2016

EFFECTIVE DATE: April 1, 2016

SUBJECT: **Health Insurance Portability and Accountability Act of 1996 (HIPAA)
and Business Associate Agreement (BAA)**

I. PURPOSE

The Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) governs how certain businesses and organizations disclose the Protected Health Information (PHI) of individuals they serve. The obligations and responsibilities imposed under HIPAA belong primarily to organizations that are defined as Covered Entities. DCF is regarded as a Covered Entity under the provision of HIPAA and, as such, the HIPAA Regulations affect the Department's Third Party Social Service Contracts. This policy explains how a Departmental Component determines if a Provider Agency is a Covered Entity and mandates when a Business Associates Agreement (BAA) shall be executed with a Provider.

II. SCOPE

This policy applies to all DCF Third Party Social Service Contracts executed with organizations defined as a Business Associate.

III. DEFINITIONS

Business Associate is a person or entity, other than a member of the workforce of a Covered Entity, who performs functions or activities on behalf of, or provides certain services to, a Covered Entity that involves access by the Business Associate to Protected Health Information (PHI). This definition is also applicable to a subcontractor that creates, receives, maintains, or transmits Protected Health Information (PHI) on behalf of another Business Associate.

Business Associates Agreement (BAA) sets forth the responsibilities of a Provider Agency, as a Covered Entity, in relationship to Protected Health Information (PHI), as those terms are defined and regulated by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the regulations adopted thereunder by the Secretary of the United States Department of Health and Human Services with the intent that the Covered Entity shall, at all times, be in compliance with HIPAA and the underlying regulations. The Business Associate Agreement (BAA) is entered into for the purpose of the Business Associate providing services on behalf of the Covered Entity.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Covered Entity means a health plan, a health care clearinghouse, or a health care provider who transmits any health information in electronic form in connection with a transaction covered by the regulations. In reference to the Business Associate Agreement (BAA), Covered Entity shall mean the New Jersey Department of Children and Families (DCF).

Health Insurance Portability and Accountability Act of 1996 (HIPAA) Regulations shall mean the regulations promulgated under HIPAA by the U.S. Department of Health and Human Services, including, but not limited to, the Privacy Rule and the Security Rule, and shall include the regulations codified at 45 CFR Parts 160, 162, and 164.

Hybrid Entity under HIPAA is a larger entity with subdivisions that may have distinct missions with certain subdivisions providing health-related treatment services, while other subdivisions within the same entity may not.

Protected Health Information (PHI) is individually identifiable health information that is transmitted by electronic media or transmitted or maintained in any other form or medium.

IV. POLICY

Through the Department's Third Party Social Service Contracts, DCF may share or disclose an individual's Protected Health Information (PHI) with Providers who may, in turn, use or disclose the PHI. Under the provisions of HIPAA, such Providers may be defined as Business Associates. As a consequence, many of the Department's Third Party Social Service Contracts may require the establishment of a formal Business Associate Agreement (BAA) with the Provider as an addendum to their DCF Contract(s). The 2013 amendments to the HIPAA Regulations now require a Business Associate to execute BAAs with their subcontractors. However, these changes do not require a Covered Entity to execute a BAA with the subcontractor of a Business Associate.

To comply with the provisions of the HIPAA Regulations, DCF has developed a standard language BAA that shall be used for many of the Department's Third Party Social Service Contracts. The following are guidelines to be used in determining which Contracts require a BAA.

A. Questions for Consideration

The following questions should be considered when assessing the applicability of executing a BAA with a Provider:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Does the Departmental Component provide the Provider with an individual's PHI, or is it reasonably foreseeable that the Provider will collect or use PHI during the provision of services on behalf of the Department?

1. If no, then a BAA is not necessary
2. If yes, then a BAA is required.

B. General Exclusions/Inclusions/Special Circumstances

1. The definition of a Business Associate excludes those entities that disclose PHI for treatment purposes. Accordingly, a BAA is not required if the Provider is also a Covered Entity. The Provider must give satisfactory assurances that they safeguard all disclosed PHI. DCF policy and the professional judgment of Department administration will dictate reasonable assurances.

Exclusions for which a BAA is not mandatory, but DCF may require a BAA, are health-related treatment services rendered through contracts by other HIPAA Covered Entities such as:

- i. Psychologists
- ii. Psychiatrists
- iii. Physicians
- iv. Licensed Social Workers
- v. Licensed Counselors
- vi. Nurses
- vii. Mental Health Clinics
- viii. Hospitals
- ix. Residential Treatment Centers
- x. Substance Abuse Treatment Programs
- xi. Home Health and Homemaker Providers

2. Inclusions for which a BAA is required:

- i. Domestic Violence Shelters
- ii. Treatment Homes
- iii. Group Homes
- iv. Contracted Foster Care Homes
- v. Case Management Service Providers
- vi. Transportation Companies to whom DCF provides PHI for the purposes of transporting individuals to doctors, hospitals, and clinics

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- vii. Any entity where the receipt, logging, and/or transmission of PHI is necessary to administer services
3. Special Circumstances:
- i. Multi-Service Providers – If services to be rendered pursuant to a Contract include both health-related treatment service and non-health-related treatment services, then a BAA will likely still be required.
 - ii. Hybrid Entities – Where the Department has contracted with a large agency that has subdivisions which provide health-related treatment services, while other subdivisions with the same entity may not and the security of PHI among the Provider’s subdivisions is in question or of concern, then the execution of a relevant BAA is highly recommended.
 - iii. Multiple Contracts with a Provider – Each Contract is assessed on its own unique provisions. BAAs are to be executed for each individual Contract, as appropriate.

As a general rule, the execution of a BAA is always permissible, even where exclusions can apply. A BAA is always recommended when a provider, even if a covered entity, follows privacy and notification procedures that are adverse to the policies of DCF.

The DCF standard language HIPAA Business Associate Agreement (BAA) can be found on the DCF website at <http://nj.gov/dcf/providers/contracting/forms/>. When questioning the applicability of a BAA to an overall agreement, please contact the DCF Privacy Officer with DCF’s Office of Grants Management, Auditing, and Records.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.50-2007

EFFECTIVE DATE: August 31, 2007

REVISED: January 1, 1015

SUBJECT: **Multi-Year Contracting**

I. PURPOSE

The purpose of this policy is to establish the policy and procedures for implementing multi-year Contracts.

II. SCOPE

This policy applies to all DCF Contracts designated by the Departmental Component as eligible for multi-year terms.

III. POLICY

A. Except in those circumstances outlined in Section B below, Third Party Social Services Contracts in DCF may be executed for multi-year terms.

Multi-year Contract terms have the advantage of:

1. Increased administrative simplicity for the Department and for the Provider Agencies, and
2. Greater stability for Provider Agencies in planning for service delivery and funding needs.

B. The decision to implement multi-year Contract terms with specific Contracts will be made by the Departmental Component. In making such decisions, the factors listed below will be considered.

1. New Contract Provider Agencies will not be given multi-year terms in their first year of funding.
2. Provider Agencies with identified contracting/management problems will not be given multi-year Contract terms. Contracting/management problems may be identified by a Contract audit report, Pre-Award Survey, or by a Departmental Component monitoring report.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- C. Provider Agencies which have multi-year Contract terms will receive equitable treatment from the Departmental Component with regard to all funding increases available or decreases required. The fact that a Provider Agency has a multi-year Contract will not penalize that Provider Agency if additional funding is available for Contract services. Similarly, in the case of a reduction in funding, a Provider Agency with a multi-year term will be as vulnerable to any necessary Contract reductions as a Provider Agency with a one-year term.

Subsequent years of Contract funding are always contingent on State appropriations for continued service provision.

- D. The process for receiving and considering recommendations from the county planning bodies will be the same for multi-year Contracts as for one-year Contracts.

IV. PROCEDURES

A. Contract Document for Multi-Year Contracts

The Contract documents for a multi-year Contract will consist of the following items:

1. Standard Language Document - A multi-year Contract will have a single Standard Language Document for the multi-year term. On the signature page of the Standard Language Document, the Contract effective date and the Contract expiration date will indicate the multi-year Contract term.
2. Programmatic Annex - A single programmatic annex (Annex A) will be prepared and will include information which is applicable to the full multi-year Contract term. Specifically, items in the Annex A which shall be written to include multi-year data are: Contract term, Contract level of service delivery, service days, number of clients to be served, and the goals and objectives.
3. Fiscal Annex - The fiscal annex (Annex B, and/or Annex B-2) of a multi-year Contract will cover the full term of the Contract. Special considerations for preparation of the fiscal annex are outlined below.
 - a. For Cost-Related Contracts
 - i. Annex B (Budgets)

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

In accordance with the policies and procedures of the Contract Reimbursement Manual, there will be a budget for each of the Provider's fiscal years. The total number of budgets required will depend on the Provider Agency's fiscal year in relation to the Contract term. (See Section 5 of the Contract Reimbursement Manual for additional information.) All budgets for a multi-year term will be submitted simultaneously by the Provider Agency during the Contract negotiations.

Each budget must reflect its proportionate share of all Contract costs, applicable to the particular budget period. A budget may be modified during the Contract term, as outlined in Section IV.D.2 of this policy and in accordance with DCF.P1.10 Contract Modification.

ii. Cover Page for Annex B

For the sake of clarity, a cover page for the Contract Annex B shall be prepared which specifies:

- (1) The budget period and Reimbursable Ceiling for each budget of the Contract;
- (2) The full Contract term; and
- (3) The aggregate Reimbursable for the Contract, i.e., the sum of the Reimbursable Ceilings for the Contract budgets.

iii. Schedules of Estimated Claims

Separate estimated monthly claims shall be projected by the Provider Agency reflecting each budget submitted for the Contract term.

b. For Contracts Paid on a Rate

A single Annex B-2 will be completed by the Division at the beginning of the Contract term and will be effective for the full multi-year Contract term unless revised by a Contract Modification. If the Contract has a maximum funding amount, this amount will be included for the multi-year Contract term and specified in the Annex B-2. This amount will also be reflected in the Annex B for a Cost-Related Contract which is paid on a rate.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

c. Supporting Documentation

Supporting documentation for the fiscal Annex shall be submitted by the Provider Agency during Contract negotiations and, if appropriate, will be included as attachments to the fiscal Annex. Such supporting documentation includes, but is not limited to, the Provider Agency's most recent audited financial statements, organizational structure of the Provider Agency, and donor agreements.

In cases in which supporting documents are not available for the full multi-year Contract term, such documents may be submitted to the Departmental Component during the Contract term, as permitted by the Departmental Component. Specifically, with regard to execution and submission of donor agreements during the Contract term, refer to Policy DCF.P6.01, Match Requirements for Social Services Block Grant Service Contracts.

B. Division Documents

The following Contract documents used by the Departmental Component shall be completed, as indicated, for a multi-year Contract.

1. Transmittal Letter

At the beginning of a multi-year Contract, the Departmental Component shall issue a transmittal letter to the Provider Agency which states:

- a. The aggregate Reimbursable Ceiling for a Cost-Related Contract; and
- b. The Payment Rate and, if applicable, the maximum Contract funding, for a Non-Cost-Related Contract.

2. Contract Information Form (CIF)

The Departmental Component will complete a single CIF for the full number of years of the Contract term, using the aggregate Contract Reimbursable Ceiling to identify the Departmental Component's funding obligation.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

C. Advance Payment

1. The Department will not issue Initial Advance Payments prior to the contract effective date. An Initial Advance Payment cannot be issued prior to the execution of the contract.
2. If an Initial Advance Payment is issued, it will be based on one month's estimated expenditures. The payment will be made as negotiated and only after the start of the contract term. The Department reserves the right not to authorize an Initial Advance Payment.
3. Advances will be issued at the beginning of the multi-year Contract term and recouped, according to Department procedures, throughout the Contract term.
4. At the Departmental Component's discretion and upon approval of the DCF Director of Contracting, the Departmental Component may issue an Initial Advance Payment greater than one month.

D. Budget Flexibility for Cost-Related Contracts

In a multi-year Contract, flexibility between/among budgets in the Contract will be allowed within limits described below.

1. Overspending

A Provider Agency will not be allowed to overspend in the Contract.

2. Underspending and Carry-Forward Amount

If a Provider Agency underspends a budget in any year of the multi-year Contract, the unspent amount may **not** be carried forward to the budget of the next or later year(s) of the Contract. The exception to this policy is if State or Federal rules governing the use of the funds allocated to the Contract permit a carry-forward. The Provider Agency must submit a request for a Contract Modification **and** obtain Departmental Component approval in order to carry forward unspent funds.

Approval for the Contract Modification will be granted by the Departmental Component only if the modification is justified and appropriate. Prior to submitting a Contract Modification, the Provider Agency shall ensure that sufficient funds remain in the expiring budget to cover all applicable expenses of that budget period.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P2.01-2007

EFFECTIVE DATE: August 31, 2007

REVISED: July 2, 2019

**SUBJECT: Standard Language Document for Social Service and Training
Contracts**

I. PURPOSE

This policy is written to specify the use of the Department of Children and Families (DCF) Standard Language Document for Social Service and Training Contracts.

II. SCOPE

This policy applies to all Department of Children and Families (DCF) Contracts.

III. POLICY

The Standard Language Document (Attachment 1) establishes non-negotiable obligations, responsibilities, rights and relationships of the Contract parties. Programmatic and fiscal differences among Contracts are contained in the Contract Annex(es).

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

**STANDARD LANGUAGE DOCUMENT
FOR SOCIAL SERVICE AND TRAINING CONTRACTS**

This CONTRACT is effective as of the date recorded on the signature page between the Department and the Provider Agency identified on the signature page.

WHEREAS the New Jersey Department of Children and Families (the "Department") has been duly designated under the authority of N.J.S.A. 30:1A-1, 30:1-11, 30:1-12, and 30:1-20 to administer or supervise the administration of social service and training programs and has, in turn, designated the Departmental Component to be directly responsible for the funding, implementation and administration of certain social service and training programs, including the program(s) covered by this Contract; and

WHEREAS the Department desires that the Provider Agency provide services and the Provider Agency has agreed to provide services in accordance with the terms and conditions contained in this Contract;

THEREFORE, the Department and the Provider Agency agree as follows:

I. DEFINITIONS

For the purposes of this document, the following terms, when capitalized, shall have meanings as stated:

Additional Named Insured means an endorsement to an insurance policy extending the coverage to the State of New Jersey against loss in accordance with the terms of the policy. Naming the State as an additional named insured permits the Department to pay the premium should the named insured fail to do so.

Annex(es) means the attachment(s) to this document containing programmatic and financial information.

Contract means one of the Department's social service or training Contracts with a Provider Agency. Terms and conditions of the Contract are included in the Standard Language Document, Annex(es), appendices, attachments and Contract Modifications (including any approved assignments and subcontracts) and supporting documents. The Contract constitutes the entire binding agreement between the Department and the Provider Agency.

Department means the New Jersey Department of Children and Families. It means, where appropriate from the context, the Division, Commission, Bureau, Office, Unit or other designated component of the Department of Children and Families responsible for the administration of particular Contract programs.

Departmental Component means the Division, Bureau, Commission, Office or other Unit within the Department responsible for the negotiation, administration review, approval, and monitoring of certain social service or training Contracts.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Expiration means the cessation of the Contract because its term has ended.

Notice means an official written communication between the Department and the Provider Agency. All Notices shall be delivered in person or by certified mail, return receipt requested, and shall be directed to the persons and addresses specified for such purpose in the Annex(es) or to such other persons as either party may designate in writing.

The Notice shall also be sent by regular mail and shall be presumed to have been received by the addressee five days after being sent to the last address known by the Department.

Provider Agency (also Provider) means the public or private organization which has a social service or training Contract with the Department.

Termination means an official cessation of this Contract, prior to the expiration of its term that results from action taken by the Department or the Provider Agency in accordance with provisions contained in this Contract.

II. BASIC OBLIGATIONS OF THE DEPARTMENT

Section 2.01 Payment. As established in the Annex(es), payment for Contract services delivered shall be based on allowable expenditures or the specified rate per unit of service delivered. Such payment(s) shall be authorized by the Department in accordance with the time frames specified in the Annex(es). Total payments shall not exceed the maximum Contract amount, if any, specified in the Annex(es). All payments authorized by the Department under this Contract shall be subject to revision on the basis of an audit or audits conducted under Section 3.13 Audit or on the basis of any Department monitoring or evaluation of the Contract.

Section 2.02 Referenced Materials. Upon written request of the Provider Agency, the Department shall make available to the Provider Agency copies of federal and State regulations and other material specifically referenced in this document.

III. BASIC OBLIGATIONS OF THE PROVIDER AGENCY

Section 3.01 Contract Services. The Provider Agency shall provide services to eligible persons in accordance with all specifications contained in this Contract.

Section 3.02 Reporting. The Provider Agency shall submit to the Department programmatic and financial reports on forms provided by the Department and within the stated time parameters. The reporting frequency and due date(s) are specified and sample forms to be used are included in the Annex(es), or otherwise made available by the Departmental Component.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Section 3.03 Compliance with Laws. The Provider Agency agrees in the performance of this Contract to comply with all applicable federal, State and local laws, rules and regulations (collectively, "laws"), including but not limited to the following:

- a. State and local laws relating to licensure; federal and State laws relating to safeguarding of client information;
- b. The federal Civil Rights Act of 1964 (as amended);
- c. P.L. 1975, Chapter 127, of the State of New Jersey (N.J.S.A. 10:5-31 et seq.) and associated executive orders pertaining to affirmative action and nondiscrimination in public contracts;
- d. The New Jersey Law Against Discrimination (LAD) (N.J.S.A. 10:5-1 et seq.)
- e. The federal Equal Employment Opportunity Act;
- f. Section 504 of the federal Rehabilitation Act of 1973 pertaining to non-discrimination on the basis of handicap, and regulations thereunder;
- g. The Americans With Disabilities Act (ADA), 42 U.S.C. 12101 et seq.; and
- h. Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b)

Failure to comply with the laws, rules and regulations referenced above shall be grounds for Termination of this Contract for cause.

If any provision of this Contract shall conflict with any federal or State law(s) or shall have the effect of causing the State to be ineligible for federal financial participation in payment for Contract services, the specific Contract provision shall be considered amended or nullified to conform to such law(s). All other Contract provisions shall remain unchanged and shall continue in full force and effect.

Section 3.04 Business Associate Agreements and State Confidentiality Statutes. DCF is a covered entity pursuant to the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C.A. §1320d et seq. (HIPAA); 45 CFR Parts 160 and 164. Before a Provider Agency obtains or is permitted to access, to create, maintain or store Protected Health Information (PHI) as part of its responsibility under this Contract, the Provider Agency shall first execute a Department of Children and Families Business Associate Agreement (BAA). A Provider Agency, whose work under this Contract does not involve PHI is not required to execute a BAA. DCF shall have the sole discretion to determine when a Provider Agency's work will involve PHI. Protected Health Insurance shall have the same meaning as in 45 CFR 160.103.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Provider Agencies that enter any subcontract where the work for the subcontract involves an individual's PHI shall require its subcontractor to execute a BAA that meets all the requirements of HIPAA, including those in 45 CFR 164.504(e). A standard form of BAA is available for a Provider Agency's use from the Department. If the BAA is breached by the Provider Agency, or its subcontractor, the Provider Agency shall notify the Department within 24 hours of the breach. The Department may, in its sole discretion and at any time, request a BAA compliance audit or investigation of the Provider Agency or its subcontractor with which the Provider Agency has entered into a BAA. The Provider Agency shall cooperate with all Department requests for a BAA compliance audit and/or investigation and shall require that its subcontractor cooperate with all Departmental requests for BAA compliance audits and investigations.

In addition to the confidentiality requirements of HIPAA, if applicable, a Provider Agency shall maintain the confidentiality of all certificates, applications, records and reports ("Records") that directly or indirectly identify any individual and shall not disclose these Records except where disclosure is consistent with applicable Department statute and regulations and the BAA, if any.

Section 3.05 Business Registration.

NOTE: This section does not apply to governmental agencies or non-profit organizations.

The Provider Agency must have a valid Business Registration Certificate (BRC) issued by the Department of Treasury, Division of Revenue prior to the award of a contract in accordance with N.J.S.A. 52:32-44(b). No State Agency may Contract with a Provider Agency if the Provider has not filed for its incorporation papers or filed its annual business registration. Furthermore, no Provider Agency that Contracts with the Department shall enter into any subcontract unless the subcontractor can demonstrate that it is incorporated in the State of New Jersey and its annual business registration is current, and follows the provisions prescribed in this Standard Language Document. Failure to comply with this paragraph or the above-referenced citation will result in cause for the Department to Terminate this Contract.

Section 3.06 Set-Off for State Tax and Child Support. Pursuant to N.J.S.A. 54:49-19, if the Provider is entitled to payment under the Contract at the same time as it is indebted for any State tax (or is otherwise indebted to the State) or child support, the State Treasurer may set off that payment by the amount of the indebtedness.

Section 3.07 Source Disclosure. N.J.S.A. 52:34-13.2, that codified Public Law 2005, c.92 and Executive Order 129, requires when submitting a Request for Proposals and/or Contract, the Provider Agency shall submit as part of their proposal and/or Contract Certification listing where their contracted services will be performed and if the contracted services, or any portion thereof, will be subcontracted and where any subcontracted services will be performed.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Any changes to the information submitted in the Source Disclosure Certification during the term of the Contract must be immediately reported to the Director of the Division of Purchase and Property and to the Departmental Component within the Department for whom the contracted services are being performed. A Provider that shifts its activities outside the United States and its constituent Commonwealths and territories without prior written affirmation by the Director attesting to the fact that extraordinary circumstances required the shift or that the failure to shift the services would result in the infliction of economic hardships to the State of New Jersey, shall be deemed to be in breach of Contract which would be subject to Termination by the Department.

Section 3.08 Provider Certification and Disclosure of Political Contributions.

NOTE: Non-profit organizations are exempted from the requirements of Section 3.08.

N.J.S.A. 19:44A-20.13 to 19:44A-20.25, that codified Public Law 2005, Chapter 51 and Executive Order 134, and Executive Order 117, requires that any for-profit agency that seeks or contracts to provide services in the amount of \$17,500 or more must submit to the Department the Certification and Disclosure of Political Contribution forms. This form includes a certification that the business entity has not, during certain specified time frames, solicited or made any contribution of money, pledge of reportable contributions, including in-kind contributions, to any candidate committee and/or election fund of the Governor or Lieutenant Governor, any legislative leadership committee or any State, county or municipal political party committee. The form also requires disclosure of any of the above-referenced reportable contributions made by the business entity, its principals, officers, partners, directors, spouses, civil union partners and resident children.

If awarded a Contract, the Provider will, on a continuing basis, continue to report any Contribution it makes during the term of the Contract, and any extension(s) thereof. Failure to do so will result in Termination of the Contract and could result in the debarment from public contracting of the Provider for a period of up to five years.

Section 3.09 Contract Certification and Political Contribution Disclosure Form. The Provider Agency is advised of its responsibility to file an annual disclosure statement of political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c.271, section 3 if the Provider Agency receives Contracts in excess of \$50,000 from a public entity in a calendar year. It is the Provider Agency's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at (888) 313-3532 or at www.elec.state.nj.us/

Section 3.10 Equal Employment Opportunity. Pursuant to N.J.S.A. 10:5-31 *et seq.*, N.J.A.C. 17:27, during the performance of this Contract, the Provider Agency agrees as follows:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- a. The Provider Agency and any subcontractor(s) will not discriminate against any client, employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.
- b. Except with respect to affectional or sexual orientation and gender identity or expression, the Provider will take affirmative action to ensure that such applicants are recruited and employed by DCF contracted agencies.
- c. The Provider Agency will ensure that equal opportunity is afforded to all employees in recruitment and employment, and that all employees are treated equally during employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, disability, nationality or sex. Such action shall include, but not be limited to the following:
 - Employment;
 - Upgrading;
 - Demotion, or transfer;
 - Recruitment or recruitment advertising;
 - Layoff or termination;
 - Rates of pay or other forms of compensation; and
 - Selection for training, including apprenticeship.
- d. The Provider Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.
- e. The Provider Agency and subcontractor(s), in all solicitations or advertisements for employees placed by or on behalf of the Provider shall state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.
- f. The Provider Agency and subcontractor(s) will send a notice to each labor union or representative with which it has a collective bargaining agreement, other contract, or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the Provider's commitments under this act and shall post copies of the notices in conspicuous places available to employees and applicants for employment.
- g. The Provider Agency and subcontractor(s) agree to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A.10:5-31 et seq. as amended and supplemented from time to time and the Americans with Disabilities Act.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- h. The Provider Agency or subcontractor agrees to make a good faith attempt to employ minority and female workers consistent with the applicable county employment goals prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time or in accordance with a binding determination of the applicable county employment goals determined by the Division of Contract Compliance & EEO pursuant to N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time.
- i. The Provider Agency or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.
- j. The Provider Agency or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable State and federal law and applicable State and federal court decisions.
- k. The Provider Agency and subcontractor agree to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable federal law and applicable federal court decisions.
- l. The Provider Agency and its subcontractors shall furnish such reports or other documents to the Department from time to time in order to carry out the purposes of these regulations, and the Department shall furnish such information to the Department of Treasury, Division of Contract Compliance and EEO, as may be requested by the DCF for conducting a compliance investigation pursuant to Subchapter 10 of N.J.A.C.17:27.

Section 3.10.1 Anti-Discrimination Provisions. Pursuant to N.J.S.A. 10:2-1, during the performance of this Contract, the Provider Agency agrees as follows:

- a. In the hiring of persons for the performance of work under this contract or any subcontract hereunder, or for the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under this contract, no contractor, nor any person acting on behalf of such contractor or subcontractor, shall, by reason of race, creed, color, national origin,

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex, discriminate against any person who is qualified and available to perform the work to which the employment relates;

- b. No contractor, subcontractor, nor any person on his behalf shall, in any manner, discriminate against or intimidate any employee engaged in the performance of work under this contract or any subcontract hereunder, or engaged in the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under such contract, on account of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex;
- c. There may be deducted from the amount payable to the contractor by the contracting public agency, under this contract, a penalty of \$ 50.00 for each person for each calendar day during which such person is discriminated against or intimidated in violation of the provisions of the contract; and
- d. This contract may be canceled or terminated by the contracting public agency, and all money due or to become due hereunder may be forfeited, for any violation of this section of the contract occurring after notice to the contractor from the contracting public agency of any prior violation of this section of the contract.

Section 3.11 Department Policies and Procedures. In the administration of this Contract, the Provider Agency shall comply with all applicable policies and procedures issued by the Department including, but not limited to, the policies and procedures contained in the Department's Contract Reimbursement Manual (as from time to time amended) and the Department's Contract Policy and Information Manual (as from time to time amended). Failure to comply with these policies and procedures shall be grounds to Terminate this Contract.

Section 3.12 Financial Management System. The Provider Agency's financial management system shall provide for the following:

- a. Accurate, current and complete disclosure of the financial results of this Contract and any other contract, grant, program or other activity administered by the Provider Agency;
- b. Records adequately identifying the source and application of all Provider Agency funds and all funds administered by the Provider Agency. These records shall contain information pertaining to all contract and grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income;
- c. Effective internal control structure over all funds, property, and other assets. The Provider Agency shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes;

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- d. Comparison of actual outlays with budgeted amounts for this Contract and for any other contract, grant, program or other activity administered by the Provider Agency;
- e. Accounting records supported by source documentation;
- f. Procedures to minimize elapsed time between any advance payment issued and the disbursement of such advance funds by the Provider Agency; and
- g. Procedures consistent with the provisions of any applicable Departmental policies and procedures for determining the reasonableness, allowability, and allocability of costs under this Contract.

Section 3.13 Audit. The Department requires a Provider Agency that expends within their fiscal year aggregated Federal or State financial assistance from cost reimbursement contracts of \$100,000 or greater, to submit an annual organization-wide audit.

Audits shall be conducted in accordance with the Federal Single Audit Act of 1984, generally accepted auditing standards as specified in the Statements on Auditing Standards issued by the American Institute of Certified Public Accountants and Government Auditing Standards issued by the Comptroller General of the United States.

The Department may require, in its sole discretion, a Provider Agency that expends within their fiscal year aggregated Federal or State financial assistance from cost reimbursement contracts of less than \$100,000, or that expends within their fiscal year any amount of Federal or State financial assistance or Medicaid payments for providing services to Medicaid eligible individuals from fee for service contracts, to submit one of the following:

- a. An annual program specific audit performed in accordance with the Uniform Guidance Subpart F for each program providing services under a New Jersey contract; or
- b. A copy of an already prepared annual financial statement audit of the organization performed in accordance with Government Auditing Standards (Yellow Book); or
- c. A compilation of certified financial statements that includes an income statement, cash flow statement or balance sheet, prepared in accordance with generally accepted accounting principles and reviewed by a public accountant attesting to their accuracy.

At any time during the Contract term, the Provider Agency's overall operations, its compliance with specific Contract provisions, and the operations of any assignees or subcontractors engaged by the Provider Agency under Section 5.02 Assignment and Subcontracts may be subject to audit or review by the Department, by any other appropriate

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

unit or agency of State or Federal government, and/or by a private firm or firms retained or approved by the Department for such purpose.

Whether or not such audits are conducted during the Contract term, a final financial and compliance audit of Contract operations, including the relevant operations of any assignees or subcontractors, may be conducted after Contract Termination or Expiration. The Provider Agency is subject to audit up to four years after Termination or Expiration of the Contract. If any audit has been started but not completed or resolved before the end of the four-year period, the Provider Agency continues to be subject to such audit until it is completed and resolved.

The Provider Agency shall maintain all documentation related to products, transactions or services under this Contract for a period of five years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.

Section 3.14 Federal Davis-Bacon Act and New Jersey Prevailing Wage Act. Any Department Contract containing federal funds in excess of \$2,000 utilized for the construction, alteration, renovation, repair, or modification of public works or public buildings to which the federal government is a party or any Contract for similar work on public works financed with federal funds must comply with the federal Davis-Bacon Act, 40 U.S.C. section 276a et seq. The Davis-Bacon Act requires that the Provider must pay the prevailing wages to each designated worker class engaged under the Contract at wage rates determined by the U.S. Secretary of Labor.

Any subsequent Provider Agency, Contract, or subcontract for any public work in excess of \$2,000 State funds of which the Department is a party shall comply with the N.J. Prevailing Wage Act, N.J.S.A. 34:11-56.27. Such Contracts or subcontracts shall contain a provision stating that the prevailing wage rate, as designated by the New Jersey Commissioner of Labor, must be paid to all designated classes of workers employed through said Contracts or subcontracts. The Provider Agency must determine if the New Jersey Prevailing Wage Act applies and follow all directives per N.J.S.A. 34:11-56 et seq.

Section 3.15 Contract Closeout. The Provider Agency shall comply with all requirements of Department Policy: DCF.P7.01 Contract Closeout. This includes the prompt submittal of the final Report of Expenditures and any other financial or programmatic reports required by the Department. All required documentation is due within 120 days of Contract Expiration or Termination.

IV. TERMINATION

The Department may Terminate or suspend this Contract in accordance with the sections listed below.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Section 4.01 Termination for Convenience by the Department or Provider Agency. The Department or Provider Agency may Terminate this Contract upon 60 Days written advance Notice to the other party for any reason whatsoever.

The parties expressly recognize and agree that the Department's ability to honor the terms and conditions of this Contract is contingent upon receipt of federal funds and/or appropriations of the State legislature. If during the term of this Contract, therefore, the federal and/or the State government reduces its allocation to the Department, the Department reserves the right, upon Notice to the Provider Agency, to reduce or Terminate the Contract.

Section 4.02 Default and Termination for Cause. If the Provider Agency fails to fulfill or comply with any of the terms or conditions of the Contract, in whole or in part, the Department may by Notice place the Provider Agency in default status, and take any action(s) listed in accordance with Department Policy DCF.P9.05, Contract Default. Notice shall follow the procedures established in the policy.

The above notwithstanding, the Department may immediately upon Notice Terminate the Contract prior to its expiration, in whole or in part, whenever it is determined that the Provider Agency has jeopardized the safety and welfare of the Department's clients, materially failed to comply with the terms and conditions of the Contract, or whenever the fiscal or programmatic integrity of the Contract has been compromised. The Notice of Termination shall state the reason for the action(s); the Provider Agency's informal review options, time frames, and procedures; the effective date of the Termination; and the fact that a request for a review of the decision for action(s) does not preclude the determined action(s) from being implemented.

Section 4.03 Termination Settlement. When a Contract is terminated under any section of Section IV or policy DCF.P9.05, Contract Default, the Provider Agency shall be prohibited from incurring additional obligations of Contract funds. The Department may allow costs which the Provider Agency could not reasonably avoid during the Termination process to the extent that said costs are determined to be necessary and reasonable.

The Provider Agency and Department shall settle or adjust all accounts in a manner specified by the Department and shall be subject to a final audit under Section 3.13 Audit.

V. ADDITIONAL PROVISIONS

Section 5.01 Application of New Jersey Law. This Contract shall be governed, construed and interpreted in accordance with the laws of the State of New Jersey including the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.) and the Law Against Discrimination (LAD) (N.J.S.A. 10:5-1 et seq.).

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Section 5.02 Assignment and Subcontracts. This Contract, in whole or in part, may not be assigned by the Provider Agency or assumed by another entity for any reason including but not limited to changes in the corporate status of the Provider Agency, without the prior written consent of the Department. Upon prior written notice of a proposed assignment, the Department may:

- a. Approve the assignment and continue the Contract to term;
- b. Approve the assignment conditioned upon the willingness of the assignee to accept all contractual modifications deemed necessary by the Department; or
- c. Disapprove the assignment and either terminate the Contract or continue the Contract with the original Provider Agency.

The Provider Agency may not subcontract any of the services that it has committed to perform or provide pursuant to this Contract without the prior written approval of the Department. Such consent to subcontract shall not relieve the Provider Agency of its full responsibilities under this Contract. Consent to the subcontracting of any part of the services shall not be construed to be an approval of said subcontract or of any of its terms, but shall operate only as an approval of the Provider Agency's request for the making of a subcontract between the Provider Agency and its chosen subcontractor. The Provider Agency shall be responsible for all services performed by the subcontractor and all such services shall conform to the provisions of this Contract.

Section 5.03 Client Fees. Other than as provided for in the Annex(es) and/or Departmental Component specific policies, the Provider Agency shall impose no fees or any other types of charges of any kind upon recipients of Contract services.

Section 5.04 Indemnification. The Provider Agency shall assume all risk of and responsibility for, and agrees to indemnify, defend and hold harmless the State of New Jersey and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments and costs, and expenses in connection therewith on account of the loss of life, property or injury or damages to the person, body or property of any person or persons, whatsoever, which shall arise from or result directly or indirectly from (1) the work, service or materials provided under this Contract; or (2) any failure to perform the Provider's obligations under this Contract or any improper or deficient performance of the Provider's obligations under this Contract. This indemnification obligation is not limited by, but is in addition to, the insurance obligations contained in this Contract.

Furthermore, the provisions of this indemnification clause shall in no way limit the obligations assumed by the Provider under this Contract, nor shall they be construed to relieve the Provider from any liability nor preclude the State of New Jersey, its Agencies, and/or the Department of Children and Families from taking any other actions available to them under any other provisions of this Contract or otherwise in law.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Section 5.05 Insurance. The Provider Agency shall maintain adequate insurance coverage. The State shall be included as an Additional Named Insured on any insurance policy applicable to this Contract. Should the Provider Agency fail to pay any premium on any insurance policy when due, the Department may Terminate the Contract for Cause.

Section 5.06 Modifications and Amendments. If both parties to this Contract agree to amend or supplement this Contract, any and all such amendments or supplements shall be in writing and signed by both parties. The amendment or supplement shall incorporate the entire Contract by reference and will not serve to contradict, amend, or supplement the Contract except as specifically expressed in the amendment or supplement.

Section 5.07 Statement of Non-Influence. No person employed by the State of New Jersey has been or will be paid any fee, commission, or compensation of any kind or granted any gratuity by the Provider Agency or any representative thereof in order to influence the awarding or administration of this Contract.

Section 5.08 Exercise of Rights. A failure or a delay on the part of the Department or the Provider Agency in exercising any right, power, or privilege under this Contract shall not waive that right, power, or privilege. Moreover, a single or a partial exercise shall not prevent another or a further exercise of that or of any other right, power or privilege.

Section 5.09 Recognition of Cultural Sensitivity. The Provider Agency agrees in the performance of this Contract to be sensitive to the needs of the minority populations (as described in section 3.10a of this policy) of the State of New Jersey. This sensitivity includes the employment, if possible, of a culturally diverse staff that can communicate with, and be representative of the entire community it serves.

The Provider Agency shall make programs linguistically appropriate and culturally relevant to underserved minority groups within the community. Appropriate accommodations for services shall be developed and maintained for those minority individuals who are deprived of reasonable access to those services due to language barriers or ethnic, affectional, and cultural differences. In addition, Provider Agencies shall make certain that all programs and services are reflective of the demographic needs of the community, while providing all minorities (as described in section 3.10a of this policy) the opportunity to experience any and all available social services irrespective of their ethnic, affectional, or cultural heritage.

Section 5.10 Copyrights. The Department of Children and Families reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use any work or materials developed under a Department or federally funded Contract or subcontract. The Department also reserves the sole right to authorize others to reproduce, publish, or otherwise use any work or materials developed under said Contract or subcontract.

Section 5.11 Successor Contracts. If an audit or Contract closeout reveals that the Provider Agency has failed to comply with the terms and/or conditions of this Contract, the Department reserves the right to make all financial and/or programmatic adjustments it

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

deems appropriate to any other Contract entered into between the Department and the Provider Agency.

Section 5.12 Sufficiency of Funds. The Provider Agency recognizes and agrees that both the initial provision of funding and the continuation of such funding under the Contract is expressly dependent upon the availability to the Department of funds appropriated by the State Legislature from State and/or Federal revenue or such other funding sources as may be applicable. A failure of the Department to make any payment under its Contract with the Provider Agency or to observe and adhere to its performance obligation under the Contract as a result of the failure of the Legislature to appropriate the funds necessary to do so shall not constitute a breach of the Contract by the Department or default thereunder and the Department shall not be held financially liable therefore. In addition, future funding shall not be anticipated from the Department beyond the duration of the Contract with the Provider Agency and in no event shall the Contract be construed as a commitment by the Department to expend funds beyond the Termination date set therein.

Section 5.13 Collective Bargaining. State and federal law allows employees to organize themselves into a collective bargaining unit.

Funds provided under this Contract shall not be utilized to abridge the rights of employees to organize themselves into a collective bargaining organization or preclude them from negotiating with Provider Agency management. Funds may be utilized for legitimate and reasonable management purposes at the direction of the Provider Agency during the process of collective bargaining organization.

Section 5.14 Independent Employer Status. Employees of Provider Agencies that Contract with the Department of Children and Families are employees of the Provider Agency, not the State.

In accordance with the National Labor Relations Act, 29 U.S.C.A. 152(2) and State law, N.J.S.A. 34:13A-1 et seq., Provider Agencies are independent, private employers with all the rights and obligations of such, and are not political subdivisions of the Department of Children and Families.

As such, the Provider Agency acknowledges that it is an independent Provider, providing services to the Department of Children and Families, typically through a contract-for-services agreement. As independent contractors, Provider Agencies are responsible for the organization's overall functions that include the overseeing and monitoring of its operations, establishing the salary and benefit levels of its employees, and handling all personnel matters as the employer of its workers. This is also inclusive of any travel allocations the Provider Employee pays to its employees.

The Provider Agency acknowledges its relationship with its employees as that of employer. While the Department has an adjunct role with Provider Agencies through regulatory

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

oversight and ensuring contractual performance, the Provider understands that the Department is not the employer of a Provider Agency's employees.

The Provider Agency further acknowledges that while the Department reimburses Provider Agencies for all allowable costs under the Contract, this funding mechanism does not translate into the Department being responsible for any of the elements of any collective bargaining agreements into which Provider Agencies may enter. Moreover, each Provider Agency understands that it is responsible for funding its own programs and is not limited to the amount of funding provided by the Department, and, in fact, is encouraged to solicit non-State sources of funding, whenever possible.

Section 5.15 Executive Order No. 189. Executive Order No. 189 establishes the expected standard of responsibility for all parties that enter into a Contract with the State of New Jersey. All such parties must meet a standard of responsibility that assures the State and its citizens that such parties will compete and perform honestly in their dealings with the State and avoid conflicts of interest.

In compliance with Paragraph 3 of Executive Order No. 189, no Provider Agency shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b and e, in the Department of the Treasury or any other agency with which such Provider Agency transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i, of any such officer or employee, or any partnership, firm, or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g.

The solicitation of any fee, commission, compensation, gift, gratuity, or other thing of value by any State officer or employee or special State officer or employee from any Provider Agency shall be reported in writing forthwith by the Provider Agency to the Attorney General and the Executive Commission on Ethical Standards.

No Provider Agency may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such Provider Agency to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he is employed or associated or in which he has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

No Provider Agency shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.

No Provider Agency shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the Provider Agency or any other person.

The provisions cited above shall not be construed to prohibit a State officer or employee or special State officer or employee from receiving gifts from or contracting with Provider Agencies under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards may promulgate.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

CONTRACT SIGNATURES AND DATES

The terms of this Contract have been read and understood by the persons whose signatures appear below. The parties agree to comply with the terms and conditions of the Contract set forth on the preceding pages in Articles I through Article V, and any related Annexes.

This Contract contains _____ pages and is the entire agreement of the parties. Oral evidence tending to contradict, amend or supplement the Contract is inadmissible; the parties having made the Contract as the final and complete expression of their agreement.

BY: _____
(Signature)

BY: _____
(Signature)

(Type)

(Type)

TITLE: _____
(Type)

TITLE: _____
(Type)

PROVIDER
AGENCY: _____

DEPARTMENTAL
COMPONENT: _____

DATE: _____

DATE: _____

Contract
Effective Date: _____

Contract
Expiration Date: _____

Contract Number: _____

Contract Ceiling: _____

Federal ID#: _____

Provider Contact
Individual: _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P3.03-2007

EFFECTIVE DATE: August 31, 2007

REVISED: January 01, 2013

SUBJECT: **Cultural Competence in Contracts**

I. PURPOSE

The purpose of this policy is to establish guidelines for the Departmental Components and Provider Agencies to ensure that all persons have access to Department of Children and Families (DCF) funded programs.

II. SCOPE

This policy applies to all Third Party Contracts.

III. DEFINITIONS

Cultural Competence - The Department of Children and Families recognizes a set of beliefs and culturally competent values. Cultural Competence is the process by which individuals and systems respond respectfully to the strengths and skills of diverse ethnicities and cultures, languages, socio-economic classes, disabilities, religions, genders, sexual orientation and other diversity related factors. This practice enables DCF staff and contracted Providers to achieve desired outcomes while preserving the pride, respect and dignity of each individual in our diverse communities thus ensuring the safety, well-being and success of the children, youth and families we serve.

IV. POLICY

Each Provider Agency is to be responsive to the needs of the individuals served by DCF. Programs funded by DCF must be linguistically appropriate and culturally relevant to the individuals being served in the community. Each provider Agency shall identify and develop, as needed, accessible culturally responsive services and supports. These shall include, but are not limited to, affiliations with informal or natural helping networks such as language services, neighborhood and civic associations, faith based organizations, and recreational programs determined by DCF to be appropriate

Each Provider Agency is to maintain a cultural competency plan that describes the Agency's actions to ensure that policies, material, environment, recruitment, hiring, promotion, training and Board membership reflect the community of the intended recipients of the agency's services; promote the organization's cultural competency

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

development; and how resources and services are to be provided in a way that is culturally sensitive and relevant.

A handwritten signature in black ink that reads "Allison Blake". The signature is written in a cursive style with a large initial 'A'.

Commissioner

NOTICE:
POLICY UNDER
REVISION

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

DEPARTMENT POLICY: DCF.P3.52-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Annex A to Standard Language Title XX**
Purchase of Service Contract

I. PURPOSE

The Annex A is used by provider agencies to outline to programmatic information about a proposed contract.

II. RESPONSIBILITY FOR COMPLETING THE FORM

The Annex A is completed in quadruplicate by the provider agency and submitted to the regional office as part of the contract proposal package for each new contract and each time a contract is renewed.

III. INSTRUCTIONS FOR COMPLETING ANNEX A

Contract I.D.# Enter on each page of the Annex A, the six character contract identification number assigned to your contract by the Regional Business Office.

PART I - GENERAL AGENCY INFORMATION

SECTION I - IDENTIFICATION

Provider Agency Enter the name of the provider agency as it appears on the contract.

Mailing Address Enter the mailing address of the provider agency.

Telephone No Enter the area code and telephone number of the provider agency.

Federal ID No Enter the Federal ID number assigned to the provider agency.

Effective Dates Enter the date the contract will commence and the date it will terminate.

Contract Ceiling \$ Enter the dollar amount of the contract ceiling as it appears on line D, column 3 of the Annex B, DCF Form 7-33b.

Chief Executive Officer Enter the name of the person responsible for all contract operations as designated by resolution of the governing body.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Title Enter the title of the chief executive officer of the provider agency.

Address Enter the mailing address of the chief executive officer.

Telephone No. Enter the area code and telephone number where the chief executive officer can be contacted.

All notices relevant to this contract should be sent to: Enter the name, title, mailing address, area code and telephone number of the person at the provider agency whom DCF sends all notices regarding the contract.

Program Name Enter the name of the Title XX program.

Site Address(es) Enter the address(es) of the program site(s).

Telephone No. Enter the area code(s) and telephone number(s) of the program site(s).

Program Director Enter the name of the director of the program.

Title XX Service Definition Enter the formal title and definition of the Title XX service being rendered as it appears in the most recent New Jersey Comprehensive Annual Service Program Plan.

SECTION II - AUTHORIZED SIGNATURES

Name and Position Enter the name and position of the person(s) authorized to sign or be responsible for each transaction listed.

of Signatures Required Enter the number of signatures required for each transaction.

SECTION III - SERVICE DAYS

Service will be provided as follows For each day of the week, enter the hours that service will be provided.

Emergency Provisions Describe any special arrangements which have been made to handle emergencies, e.g., radio station, special telephone number, alternate site, etc.

Service will not be provided on the following: List the occasions and dates when service will not be provided, e.g., Christmas, December 25, Independence Day, July 4, etc.

PART II - PROGRAM OPERATIONS

SECTION I - PROGRAM SUMMARY AND EVALUATION PLAN

This section is self explanatory.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

SECTION II - UNIT OF SERVICE

Unit of Service Definition (s) Describe, with the assistance of the Regional contract staff, the unit used to measure the quantity of service delivered. (e.g., preschool child care program - "one 10 hour day in which the minimum program requirements are met"; transportation program "one one-way trip", counseling program - "one direct service hours" etc.)

Components Enter the type(s) of service provided in this column. (e.g., infant care, pre-school, homemaker, transportation, etc.)

Type of Units Enter the type of unit used to measure each component. (e.g., days, hours, miles, matches, etc.)

Total # of Units Enter the total number of units which the agency provides. Exception: for contracts in which level of service will be measured by multiplying days by spaces (e.g., child care) enter the number of spaces for which the Division is contracting.

of Contract Units Enter the number of units for which DCF is contracting. Exception: for contracts in which level of service will be measured by multiplying days by spaces (e.g., child care) enter the number of spaces for which the Division is contracting.

Of Unduplicated Clients Enter the number of clients the agency will service. (Only fill in this column when instructed to do so by the regional office.)

Of Optional Enrollees Child care centers are to enter the maximum number of overenrolled spaces to be allowed within the contract. This figure may not exceed fifteen percent of the number of contracted spaces.

SECTION III - MONTHLY CONTRACTED LEVEL OF SERVICE

A monthly contracted level of service chart is to be completed for each component.

Component Enter the type of service provided.

Column 1. Month Enter the name of each contract month.

Columns 2 through 7 are to be completed only for contracts which compute level of service by multiplying days by spaces.

Column 2. Poss. Serv. Days For each contracts month, enter the number of days it would be possible to provide service if there were no holidays or training days in the month. Do not include weekends unless the program is usually open on weekends.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- Column 3. Non-Service Days (Hol.) Indicate the number of holidays (not to exceed 13 annually) on which service will not be provided in each month.
- Column 4. Non-Service Days (Trng. Days) Indicate the number of days in each month that service will not be provided due to training (not to exceed 2 annually).
- Column 5. Non-Funded Days If service will not be provided for a block of time beyond the holidays and training days within the contract period list these days as non-funded days.
- Column 6. Mthly. Serv. Days For each contract month, subtract the sum of columns 3, 4, and 5 from columns 2 to determine the actual monthly service days and enter this figure.
- Column 7. # Sp. Under Cont. Enter the number of spaces under contract each month.
- Column 8. Monthly Contracted L.O.S. Multiply each number in column 6 by the number in column 7. Enter the products in column 8.

Contracts for which level of service is not computed by multiplying days by spaces should merely fill in the number of units they will deliver each month.

Annual Totals Add and enter the sums of columns 2,3,4,5,6, and 8.

PART III - PROGRAM MANAGEMENT

SECTION I - ESSENTIAL DOCUMENTS

This Section is self explanatory.

SECTION II - PROGRAM COMPLIANCE CALENDAR

This section is completed by the DCF Field Coordinator.

Month 1 _____ Enter the name of the first month of the contract. Describe any changes the agency must make or documents the agency must supply by the end of the first month of the contract. (e.g., Month 1 April. "The agency must develop a termination policy.")

Month 2 - Month 12 _____ Continue the above procedure for each succeeding month of the contract.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DISTRIBUTION

Original and 2 copies - Departmental Component

Copy - Provider Agency File

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

ATTACHMENT A - PERSONNEL INFORMATION SHEET

PURPOSE AND USE

The Personnel Information Sheet is used by the provider agency to record background information regarding all employees of the agency.

The form is used by DCF to verify that the provider agency has employed staff sufficiently qualified to meet the requirements of the contract.

RESPONSIBILITY FOR COMPLETING THE FORM

The form is completed in quadruplicate by the provider agency and attached to the Annex A, DCF Form 7-33a, as part of the proposal package submitted for each new or renewal contract.

INSTRUCTIONS FOR COMPLETING THE FORM

Contract I.D. # Enter the six character contract identification number assigned to your contract by the Regional Business Office.

List All Full and Part Time Positions List the title of each full time and part time position in your agency.

Column (2) through (5) Complete the remainder of the form by listing for each position, in the appropriate column, the following information:

- name of person in the position;
- the hours the employee works daily;
- the types of degrees, licenses, certificates, etc. that the employee possesses which are pertinent to his/her position; and
- any additional credits, training, and experience, pertinent to the position, that the employee has obtained.

DISTRIBUTION

Original and 2 copies - Departmental Component

Copy - Provider Agency File

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

ATTACHMENT B - CHILD CARE CENTER GROUP COMPOSITION

PURPOSE AND USE

The form is used to demonstrate that adequate adult coverage has been arranged to care for children during all hours that a child center is in operation.

RESPONSIBILITY FOR COMPLETING THE FORM

The form is completed in quadruplicate by the child care center staff and submitted to the regional office with Annex A to the Standard Language Title XX Purchase of Service Contract, DCF Form 7-33a whenever a new Annex A is submitted and whenever there are changes.

INSTRUCTIONS FOR COMPLETING THE FORM

Contract I.D. # Enter the six character contract identification number assigned to your contract by the Regional Business Office.

Site Address Enter the address of the program site. A separate group composition form must be completed for each site.

Age Group Enter ages covered by each group of children.

At each hour Enter the number of adults and the number of children present in each group.

DISTRIBUTION

Original and 2 copies - DCF Regional Office

Copy - Provider Agency File

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

**ANNEX A - STANDARD LANGUAGE TITLE XX PURCHASE OF SERVICE
CONTRACT**

Contract I.D.# _____

PART I. GENERAL AGENCY INFORMATION

SECTION I. - IDENTIFICATION

Provider Agency _____

Mailing Address _____

_____ Telephone # () _____

Federal Identification # _____

Effective Dates _____ to _____ Contract Ceiling \$ _____

Chief Executive Officer _____

Title _____

Address _____

_____ Telephone # () _____

All notices relevant to this contract should be sent to:

Name _____

Title _____

Mailing Address _____

_____ Telephone # () _____

Program Name _____

Site Address(es) _____

_____ Telephone # () _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Program Director _____

Title XX Service Definition _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

**ANNEX A - STANDARD LANGUAGE TITLE XX PURCHASE OF SERVICE
CONTRACT**

Contract I.D. # _____

I. GENERAL AGENCY INFORMATION

SECTION II. - AUTHORIZED SIGNATURES

List names and positions of persons authorized to sign the following. Give number of persons required to sign each transaction.

SIGNATURES	NAME	POSITION	# OF REQUIRED
Title XX Contract	1. _____	_____	1
	2. _____	_____	
	3. _____	_____	
DCF 7-32 Monthly Financial Report	1. _____	_____	1
	2. _____	_____	
	3. _____	_____	
DCF AR 50/54 Invoice	1. _____	_____	1
	2. _____	_____	
	3. _____	_____	
Contract Budget Modification	1. _____	_____	1
	2. _____	_____	
	3. _____	_____	
Checks	1. _____	_____	
	2. _____	_____	
	3. _____	_____	
Other Contracts & Agreements	1. _____	_____	
	2. _____	_____	
	3. _____	_____	
Fee Assessors	1. _____	_____	
	2. _____	_____	
Fee Collectors 1.	1. _____	_____	
	2. _____	_____	

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

**ANNEX A - STANDARD LANGUAGE TITLE XX PURCHASE OF SERVICE
CONTRACT**

Contract I.D.

PART I - GENERAL AGENCY INFORMATION

SECTION III - SERVICE DAYS

Service will be provided as follows:
(Fill in time)

Sunday _____ - _____ Monday _____ - _____ Tuesday _____ - _____ Wednesday _____ - _____

Thursday _____ - _____ Friday _____ - _____ Saturday _____ - _____

Emergency Provisions: _____

Service will not be provided on the following:

<u>DATE(S)</u>	<u>OCCASION</u>
----------------	-----------------

ANNEX A - STANDARD LANGUAGE TITLE XX PURCHASE OF SERVICE CONTRACT

PART II - PROGRAM OPERATIONS

Section I - *PROGRAM SUMMARY AND EVALUATION PLAN*

Write a brief, concise, descriptive summary of your agency and this program. The description should present a clear picture of what, why, where, how, and for whom service is provided.

Include as a minimum:

- your agency's purpose, philosophy, goals and objectives;
- details about the program including a description of neighborhood where located, the facilities used by the agency and other programs sponsored by the agency;
- evidence of the need for the service in the community;
- any limitations, restrictions or priorities on service delivery;
- any unique capabilities (e.g., multi-lingual, special reading programs, etc); and
- the circumstances of any previous contact with the division, state, municipal, county public agencies or other related projects and contracts.

If this is a renewal package, describe at a minimum:

- any change in the information requested above;
- how your agency has developed and made progress toward its goal in the past year; and
- how each recommendation of the program evaluations (e.g., self-evaluation, DCF evaluation, child care food program evaluation, homemaker evaluation, etc.) of the previous contract will be addressed in the proposed contract.

Describe how your agency will evaluate this proposed contract (effectiveness of the program, its goals and objectives, and efficiency of the procedures used.) Include an explanation of how your agency's internal evaluation method will interface with the evaluation process of the Division and who (by title) will have what responsibilities in this process.

ANNEX A - STANDARD LANGUAGE TITLE XX PURCHASE OF SERVICE CONTRACT

PART III - PROGRAM MANAGEMENT

SECTION 1 - ESSENTIAL DOCUMENTS

The following essential documents must be part of your contract package and must be updated as they change:

1. Annex A related essential documents

- *Copy of certificate of incorporation;
- Copy of Annual Report to Secretary of State;
- List of names, titles, and addresses of current board members;
- *Copy of local certificate of occupancy;
- *Copies of all written policies which effect the Title XX contracts;
- *Copies of Municipal, Fire, Health, and Building Approvals (for on-site group programs);
- Copy of license to provide service (if required);
- Copy of courtesy inspection report (if required);
- Evidence of liability insurance policy;
- Personnel information Sheet; and
- Child Care Center Group Composition Sheet (child care centers)

2. Annex B related essential documents

- Copy of the most recent agency audit/or fiscal statement;
- Copy of the most recent IRS 990 (private agencies only);
- Copy of bonding certificate;
- Copy of current lease;
- Copy of tax exempt certificate or letter; and
- Copy of Annual Report of a Charitable Organization (CO-1 or CO-3)

3. Copies of any contract or agencies related to the Title XX program

*In a renewal contract additional copies of these documents need to be sent only if some changes has occurred or if the agency is informed by the Division that an additional copy is needed.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.4.03-2007

EFFECTIVE DATE: August 31, 2007

REVISED: August 1, 2008

SUBJECT: **Lobbying**

I. PURPOSE

The purpose of this policy is to reinforce that entities that receive funds from DCF may not use those funds for lobbying activities. The contents of this policy are based on a revision of federal OMB Circular A-122, "Cost Principles for Non-Profit Organizations", Lobbying and Related Activities, published in the Federal Register Volume 49, Number 83, April 27, 1984, and the NJ State Budget FY 2008-2009. This policy does not limit a Provider Agency's ability to engage in any lobbying activities. A Provider Agency may engage in lobbying activities and fund these activities from another source.

II. SCOPE

This policy applies to all entities that provide services for, or act on behalf of, the Department of Children and Families.

III. DEFINITIONS

Lobbyist means any person, partnership, committee, association, corporation, labor union or any other organization that employs, engages or otherwise uses the services of any governmental affairs agent to influence legislation, regulations or governmental processes.

Lobbying means any act, whether written, verbal, or non-verbal, that seeks to influence legislation, regulation or governmental processes, or any communication with or securing information from governmental officers.

Governmental Officer means an officer or staff member of the Executive Branch of State Government, authorized by law to administer governmental processes or perform other functions related to such processes.

Governmental Processes shall include but is not limited to the promulgation of any executive order; rate setting; development, negotiation, award, modification or cancellation of a public contract; issuance, denial, modification, renewal, revocation or suspension of licenses or waivers; procedures for purchasing; or rendition of administrative determinations.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

IV. POLICY

- A. The following non-exclusive list provides some examples of costs associated with activities that are unallowable:
1. Any attempt to influence the outcome of any federal, State, or local election, referendum, initiative, or similar procedures through in-kind or cash contributions, endorsements, publicity or similar activity.
 2. Establishing, administering, contributing to, or paying the expense of a political party, campaign, political action committee or other organization established for the purpose of influencing the outcome of any election or legislative action.
 3. Any attempt to influence the introduction of federal or State legislation or the enactment or modification of pending federal or State legislation through communication with a member or employee of the United States Congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity), or with a government official or employee in connection with a decision to sign or veto legislation.
 4. Any attempt to influence the introduction of federal or State legislation or the enactment or modification of pending federal or State legislation by preparing, distributing or using publicity or propaganda, or by urging other persons to contribute to or participate in any mass demonstration, march, rally, fund-raising drive, lobbying campaign, letter writing, telephone campaign, or similar activities.
 5. Legislative liaison activities, including but not limited to attending legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when the activities are carried on in support of or in preparation for an effort to engage in unallowable lobbying.
 6. Notwithstanding any law or regulation to the contrary, funds provided by the Department of Children and Families may not be used for the costs of any efforts by or on behalf of the recipient for lobbying activities.

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

IV. PROCEDURES

A. Unallowable lobbying costs, as identified in this policy, must be treated as other unallowable activity costs in accordance with the DCF Contract Reimbursement Manual.



Acting Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P4.05-2007

EFFECTIVE DATE: August 31, 2007

REVISED DATE: April 1, 2016

SUBJECT: **Equipment**

I. PURPOSE

The purpose of this policy is to advise Department personnel and Provider Agencies of policies and procedures to be followed regarding Equipment.

II. SCOPE

This policy applies to all Provider Agencies.

III. DEFINITIONS

In addition to defined terms included in the Glossary of the Manual, the following terms, when capitalized, shall have meanings as stated:

Acquisition Cost means the net invoice unit price of an item of Equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation shall be included in or excluded from Acquisition Cost in accordance with the Provider Agency's regular written accounting practices.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than two years and an Acquisition Cost of \$1,000 or more per unit. General purpose Equipment includes office Equipment, reproduction and printing Equipment, motor vehicles, and automated data processing Equipment, whether or not special modifications are needed to make the Equipment suitable for a particular purpose.

Replacement Equipment means property acquired with Department funds to take the place of other Equipment purchased with Department funds. Replacement Equipment must serve the same function as the Equipment replaced and must be of the same nature or character, although not necessarily the same model, grade or quality.

Trade-In means the difference between the amount that would have been paid for Replacement Equipment without a Trade-In and the amount paid with the Trade-In.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

The term refers to the actual difference, not necessarily the Trade-In value shown on an invoice.

IV. POLICY AND PROCEDURES

A. Purchase of Equipment

Department funding of Equipment is allowable if the Provider's procurement practices are in accordance with the Contract Reimbursement Manual, Section DCF.2.3, Procurement Standards and the Provider has obtained prior approval from the Department to proceed with purchasing the identified Equipment.

B. Department Interest in Equipment

Title to all Equipment purchased in whole or in part under a Contract is held by the Provider Agency. The State, however, maintains an equitable interest in all such Equipment.

1. New Equipment

When the Acquisition Cost of an item of Equipment is contained in the Annex B: Contract Budget, the State's percentage of interest in the Equipment is the same percentage as the State share of the Contract Total Cost.

2. Replacement Equipment

The State's percentage of interest in Replacement Equipment is calculated as follows:

- a. Step 1. In accordance with IV.B.1. above, determine the State's percentage of interest in the original Equipment which is being replaced.
- b. Step 2. Determine the percentage of the Replacement Equipment's cost that was covered by Trade-In, sale proceeds from, or funds received due to damage or loss of equipment of the original Equipment which is being replaced.
- c. Step 3. Multiply the Step 1 percentage by the Step 2 percentage.
- d. Step 4. If an additional outlay for the Replacement Equipment is charged to the Contract, calculate the State's percentage of that

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

additional outlay in accordance with the procedures explained in IV.B.1. above. Add the resulting percentage to that derived in Step 3.

3. For items of Equipment having an Acquisition Cost of \$5,000 or more, all of which was paid by Department funds, the Department has the right to require transfer of the Equipment (including title) to the State or to an eligible non-State party named by the Department. Such transfer may occur at any time.

C. Use of Equipment

The following policies govern the use of Equipment purchased with Department funds:

1. Equipment may be used by the Provider Agency in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal or Department funds.
2. When no longer needed for the original project or program, the Provider Agency, with approval of the Department, may use the Equipment in other projects or programs currently or previously sponsored by the federal or State government, with first preference being given to those administered by the Department.
3. If Equipment is being used less than full time in the project or program for which it was originally acquired, the Provider Agency must make it available for use in other projects or programs currently or previously sponsored by the federal or State government, provided such other use will not interfere with the work on the original project or program. First preference for such other use shall be given to other projects or programs administered by the Department.

D. Equipment Replacement Excluding Vehicles

1. In cases where Equipment wears out or becomes obsolete, Replacement Equipment may become necessary.
2. Replacement Equipment is subject to the requirements of this policy and to all other requirements applicable to original Equipment, unless the State's percentage of interest in the original Equipment was ten percent or less, or the product of that percentage of interest multiplied by the amount received for Trade-In, sale, or funds received due to damage or loss of equipment is \$500 or less.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

3. Replacement Equipment may be acquired through Trade-In; sale of the original Equipment; utilization of funds (“funds”) received due to damage or loss of equipment; and application of the Trade-In, sale proceeds, of funds received to the Acquisition Cost of the Replacement Equipment. In either case, the transaction must be one which a prudent person would make in like circumstances.
4. The portion of the Replacement Equipment’s Acquisition Cost chargeable to the DCF contract is the net invoice unit price less the value of any Trade-In, proceeds from the sale of the original equipment, or funds received due to damage or loss of the equipment.
5. The Provider Agency has the option of supplementing the Trade-In or sale proceeds of the original Equipment with funds from another funding source. In such cases, the State will maintain an interest in only that portion of the Acquisition Cost of the Replacement Equipment paid with Department funds (Trade-In, sale proceeds, or proceeds from damage to or loss of equipment included).

E. Equipment Replacement for Vehicles

The Provider Agency may request a new or replacement vehicle to be paid from monies under the contract only under the following conditions:

1. The Provider Agency must request written approval from the Departmental Component to purchase or replace a vehicle and each request must be accompanied by the following supporting documentation. The request may be denied even if all supporting documentation is supplied. Documentation required includes:
 - a. Explanation as to why the purchase or replacement of the vehicle is required to fulfill contractual obligations;
 - b. Assurance that no one Provider Agency employee will be permanently assigned the vehicle;
 - c. Assurance that the Provider Agency has sufficient funds to cover the vehicle’s operating costs for the anticipated useful life of the vehicle;
 - d. Submission of three (3) written bids for a comparable year, make, model, and option package;

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- e. If the vehicle is a replacement vehicle, documentation consistent with IV.E.2. below;
 - f. Any exceptions to the criteria and purchasing requirements IV.E.1.a.-e. will be dealt with on a case by case basis with the Departmental Component;
 - g. If the request is approved, the Provider Agency shall be required to purchase the vehicle from the lowest-priced Vendor consistent with IV.E.1.d.
2. The Provider Agency may request to replace an existing vehicle under any of the following conditions:
- a. Odometer reading exceeds 125,000;
 - b. Vehicle age is 10 years or older;
 - c. Repair costs to maintain operational capacity of vehicle would exceed fifty(50) per cent of current Trade-In Blue Book value of vehicle;
 - d. Repair costs have exceeded fifty (50) per cent of the current Trade-In Blue Book value over the course of the past year;
 - e. Vehicle was involved in an accident and deemed “totaled” by the insurance carrier;
 - f. Upon written request, supported by sufficient documentation, the Departmental Component determines that the vehicle is no longer road worthy and is unsafe to drive;
3. If the Provider Agency receives approval to purchase a vehicle, the maximum cost of the vehicle, including all dealer fees and charges, may not exceed \$30,000 per vehicle. This limitation does not apply to specialized or adaptive vehicles for handicapped consumers.
4. Vehicles shall be purchased and not leased, however, if a Provider Agency can provide justification as to why leasing a vehicle provides greater benefit to the Provider Agency and better use of the monies under this Contract, the Departmental Component may approve the leasing of a vehicle. All justifications shall be reviewed on a case by case basis and prior approval under the same or similar justification shall not bind the Departmental Component to approve a subsequent justification. If a Provider Agency receives approval to lease a vehicle, the Provider Agency shall subsequently

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

provide the written request and all documentation required by IV.E.1. as well as written assurance that the Provider Agency shall not use monies under a State Contract to pay for any lease agreement closing costs, including unusual wear and tear to the vehicle, or any excess mileage charges.

5. The portion of the Replacement Equipment's Acquisition Cost chargeable to the DCF contract is the net invoice unit price less the value of any Trade-In, proceeds from the sale of the original equipment, or funds received due to damage or loss of the equipment.
6. The Provider Agency has the option of supplementing the Trade-In or sale proceeds of the original Equipment with funds from another funding source. In such cases, the State will maintain an interest in only that portion of the Acquisition Cost of the Replacement Equipment paid with Department funds (Trade-In, sale proceeds, or proceeds from damage to or loss of equipment included).

F. Disposition of Unneeded Equipment

1. Prior written approval of the Department is required for the disposition of Equipment in which the Department has an equitable interest and which is no longer needed by the Provider Agency.
2. The Department will determine if it has any further need for the Equipment. At the Department's discretion, this may be done by physical inspection of the Equipment.
3. In cases where the Department has further need for the Equipment, the Department will ensure that the Equipment is placed in an appropriate program and will carry out all necessary transfer proceedings, including transfer of title. The Provider Agency will be entitled to be paid an amount computed by multiplying the Fair Market Value of the Equipment by the non-State percentage of interest in the Equipment.
4. In cases where the Department has no further need for the Equipment, disposition of the Equipment will be made as follows:
 - a. Equipment with an Acquisition Cost of Less than \$5,000:

The Equipment may be retained, sold or otherwise disposed of by the Provider Agency, with no further obligation to the Department.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

b. Equipment with an Acquisition Cost of \$5,000 or More:

The Equipment may be retained or sold by the Provider Agency, and the Department shall have the right to an amount calculated by multiplying the Fair Market Value or the proceeds from sale by the State's percentage of interest in the Equipment. If the Equipment is sold, \$500 or ten percent of the total sale proceeds, whichever is greater, may be retained by the Provider Agency for selling and handling expenses. If the Contract under which the Equipment was acquired is still receiving funds from the Department and if the Department approves, the net amount due to the State may be used for allowable costs of the Contract. Otherwise, the remainder of the proceeds will be transferred to the Department within ten (10) Days of closing the sale.

G. Equipment Management

1. Asset records must be maintained for all Equipment purchased with Department funds. The minimum requirements for such records are outlined below:
 - a. Date Acquired: the day, month and year each piece or group of like pieces of Equipment was received at the Provider Agency.
 - b. Contract Information: the identification number of the Contract under which the Provider Agency acquired the Equipment.
 - c. Quantity: the number of like pieces of Equipment purchased.
 - d. Description: a brief description of the Equipment. This includes the manufacturer's model and serial numbers, if any, or an identification number assigned by the Provider Agency. A label bearing the serial or other identification number must be affixed to the piece of Equipment.
 - e. Acquisition Cost: the actual unit cost of the Equipment.
 - f. State's Interest: the percentage of the Equipment paid with Department funds.
 - g. Vendor: the name of the vendor from which the Equipment was purchased.
 - h. Invoice Number: the number of the invoice that accompanied each piece of Equipment from the vendor.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- i. Payment: the number, date and amount of the check(s) used to pay for the Equipment.
 - j. Physical Inventory Information: the date of the last physical inventory. The location, use, and condition of each piece of Equipment as of the last physical inventory must also be noted.
 - k. Date and Method of Disposal: if applicable, the date the Equipment was disposed of and the method of disposal (e.g., transferred, sold, scrapped, stolen).
 - l. Proceeds from Disposal: the proceeds, if any, from the disposal of Equipment.
2. A physical inventory of Equipment must be taken and the results reconciled with the asset records at least once every two years to verify the existence, current utilization, and continued need for the Equipment. With Department approval, statistical sampling procedures may be used. Any difference between quantities determined by physical inspection and those shown in the asset records must be investigated to determine the reason for the differences.
 3. A control system must be in effect to ensure adequate safeguards to prevent loss, damage or theft of Equipment. Any loss, damage, or theft must be investigated and fully documented.
 4. Adequate maintenance procedures must be implemented to keep the Equipment in good condition.
 5. Where Equipment is to be sold and the Department has an interest in the Equipment, selling procedures must be established which will provide for competition and result in the highest possible return.
 6. The Provider Agency must follow sound and prudent management practices by having adequate insurance to protect itself against loss. It is the responsibility of the Provider Agency to maintain reasonable and adequate insurance for Equipment and other assets through the purchase of insurance or the use of a funded self-insurance program.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P4.10-2007

EFFECTIVE DATE: August 31, 2007

REVISED: January 1, 2015

SUBJECT: **Advance Payments**

I. PURPOSE

The purpose of this policy is to advise Department personnel and Provider Agencies of policies and procedures to be followed in determining the need for an authorization of an Initial Advance Payment.

II. SCOPE

This policy applies to all Third Party Social Service Contracts.

III. DEFINITION

Initial Advance Payment is the first payment made by check or other appropriate payment mechanism to a Provider Agency during the contract term before expenses are incurred or services rendered.

IV. POLICY

- A. The Department will not issue Initial Advance Payments prior to the contract effective date. An Initial Advance Payment cannot be issued prior to the execution of the contract.
- B. If an Initial Advance Payment is issued, it will be based on one month's estimated expenditures. The payment will be made as negotiated and only after the start of the contract term. The Department reserves the right not to authorize an Initial Advance Payment.
- C. At the Departmental Component's discretion and upon approval of the DCF Director of Contracting, the Departmental Component may issue an Initial Advance Payment greater than one month.

V. PROCEDURES

- A. Requests for an Initial Advance Payment shall be handled as follows:
 - 1. When the Department approves an advance greater than one month of the Contract funding, it must be documented in the Contract file and in the Comments section of CMS.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

2. When a Provider Agency requests an Initial Advance Payment greater than one month, a request must be made one month in advance of the need and in writing, with sufficient justification.
- B. If an Initial Advance Payment is issued, the advance shall:
1. Not exceed a Contract's monthly estimated expenditures; unless an exemption per paragraph V.A. has been granted.
 2. Not exceed the Contract ceiling when added to all other estimated monthly contract expenditures.
- C. All Contract payments (initial and interim) shall be deposited in an interest bearing account until the funds are expended for operating costs, unless:
1. The Contract is for less than \$120,000; or
 2. The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on the cash balances; or
 3. The depository would require an average or minimum balance so high that it would not be feasible within the expected cash resources.
- D. Interest earned on an advance in any year of a Contract term in excess of \$250 shall be remitted to the appropriate Departmental Component.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P4.16-2007

EFFECTIVE DATE: August 31, 2007

**SUBJECT: Restrictions on the Use of Federal Funds to Influence the Awarding of
Contracts or Subcontracts (Federal Lobbying)**

I. PURPOSE

The purpose of this policy is to establish Department policy with regard to the federal Interim Final Rule promulgated by the Federal Office of Management and Budget. The policy prohibits Recipients and Subrecipients from using appropriated federal funds for lobbying the Executive or Legislative Branches of the federal government in connection with any specific Contract or subcontract.

II. SCOPE

This policy applies to all Provider Agencies that receive in excess of \$100,000 in federal funding via a specific federal grant program, contract, or cooperative agreement from a Departmental Component(s) through a Contract or subcontract.

III. DEFINITIONS

In addition to the defined terms included in the Glossary of the Manual, the following terms, when capitalized, shall have meanings as stated.

Federal Government Executive and Legislative Branch(es) means an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress.

Person means an individual, corporation, company, association, authority, firm, partnership, society, state, or local government.

Recipient (Contractee or Provider Agency) means the legal entity that enters into a contractual arrangement with any Departmental Component.

Subrecipient (Subcontractee) means the legal entity to which a subaward is made and which is accountable to the Recipient for the use of the funds.

Tier means each successive, separate level of administrative organization beginning with the Department of Children and Families and ending with the provider of service.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

IV. POLICY

- A. Pursuant to Section 319 of Public Law 101-121, Title 31 of the United States Code, as amended per Section 1352, all Recipients and Subrecipients of federal grant, contract, or cooperative agreement funding are prohibited from using appropriated federal funds to pay a Person to lobby on their behalf with the Executive or Legislative Branch(es) of the federal government in the awarding of a specific Contract or subcontract.

- B. All Recipients and Subrecipients that request or receive in excess of \$100,000 from a specific federal grant, contract, or cooperative agreement through a Departmental Component Contract or Tier subcontract, shall complete and forward to the Tier directly above, a Certification Regarding Lobbying form (Attachment 1) covering the term of the Contract or subcontract. The Certification Regarding Lobbying form certifies that no federal appropriated funding at the Recipient or Subrecipient level was used to pay a Person to lobby the Executive or Legislative Branch(es) of the federal government.

- C. All Recipients and Subrecipients that request or receive in excess of \$100,000 from a specific federal grant, contract or cooperative agreement through a Departmental Component Contract or Tier subcontract shall also complete and forward to the Tier directly above a Disclosure of Lobbying Activities form (Attachment 2) covering the term of the Contract or subcontract when non-federal funds were used to pay a Person to lobby the Executive or Legislative Branch(es) of the federal government. (This form can be found on-line at the General Services Administration (GSA) Forms Library or at <http://www.whitehouse.gov/omb/grants/sfillin.pdf>.)

- D. A Disclosure of Lobbying Activities form must be completed at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under section IV.C above. Materiality includes:
 - 1. A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
 - 2. A change in the Person(s) or individual(s) influencing or attempting to influence a covered federal action; and
 - 3. A change in the officer(s), employee(s), or Member(s) of Congress contacted to influence or attempt to influence a covered federal action.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- E. A separate certification form is required for each specific federal grant, contract or cooperative agreement amount in excess of \$100,000 funded per Contract or subcontract. Federal grant, contract or cooperative agreement funding amounts in a Department Contract or Tier subcontract shall not be added together to provide "cumulative" totals for determining federal lobbying applicability. The Departmental Component shall notify the Contractee of the total federal grant, contract or cooperative agreement funding in the Contract that is subject to the Lobbying regulations.
- F. If a subsequent Contract Modification during a Contract, or subcontract term causes the federal funding to exceed \$100,000 during the term, a Recipient or Subrecipient shall complete and forward a certification, and if required, a completed disclosure form to the Tier above.
- G. The Departmental Component shall ensure that all applicable ensuing Tiers (Contractee or Subcontractee) are notified of all federal lobbying form(s) and filing requirements. This responsibility includes the obligation to make it clear to the next lower Tier that the information must be passed to each subsequent Tier thereafter until the eventual provider of service has been contacted.
- H. Submitting an erroneous certification or disclosure form shall constitute a failure to file the required certification or disclosure. If a Person fails to file a required certification or disclosure, the United States or the Department of Children and Families may pursue all available remedies, including those listed in Attachment 3 of this policy, as authorized by section 1352, Title 31, of the United States Code.

V. PROCEDURES

- A. All Recipients and Subrecipients shall complete and sign the Certification Regarding Lobbying form. The completed form shall be sent to the Tier above it; however, the form does not have to be forwarded any further. All Tiers that receive the Certification Regarding Lobbying form shall keep the completed form on file with their Contract documents.
- B. When Recipients or Subrecipients are required to complete the Disclosure of Lobbying Activities form, the form shall be forwarded to each successive Tier until it reaches the appropriate Departmental Component. The Disclosure of Lobbying Activities form(s) from the last non-Departmental Tier must be submitted to the Departmental Component to allow sufficient time to transmit all required information to the federal government.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- C. If there is a Cognizant Contract, the Cognizant contract administrator shall be responsible for placing the completed Certification Regarding Lobbying form and a copy of the Disclosure of Lobbying Activities form, if required, in the Cognizant contract file. The Cognizant contract administrator shall forward the disclosure form to the Departmental Component of origin (non-cognizant division). The Departmental Component of origin shall forward the completed Disclosure of Lobbying Activities form to the appropriate Health & Human Services section of the federal government.

- D. The completed Disclosure of Lobbying Activities form(s) shall be compiled, collated and submitted by the Departmental Component on a calendar quarterly basis to the appropriate grant making section of the U.S. Department of Health and Human Services.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any Person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any Person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any Person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By: _____ Date: _____
(Signature of Authorized Official)

For: _____ Contract Number: _____
Name of Grantee

_____ Contract Term: _____
Title of Grant Program

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB
0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 0348-0046
(See reverse for public burden disclosure.)

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change</p> <p>For Material Change Only: year _____ quarter _____ date of last report _____</p>
<p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, <i>if known:</i></p> <p>Congressional District, if known :</p>	<p>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District, if known :</p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number, if applicable : _____</p>	
<p>8. Federal Action Number, if known :</p>	<p>9. Award Amount, if known :</p> <p>\$ _____</p>	
<p>10. a. Name and Address of Lobbying Registrant (<i>if individual, last name, first name, MI</i>):</p>	<p>b. Individuals Performing Services (<i>including address if different from No. 10A</i>) (<i>last name, first name, MI</i>):</p>	
<p>11.Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____</p>	
<p>Federal Use Only:</p>		<p align="center">Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)</p>

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

**DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET**

Approved by OMB
0348-0046

Reporting Entity: _____ Page _____ of _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Authorized for Local
Reproduction
Standard Form – LLL-A

LOBBYING PENALTIES

- A. Any Person who makes expenditure prohibited herein shall be subject to a civil penalty of not less than \$10,000 nor more than \$100,000 for each such expenditure.
- B. Any Person who fails to file or amend the disclosure form, as required, shall be subject to a civil penalty of not less than \$10,000 nor more than \$100,000 for each such failure.
- C. A filing or amended filing on or after the date on which an administrative action for the imposition of a civil penalty is commenced does not prevent the imposition of such civil penalty for a failure occurring before that date.
- D. In determining whether to impose a civil penalty and the amount of any such penalty, the nature, circumstances, extent and gravity of the violation shall be considered. Additional considerations shall include; the effect on the ability of the Person to continue in business, any prior violations by the Person, the degree of culpability of such Person, the ability of the Person to pay the penalty, and other matters as appropriate.
- E. First time offenders, absent aggravating circumstances, shall be subject to a civil penalty of \$10,000. Second and subsequent offenses shall be subject to appropriate civil penalty between \$10,000 and \$100,000 based on the circumstances.
- F. An imposition of a civil penalty under this section does not prevent the United States or Department from seeking any other remedy that may apply to the same conduct that is the basis for the imposition of such civil penalty.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P6.01-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Match Requirements for Social Services Block Grant Service Contracts**

I. PURPOSE

The purpose of this policy is to advise State and Provider Agencies of match requirements for Social Services Block Grant service Contracts.

II. SCOPE

This policy applies to all Contracts designated by the State Agency as a Social Services Block Grant (SSBG) service Contract. It does not apply to training contracts funded by the Social Services Block Grant or by any other funding source.

III. DEFINITIONS

In addition to the defined terms included in the Glossary of the Manual, the following terms, when capitalized, shall have the meanings as stated:

Donor means the public (except the State of New Jersey) or private entity contributing matching funds.

Donor Agreement (Public or Private) means a standard written agreement between the Provider Agency and a public or private entity providing match to be used in the SSBG service Contract. The standard Donor Agreement is furnished by the State Agency.

In-Kind Contributions means property or services (except the services of volunteers) which benefit the Contract program and which are contributed by a public entity without charge to the Provider Agency. Public contributions formerly designated as CCE (Certified Cash Expenditures) are included as In-Kind Contributions.

IV. POLICY

A. Match is required by the Department for all SSBG service Contracts. The amount of match required is 25% of a base amount. This base amount is

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

calculated by adding to the Total Operating Budget the amount of any approved In-Kind Contributions and subtracting from this sum, any Cost Sharing that will not to be used as match.

1. In Fiscal Years 1985 and 1986, County Human Services Advisory Councils (CHSACs) were given the latitude to set either a 10% or 25% Match requirement on new SSBG funding. Subsequently, some contracted services may contain identified Match dollars governed by both 25% and 10% Match requirements.
2. When there is a need to reallocate SSBG funds to service providers, funds that initially required a 25% or 10% Match shall retain that percentage rate. However, when authorization is received from the Department to reallocate funds that include a mix of 10% and 25% Match requirements, a new blended rate may be developed.

The blended rate is to be rounded to the nearest whole percentage point. This new percentage rate will then be the required Match on the SSBG funds being reallocated. However, the blended rate may be raised to the full 25% Match rate if the county so chooses.

B. The Provider Agency is responsible for obtaining the required match.

C. Allowable sources and types of match for SSBG Service Contracts are as follows:

1. Public Entities

The types of match discussed in this section may be contributed by a public entity to either a private or public Provider Agency (including itself).

- a. Cash donations include budget appropriations from State and local government entities, e.g., freeholders, municipal governments, school boards, housing authorities. With the exception of budget appropriations from State government, cash donations from public entities must be transferred to the Provider Agency and placed under its administrative control.
- b. In-Kind Contributions are necessary in the delivery of Contract services and must be utilized during the term of the Contract. The value of property purchased with Federal funds may not be included as an In-Kind Contribution, unless specifically authorized by Federal legislation.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

The basis for determining the value of In-Kind Contributions must be documented (See Attachments for information regarding the determination of the value of In-Kind Contributions).

2. Private Entities

Cash donations are the only allowable type of match from private entities. Examples of such entities include the United Way, foundations and individuals. Private entities may donate cash to public or private Provider Agencies or, if applicable, may support their own SSBG service Contract. When the Donor is contributing to another agency, the matching funds must be transferred to the Provider Agency and placed under its administrative control.

In-Kind Contributions are not permitted as match from private entities.

- D. Unallowable sources of match for SSBG service Contracts include:
1. Client Fees; and
 2. Federal Funds, unless Federal law authorizes that they may be used to match other Federal funds.
- E. Match is to be used in the provision of the Contract services specified in the Annex(es).
- F. The type(s), source (s), and amount(s) of all match must be specified in the Annex(es) and must be approved by the Department. Furthermore, any change in the type(s), source(s), or amount(s) of match shall be reported to the Department. (See DCF Policy P1.10, Contract Modification).
- G. In instances where a Donor defaults on its Donor Agreement (Public or Private) or makes delayed or reduced contributions, or the Provider Agency is unable to generate the required match from its own resources, the Department will not compensate for any insufficiency of resources by increasing its Contract payment(s) to the Provider Agency.
- H. Resources used as match for an SSBG service Contract may not be used to match expenditures in other programs.
- I. Provider Agency records of receipt and utilization of match for SSBG service Contracts are subject to any audit performed in compliance with the Standard Language Document.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

V. PROCEDURES

A. Provider Agency Responsibilities

1. Match Information

The Provider Agency shall complete the Match Information Form by calculating the amount of match required and by specifying the type(s), source(s), and amount(s) of all match. This completed form shall be attached to the Annex(es).

2. Documentation of Availability and Commitment of Match

a. State Resources

When State resources are to be used as match, the amount of State resources shall be included on the Match Information Form. The Department's final approval of the Annex(es) will serve to confirm the availability and commitment of State resources as match for the Contract.

b. Provider Agency Resources

When the Provider Agency is furnishing match for its own SSBG service Contract, a resolution shall be made by its governing board stating the amount of the match and outlining when it will be available for use in the provision of Contract services.

c. Resources From Other Sources

When resources from a public or private entity other than the State Agency or the Provider Agency are to be contributed as match for use during the Contract term, the Provider Agency and the Donor shall enter into a Donor Agreement (Public or Private).

d. Requirements for Submitting Documentation of Match to the State Agency

A copy(ies) of the Provider Agency's governing board resolution and/or a fully-executed Donor Agreement (Public or Private) documenting the availability and commitment of match for either the term of the Contract or for the first twelve months of a multi-year Contract, must be submitted to the State Agency prior to the finalization of the SSBG service Contract.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

In the case of a multi-year Contract, when documentation of match has been provided for the first twelve months of the Contract only, a copy of the Provider Agency's governing board resolution and/or Donor Agreement (Public or Private) for the remainder of the Contract term must be submitted to the State Agency prior to the 12th month of the Contract term.

3. Inclusion of Match in the Official Contract Budget

In accordance with the Department's Contract Reimbursement Manual, all cash donations must be identified in the Annex B: Official Contract Budget, and as Cost Sharing, will reduce the Total Operating Budget. In-Kind Contributions are not to be included in the Official Contract Budget.

B. State Agency Responsibilities

1. The State Agency shall use the guidelines established in this policy to review and approve the type(s), source(s), and amount(s) of donation(s) to be used as match for SSBG service Contracts.
2. The State Agency shall provide standard Donor Agreements (Public and Private) which must be used by the Provider Agency with any third-party public or private match Donor. Sample copies of the standard Donor Agreements (Public and Private) are attached to this policy.
3. The State Agency shall retain on file with the SSBG service Contract, copies of any governing board resolutions and/or Donor Agreements (Public or Private) pertaining to the provision of match.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

MATCH INFORMATION FORM

SAMPLE

Provider Agency: ABC Provider Agency
Address: Trenton, New Jersey

Contract Term: July 1, 2007 to June 30, 2008

I. Calculation of Match

Step 1:	Insert amount of Total Operating Budget from Line H of Annex B; Official Contract Budget.	<u>\$112,000</u>
Step 2:	Insert the value of any State Agency approved In-Kind Contribution.	<u>3,000</u>
Step 3:	Add amounts from Steps 1 and 2.	<u>115,000</u>
Step 4:	a. From page 10 of Annex B-1, enter the source and the amount of all Cost Sharing other than Match. <i>(1) Medicaid Reimbursement</i> <i>17,000</i> <i>(2) Client Fees</i> <i>2,000</i> <i>(3) Ceta</i> <i>6,000</i>	
	b. Add the amounts listed in Step 4a and enter this amount.	<u>25,000</u>
Step 5:	Subtract amount obtained in Step 4b from subtotal in Step 3.	<u>90,000</u>
Step 6:	Multiply the amount in Step 5 by 25% to obtain total amount of required match.	<u>x .25</u> <u>22,500</u>
Step 7:	To calculate the amount of required cash match, subtract the amount listed in Step 2 from the amount obtained in Step 6.	<u>3,000</u> <u>19,500</u>

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

II. Type(s), Source(s), and Amount(s) of Match

List the source(s) and amount(s) of all match for the SSBG service Contract. For In-Kind Contributions, attach additional sheets to indicate the Budget Category to which the In-Kind applies and to justify the determined value of the In-Kind Contribution. In addition, attach all documentation as to the availability and commitment of match.

<u>Type</u>	<u>Source</u>	<u>Amount</u>
A. Cash Donations	<i>Division of ----</i>	<i>9,000</i>
	<i>United Way</i>	<i>3,000</i>
	<i>Provider Agency</i>	<i>7,500</i>
B. In-Kind Contributions	<i>County ----</i>	<u><i>3,000</i></u>
	TOTAL MATCH	<u><i>\$22,500</i></u>

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DETERMINATION OF THE VALUE OF IN-KIND CONTRIBUTIONS

With State Agency approval, In-Kind Contributions from a public entity may be counted as Match for a Social Services Block Grant service Contract. The value of such In-Kind Contributions shall be established as follows:

1. Personal Services. When a public Provider Agency or another public entity furnishes the services of an employee, those services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead costs) provided those services are in the same skill for which the employee is normally paid.
2. Expendable Personal Property. Expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies, or workshop and classroom supplies. The value assessed to expendable personal property shall not exceed the market value of the property at the time of its use as an In-Kind Contribution.
3. Nonexpendable Personal Property, Buildings, and Land, or Use thereof. If the SSBG service Contract requires the use of Equipment, buildings, or land, depreciation or use charges shall establish their value as an In-Kind Contribution. In addition, with State Agency approval, the full value of Equipment or other capital assets and fair rental charges for land may be allowed as the value of an In-Kind Contribution.

In either case, when determining the value of an In-Kind Contribution, the following qualifications shall apply:

- a. Nonexpendable personal property. The value of nonexpendable personal property shall not exceed the fair market value of Equipment and property of the same age and condition, at the time of its use as an In-Kind Contribution.
- b. Loaned Equipment. The value of loaned Equipment shall not exceed its fair rental value.
- c. Building and land. The value of a building and land shall not exceed its fair market value as established by an independent appraiser (e.g., certified real property appraiser) and certified by a responsible official of the recipient
- d. Use of space. The value of space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Donor Agreement # _____

PUBLIC DONOR AGREEMENT

AGREEMENT between _____
(the "Provider Agency")
and _____ (the "Donor").

WHEREAS the New Jersey Department of Human Services (the "Department") has been duly designated to administer or supervise the administration of social service programs, as defined in the New Jersey State plans for social services; and

WHEREAS the Department desires that the Provider Agency deliver services and the Provider Agency has agreed to deliver services; and

WHEREAS the Department's policies establish that resources donated by a public donor in the form of cash or In-Kind Contributions (as defined below) may, under certain conditions, be used as match in the provision of social services; and

WHEREAS the Donor wishes to make a donation to support social services;

THEREFORE, the Provider Agency and the Donor agree to the following terms and conditions:

I. DEFINITIONS

For the purposes of this document, the following terms, when capitalized, shall have meanings as stated:

- A. Donated Resources means the total donation made by the Donor as match. Donated Resources may include cash donations and/or In-Kind Contributions.
- B. In-Kind Contributions means property or services (except the services of volunteers) which benefit the contract program and which are contributed by a public entity without charge to the Provider Agency. Included as In-Kind Contributions are public contributions formerly designated as CCE (Certified Cash Expenditures). All In-Kind Contributions under this agreement are listed as Attachment 1 to this agreement.

1. Term - This Agreement shall begin on _____, 20__ and shall terminate on _____, 20__ , barring any outstanding obligations to either party.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- 2. Donated Resources - The Donor agrees to provide Donated Resources in an amount totaling \$ _____ to the Provider Agency.
- 3. Provision of Donated Resources - During the term if this agreement, Donated Resources shall be contributed by the Donor to the Provider Agency as follows:

<u>Payment(s)</u>	<u>Date Due</u>	<u>Cash</u>	<u>In-Kind*</u>	<u>Total</u>
_____	_____	_____	_____	_____
	TOTAL	_____	_____	_____

*See Attachment 4 for In-Kind Contributions.

- 4. Administrative Control of Donated Resources - Except for the allowable Donor restrictions contained in paragraph 6 of this agreement, all Donated Resources contributed in cash to the Provider Agency under this agreement are donated on an unrestricted basis. This is to ensure that Donated Resources are under the administrative control of the Provider Agency. The Donor understands that if any portion of the donation is made as In-Kind Contributions, Attachment 1 to this agreement will be submitted with the agreement to vouch for the validity of these costs.
- 5. Donor's Restrictions - The Donor restricts the use of Donated Resources as follows:

Type of Service _____
 Service Contract Title: _____
 Service Contract #: _____

- 6. Provider Agency's Obligations - In consideration of the resources donated, the Provider Agency agrees to use the Donated Resources in accordance with the restrictions contained in paragraph 6 of this agreement. The Provider Agency represents that the opportunity to honor the Donor's restrictions in the provision of social services is available.

It is understood that the provision of services is subject to federal and State laws and administrative regulations and that services will be provided in a manner necessary to ensure compliance.

Upon request from the Donor, the Provider Agency shall make available to the Donor the annex(es) to the service contract specified in paragraph 6 of this agreement. In addition, upon request from the Donor, the Provider Agency shall make available to the Donor its reports to the State agency covering levels of service and program expenditures under the service contract. The Provider Agency shall not release confidential materials or information concerning persons served under the service contract.

- 7. Donor's Obligations - It is the Donor's obligation to provide the Donated Resources in the amount(s) and as scheduled in paragraph 4 of this agreement. The Donor understands that failure to meet the payment schedule in paragraph 4 of this agreement may result in

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

8. The Provider Agency being unable to claim sufficient reimbursement to fund its social service program. The Donor's obligation to provide the Donated Resources as specified in paragraph 4 of this agreement shall not be contingent upon the Donor's ability to produce sufficient In-Kind Contributions. The Donor agrees that if sufficient In-Kind Contributions are not available to meet its obligation to the Provider Agency, the balance of the donation will be paid in cash before this agreement terminates.

In cases in which In-Kind Contributions are made, the Donor agrees to submit to the Provider Agency monthly written reports attesting to the value of the In-Kind Contributions as they are applied to the social service program. The Donor understands that this report is required by the State agency as documentation of program expenses.

9. Donor's Representations - The Donor represents that the Donated Resources are not currently being used to match expenditures in another program.

In cases in which In-Kind Contributions are made, the Donor also represents that the value of the In-Kind Contributions listed on Attachment 1 to this agreement fairly represents their value to the social service program.

10. Indemnification - The Donor indemnifies and holds the Provider Agency harmless for any loss or disallowance of reimbursement that the Provider Agency may suffer due to the inaccuracy of any statement made in this agreement by the Donor.

11. Audit - The Donor agrees to cooperate in any audit of the source of the Donated Resources. An audit may be conducted by or on behalf of the Provider Agency, the Department, or the federal government.

The Donor understands that such an audit may include the sources of cash and/or In-Kind Contributions. The Donor further understands that it is responsible for maintaining sufficient documentation to support each kind of donation.

12. Entire Agreement - This document contains all the terms and conditions agreed to by the Provider and the Donor. Any amendment or modification of this agreement must be approved by the Department.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

PUBLIC DONOR AGREEMENT

SIGNATURE PAGE

BY: _____
Signature of Donor's Authorized
Representative

BY: _____
Signature of Provider Agency's
Authorized Representative

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DONOR: _____

PROVIDER AGENCY: _____

DONOR ADDRESS: _____

PROVIDER AGENCY ADDRESS: _____

PHONE NUMBER: _____

PHONE NUMBER: _____

DATED: _____

DATED: _____

DONOR AGREEMENT # _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

IN-KIND CONTRIBUTIONS

List the total In-Kind Contributions applicable to each Contract budget category. A detailed description of the In-Kind Contribution for each budget category is to be attached.

A. Personal Services _____

B. Consultants and Professional Fees _____

C. Materials and Supplies _____

D. Facility Costs _____

E. Specific Assistance to Clients _____

F. Other _____

TOTAL IN-KIND CONTRIBUTIONS \$ _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Donor Agreement # _____

PRIVATE DONOR AGREEMENT

AGREEMENT between _____

(the "Provider Agency") and _____

(the "Donor").

WHEREAS the New Jersey Department of Human Services (the "Department") has been duly designated to administer or supervise the administration of social service programs, as defined in the New Jersey State plans for social services; and

WHEREAS the Department desires that the Provider Agency deliver services and the Provider Agency has agreed to deliver services; and

WHEREAS the Department's policies establish that resources donated from private sources may, under certain conditions, be used as match in the provision of social services; and

WHEREAS the Donor wishes to make a cash donation to support social services;

THEREFORE, the Provider Agency and the Donor agrees to the following terms and conditions:

1. Term - This agreement shall begin on _____, 20____ and shall terminate on _____, 20____, barring any outstanding obligations of either party.
2. Donation - During the term of this agreement the Donor agrees to make a total cash donation of \$_____ ("Donated Resources") to the Provider Agency.
3. Payment of Donated Resources. During the term of this agreement, Donated Resources shall be contributed to the Provider Agency as follows:

<u>PAYMENT(S)</u>	<u>DATE DUE</u>	<u>AMOUNT</u>

	TOTAL	_____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

4. Administrative Control of Donated Resources. Except for the allowable Donor restrictions contained in paragraph 5 of this agreement, all Donated Resources contributed to the Provider Agency under this agreement are donated on an unrestricted basis. This is to ensure that Donated Resources are under the administrative control of the Provider Agency.

5. Donor's Restrictions - The Donor restricts the use of Donated Resources as follows:

Type of Service: _____

Service Contract Title: _____

Service Contract #: _____

6. Provider Agency's Obligations. In consideration of the resources donated, the Provider Agency agrees to use the Donated Resources in accordance with the restrictions contained in paragraph 5 of this agreement. The Provider Agency represents that the opportunity to honor the Donor's restrictions in the provision of social services is available.

It is understood that the provision of services is subject to federal and State laws and administrative regulations and that services will be provided in a manner necessary to ensure compliance.

Upon request from the Donor, the Provider Agency shall make available to the Donor the Annex(es) of the service contract specified in paragraph 5 of this agreement. In addition, upon request from the Donor, the Provider Agency shall make available to the Donor its reports to the State agency covering levels of service and program expenditures under the service contract. The Provider Agency shall not release confidential materials or information concerning persons served under the service contract.

7. Donor's Obligation. It is the Donor's obligation to provide the Donated Resources in the amount(s) and as scheduled in paragraph 3 of this agreement. The Donor understands that failure to meet the payment schedule in paragraph 3 of this agreement may result in the Provider Agency being unable to claim sufficient reimbursement to fund its social service program.

8. Indemnification. The Donor indemnifies and holds the Provider Agency harmless for any loss or disallowance of reimbursement that the Provider Agency may suffer due to the inaccuracy of any statement made in this agreement by the Donor.

9. Audit. The Donor agrees to cooperate in any audit of the source of the Donated Resources. An audit may be conducted by or on behalf of the Provider Agency, the Department, or the federal government. The Donor understands that it is its responsibility to maintain sufficient documentation to support the Donated Resources.

10. Entire Agreement. This document contains all the terms and conditions agreed to by the Provider Agency and the Donor. Any amendment or modification of this agreement must be approved by the Department.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

PRIVATE DONOR AGREEMENT

SIGNATURE PAGE

BY: _____
Signature of Donor's Authorized
Representative

BY: _____
Signature of Provider Agency's
Authorized Representative

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DONOR: _____

PROVIDER AGENCY: _____

DONOR ADDRESS: _____

PROVIDER AGENCY ADDRESS: _____

PHONE NUMBER: _____

PHONE NUMBER: _____

DATED: _____

DATED: _____

DONOR AGREEMENT # _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P7.01.2007

EFFECTIVE DATE: August 31, 2007

REVISED: October 1, 2016

SUBJECT: **Contract Closeout**

I. PURPOSE

The purpose of this policy is to establish Department of Children and Families (DCF) policy for Contract Closeout.

II. SCOPE

This policy applies to all DCF Contracts, with the exception of fixed-rate, fee-for-service Contracts..

III. DEFINITIONS

In addition to the defined terms included in the glossary of the manual, the following terms shall have meanings as stated:

Days are calendar days.

Disallowed Costs are those charges to a Contract that the Departmental Component determines to be unallowable in accordance with applicable cost principles, Departmental policies, or other conditions contained in the Contract.

Expiration is the cessation of the Contract because its term has ended.

Final Contract Closeout is the process by which the Departmental Component determines that all applicable administrative actions and all required work of the Contract has been completed by the Provider Agency and the Departmental Component. This process includes reconciling the Final Report of Expenditures (FROE) with the Provider's audit and determining whether any funds need to be recovered.

Preliminary Contract Closeout is the process whereby the Departmental Component reconciles the amount of funding paid to a Provider Agency during the Contract term against the Final Report of Expenditures (FROE) or the latest Report of Expenditures (ROE) submitted by the Provider Agency to the Departmental Component, and also the "final" process by which the Department of Children and Families determines that all applicable administrative actions and all required work

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

of the Contract, with the exception of the final audit, have been completed by the Department and the Provider Agency.

Termination is the official cessation of a Contract **prior** to the expiration of its term that results from action taken by the Department or the Provider Agency in accordance with provisions contained in the Contract.

IV. POLICY

- A. Preliminary Contract Closeout shall occur upon receipt of the FROE or any contract performance report(s) within the prescribed 120 Days of Contract Expiration or Termination.
- B. Final Contract Closeout shall occur 150 days after Contract Expiration or Termination. This includes, but is not limited to, a review of the deliverables, the disposition of any violations and, the settlement of any findings associated with the Provider Agency's or Department of Children and Families' audit(s).
- C. The Contract Closeout process shall not interfere with the provision of any contracted services.
- D. The Contract Closeout process can be used as a tool by the Provider Agency and Departmental Component to ensure that all reported expenditures represent costs and services that are allocable and applied only to the current Contract.
- E. Specific policies may be promulgated by Departmental Components to provide procedure(s) that augment this policy, but the procedures may not limit, contradict, replace, or amend the conditions or intent of this policy.

V. PROCEDURES

- A. Preliminary Contract Closeout

The Provider Agency must submit the latest performance reports, FROE/ROE or other reports required by the terms and conditions of the Contract within 120 days of the expired Contract period.

- B. Final Contract Closeout

The Provider Agency must submit all financial, audits, performance, and other reports required by the terms and conditions of the Contract within 120 Days of the end of the final Contract quarter, Contract Expiration, or Termination.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

C. General Requirements

1. After receipt of the final reports, the Departmental Component must complete a financial settlement, including any payment adjustment(s) as stated in the terms and conditions of the Contract. The Departmental Component should consider audited financial statements, reconciliation schedules, policy DCF.P1.10 compliance reviews, and level of service (LOS) reports.
2. The Departmental Component, **within 30 days** of the Contract Closeout process, shall pay the Provider Agency for any amount due for the provision of Contract services.
3. The provider agency, **within 30 days** of notice, shall refund any overpayment of funds as determined by the Departmental Component.
4. Upon Contract Termination or Expiration, the Provider Agency shall account for any Equipment acquired with Contract funds, in accordance with policy DCF.P4.05, Equipment.
5. Upon Contract Termination or Expiration, the Provider Agency shall provide a list of residual inventory of materials and supplies to the Departmental Component. The Departmental Component will determine if the residual inventory of materials and supplies exceeds \$1,000 in total aggregate fair market value. If the materials and supplies equal or exceed \$1,000 in total aggregate fair market value and are not needed in any other project or program currently funded by the federal or State government, the Provider Agency may, upon notification from the Departmental Component, retain or sell the materials and supplies. In any case, the Provider Agency will compensate the Departmental Component for its share in the market value of the materials and supplies. The fair share value calculated by the Departmental Component is the percentage of the DCF award to the total program expenses.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P7.05-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Pre-Award Survey**

I. PURPOSE

The purpose of this policy is to inform Department personnel and Provider Agencies of the policies and procedures regarding a Pre-Award Survey.

II. SCOPE

This policy applies to all Provider Agencies.

III. DEFINITIONS

In addition to defined terms included in the Glossary of the Manual, the following terms, when capitalized, shall have meaning as stated:

Conditional Contract means a Contract between the Department and Provider Agency, during which time special terms or conditions specified in the Contract must be met by the Provider Agency, in accordance with specified time frames.

Pre-Award Survey (also Survey) means the examination and evaluation of certain records and documents to determine the adequacy of the financial management and administrative systems of a potential or current Provider Agency, prior to the issuance of a new or successor Contract with the Provider Agency.

IV. POLICY

- A. The Department is responsible for determining the need for a Pre-Award survey. A Pre-Award Survey must be conducted in accordance with Attachment 1 of this policy.
- B. In general, a Pre-Award Survey will be conducted if:
 - 1. the Department of Children and Families has not contracted with the Provider Agency in the past two years;
 - 2. the Provider Agency has exhibited problems in reporting financial or program data as required by a current or former Contract; or,

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

3. the Provider Agency has demonstrated an inability to meet federal or State requirements of a current or former Contract.
- C. In those cases in which a Pre-Award Survey cannot be performed prior to the award or renewal of a Contract due to the need for timely execution of the Contract, the Department may issue a Conditional Contract. The terms of the Conditional Contract shall include satisfactory compliance by the Provider Agency with the recommendations based on the Pre-Award Survey. The Survey should be conducted during the period of the Conditional Contract. If inadequacies exist, an improvement plan shall be required as a prerequisite to continued funding.
- D. There are situations where the type and magnitude of the Provider Agency's operations are such that a pre-award desk review of the most recent audited financial statements may be made in lieu of an on-site survey with approval of the manager/supervisor of the Departmental Component's contracting unit.

V. PROCEDURES

A. Responsibility of the Provider Agency

The Provider Agency is responsible for full, complete and accurate disclosure of any information requested in order for the Pre-Award Survey to be completed in a timely, accurate manner.

B. Responsibilities of the Department

1. During initial Contract negotiations, the Department shall:
 - a. Determine if the potential Provider Agency contracts with another unit within the Department of Children and Families. If yes, request the Office of Contract Administration and Procurement to confirm the Provider Agency's contract status within the Department.
 - b. Request the Office of Auditing to ascertain if an audit report and/or previous Pre-Award Survey of the Provider Agency is on file. The Department shall review such reports in determining the need for a current Pre-Award Survey.
 - c. Determine if a Pre-Award Survey is required according to criteria stipulated in III.B above and so advise the Office of Auditing.
2. If a Pre-Award Survey is not required, Contract negotiations shall proceed.
3. If a Pre-Award survey is required, the Departmental Component and the Office of Auditing shall determine in consultation which one will conduct the Survey.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

4. Copies of the completed Pre-Award Survey shall be forwarded to the appropriate Departmental Component, and the Department's Office of Auditing.
- C. Utilization of the Pre-Award Survey by the Department
1. Contract negotiations may proceed when the results of the Pre-Award Survey indicate that the Provider Agency has an adequate financial management system.
 2. Should the results of the Pre-Award Survey indicate deficiencies in the Provider Agency's financial management system, the Departmental Component shall either:
 - a. Proceed with Contract negotiations and develop a plan, including timetables and deadlines, to improve the Provider Agency's financial management system. In such cases, the Departmental Component will prepare a Conditional Contract with the Provider Agency to include compliance with this plan as a condition of the Contract; or,
 - b. Determine that the deficiencies are of such a nature that Contract negotiations should be discontinued and the proposed contract rejected. In such cases, the Departmental Component shall notify the Office of Auditing and the Provider Agency of this decision.
 3. Should the deficiencies in the Pre-Award Survey cause disagreement among the Departmental Components with regard to contracting with the Provider Agency, the issue shall be resolved jointly by the Departmental Components and the Office of Contract Administration and Procurement.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

PRE-AWARD SURVEY

1. Agency _____ Proposed _____
2. Address _____ Contract Period _____
_____ Contract Funding \$ _____
3. Telephone Number _____ Contract Number(s) _____
4. Director _____ Federal ID# _____
5. Name and title of Provider Agency's contact person:

6. List of books and records maintained by the Provider Agency:
 - a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
 - f. _____

7. a. If the Provider Agency sponsors more than one program and/or receives funds from more than one source, do accounting records properly separate and identify various funding sources and related disbursements? If not, briefly explain the method of accounting for various funding sources and programs in the accounting records and budget documents.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- b. Is the financial and other data reported to other State and federal governmental agencies consistent with that reported to the Department?

8. a. Is an indirect cost rate or cost allocation plan utilized by the Provider Agency?

- b. Has the rate or plan been approved by a recognized authority?

Explain method of accounting for indirect cost and attach (approved) copies of computation of indirect cost rate, or cost allocation plan, if available.

9. Are accounting records maintained? _____

- a. On premises by an internal accounting staff? _____

- b. Off premises by an employee? _____

Name: _____ Address: _____

- c. Off premises by an outside accountant retained as a consultant? _____

Name: _____ Address: _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

		<u>Yes</u>	<u>No</u>	<u>N/A</u>
10.	Does the Provider Agency have the following:			
a.	New Jersey Non-Profit Corporate Registration	_____	_____	_____
b.	New Jersey Sales Tax Exemption Certificate	_____	_____	_____
c.	Tax Exempt Status Determination from IRS	_____	_____	_____
		<u>Yes</u>	<u>No</u>	<u>N/A</u>
11.	Does the Provider Agency have an approved operating license as required?	_____	_____	_____
<hr/>				
<hr/>				
12.	Has the Provider Agency undergone annual audits for the past three years?	_____	_____	_____
	If yes, by whom? And when? Obtain and analyze a copy of latest audit report.			
<hr/>				
<hr/>				
13.	Are all employees who handle cash, securities, and other valuables bonded? If yes, what is the Amount of the bond?	_____	_____	_____
	\$ _____			
14.	Has a determination been made by the NJ Department of Law and Public Safety regarding the Provider Agency's requirement to file charities registration data with the NJ Attorney			

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

General in compliance with the Charitable Fund Raising Act of 1971 (Amended)? _____

a. If so, determine the current status of the Provider Agency's compliance by contacting the NJ Department of Law and Public Safety, Charities Registration Section.

Comments:

b. Obtain a copy of latest report filed with Charities Registration.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
15. Does the Provider Agency have formal Procedures for:			
a. Cash receipts	_____	_____	_____
b. Petty cash	_____	_____	_____
c. Fixed asset records	_____	_____	_____
d. Notes/accounts payable	_____	_____	_____
e. Purchases and expenses	_____	_____	_____
f. Payroll and personnel (to include time sheet requirements)	_____	_____	_____
g. Client attendance and eligibility (if applicable)	_____	_____	_____

Obtain a copy of the above procedures and documents used to implement these procedures, and determine if there is adequate segregation of duties.

16. Are Board meeting scheduled on a regular basis? obtain a list of current Board members. _____

17. Does the Provider Agency have written policies in accordance with the Department's policies _____

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Addressing:

- | | | | | |
|-----|---|-------|-------|-------|
| a. | Nepotism (DCF.P8.05) | _____ | _____ | _____ |
| b. | Conflict of Interest (DCF.P8.05) | _____ | _____ | _____ |
| c. | Non-discrimination (DCF.P8.10) | _____ | _____ | _____ |
| 18. | Does the Provider Agency currently have or anticipate any type of litigation or appeal process which might impact upon its financial condition? | _____ | _____ | _____ |
| 19. | Have all payroll tax deductions been deposited in a timely manner? | _____ | _____ | _____ |
| 20. | Have all payments for employee benefits plans been made in a timely manner? | _____ | _____ | _____ |

CONCLUSION:

As a result of our _____ examination of the books and records of the
(DATE)
_____, it is our opinion that this agency (is, is not)
(PROVIDER AGENCY)
financially viable and fiscally capable of performing under contract with the State of New Jersey.

Signature, Name and Departmental Component of
person performing the review

(Signature)

(Name)

(Departmental Component)

(Date) (Phone No.)

Signature of Appropriate Departmental Component
Contract Manager/Supervisor

(Signature) (Date)



NEW JERSEY DEPARTMENT
OF CHILDREN AND FAMILIES

New Jersey Department of Children and Families Policy Manual

Manual:	CON	Contracting and Procurement	Effective
Volume:	1	Contract Policy and Information Manual	Date: 8/31/07
Chapter:	A	Contract Policy and Information	Revised
Subchapter:	7	Contract Close Out and Audit Information	Date: 03/02/20
Issuance:	7.6.2007	Audit Requirements	

Purpose:

This issuance establishes policy and procedure related to the audit requirements of Provider Agencies of the Department of Children and Families (Department).

This policy applies to non-profit and for-profit Provider Agencies with cost reimbursement or fee for service Contracts with the Department. This policy also applies to those entities performing subcontracted services for these Provider Agencies.

Authority:

- [Title 2: Grants and Agreements, Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (Uniform Guidance Subpart F)
- Procurement Standards in the Uniform Guidance Subpart D- Post Federal Award Requirements of FAR (48 C.F.R. Part 42)
- The Federal Office of Management and Budget (OMB)
- General Services Administration (GSA) – Assistance Listings formerly known as the *Catalog of Federal Domestic Assistance* (CFDA). A searchable copy of Assistance Listings and a pdf version are available through the Internet on the GSA Home Page (<https://beta.sam.gov/>). Note that, if the CFDA indicates under a program entry (Post Assistance Requirements – Audit) that audit is “Not Applicable” or the program is not subject to 2 CFR part 200, the Auditor should contact the Federal agency single audit office/official indicated in Appendix III of the Supplement.

- Government Accountability Office (GAO) – Generally Accepted Government Auditing Standards (GAGAS), December 2011 Revision (GAO-12-331G) (<http://www.gao.gov/yellowbook>)
- Inspectors General - The Council of the Inspectors General on Integrity and Efficiency Home Page (<http://www.ignet.gov>) contains an Inspector General Directory and the Inspector General Act.
- Federal Audit Clearinghouse - The Federal Audit Clearinghouse acts as an agent for OMB to:
 - Establish and maintain a government wide database of single audit results and related federal Award information;
 - Serve as the federal repository for single audit reports; and
 - Distribute single audit reports to federal agencies.
(<https://harvester.census.gov/facweb>).
- For Data Collection Form (SF-SAC) and single audit submission questions, contact the Federal Audit Clearinghouse by e-mail (govs.fac.ides@census.gov)
- New Jersey Department of Treasury, Office of Management and Budget, Circular Letter 15-08-OMB (http://www.state.nj.us/infobank/circular/cir1508_omb.pdf)
- State Grant Compliance Supplement: (<https://www.state.nj.us/treasury/omb/stategrant.shtml>)
(Note that DCF Providers may refer to the Department of Human Services section for information about the relevant compliance requirements of the Federal Government).
- Section 6.3 of the Department's Contract Reimbursement Manual(<https://nj.gov/dcf/documents/contract/manuals/CRM6.pdf>)
- Section 3.13 Audit of the Standard Language Document (<https://nj.gov/dcf/documents/contract/forms/StandardLanguage.doc>)

Policy:

A. When it is the State Cognizant Department, the Department shall ensure:

1. **Non-profit** Provider Agencies, that expend within their fiscal year aggregated federal or state financial assistance from cost reimbursement contracts of \$750,000 or greater, submit:

- a) Annual single audits or program-specific audits performed in accordance with the Uniform Guidance Subpart F.
2. **Non-profit** Provider Agencies that expend within their fiscal year aggregated federal or state financial assistance from cost reimbursement contracts of \$100,000 or greater but less than \$750,000, submit either:
 - a) Annual financial statement audits performed in accordance with Government Auditing Standards (Yellow Book); or
 - b) Program-specific audits performed in accordance with the Uniform Guidance Subpart F.
3. **For-profit** provider agencies, that expend within their fiscal year aggregated federal or state financial assistance from cost reimbursement contracts of \$100,000 or greater, submit either:
 - a) Annual financial statement audits performed in accordance with Government Auditing Standards (Yellow Book); or
 - b) Annual program specific audits performed in accordance with the Uniform Guidance Subpart.
4. **Non-profit and for-profit** Provider Agencies may elect to submit annual program specific audits performed in accordance with Uniform Guidance, Subpart F, if they expend federal or State financial assistance under only **one** federal or State program and the federal or State program's statutes, regulations, or terms and conditions of the grant Award do not require financial statement audits of them.

B. When the Department is not the State Cognizant Department, it shall ensure:

1. **Non-profit and for-profit** Provider Agencies submit to the Department a copy of the annual audit required by the State Cognizant Department.

C. When the Department is not the State Cognizant Department, and the State Cognizant Department finds an audit is not required by either the Uniform Guidance Subpart F or the Circular Letter 15-08-OMB, then in accordance with Section 3.13 of the Standard Language Document it may require, in its sole discretion:

1. **Non-profit and for-profit** Provider Agencies with cost reimbursement or fee for service contracted programs, that expend within their fiscal year any amount of federal or State financial assistance from all sources, including Medicaid payments for providing services to Medicaid-eligible individuals, to submit one of the following:
 - a) Annual program specific audit performed in accordance with the Uniform Guidance Subpart F for each program providing services under a New Jersey Contract; or
 - b) An annual financial statement audit of the organization performed in accordance with Government Auditing Standards (Yellow Book); or
 - c) An annual financial statement audit of the organization performed in accordance with generally accepted auditing procedures, and the auditor's report.
 - d) Financial statements that include at least an income statement, and cash flow statement or balance sheet, prepared in accordance with generally accepted accounting principles and reviewed by an independent certified public accountant to determine the need for any material modifications and to attest to the accuracy of the reviewed information.

2. **Non-profit and for-profit** Provider Agencies, and their assignees or Subcontractors, submit their appropriate audits when requested at any time during the Contract term, or up to four years after the Termination or expiration of the contract, and that audits started before the end of the four-year period will continue until they are completed and resolved.

Procedures:

A. Provider Agency:

1. The Provider Agency shall complete a Notification of Licensed Public Accountant (NLPA) form when it expends within their fiscal year federal or State financial assistance of \$100,000 or greater. ([Attachment 1.](#))
2. The Provider Agency shall have their audit conducted by Licensed Certified Public Accountant(s) (CPA) or employees of a licensed CPA firm.
3. In procuring audit services, the Provider Agency shall follow the Procurement Standards in the Uniform Guidance Subpart D – Post Federal Award Requirements of FAR (48 C.F.R. Part 42), as applicable.

4. The Provider Agency shall submit one copy of the appropriate audit report to the Department Business Office within nine (9) months after the Provider Agency's fiscal year audit period unless the State Cognizant Department approves a formal extension request.
 - a) When DCF is the State Cognizant Department and a Provider Agency is seeking a formal extension request, the Provider Agency must submit its request in writing to the Department Business Office.
 - b) The Departmental Component may approve up to one (1) audit extension request, not to exceed sixty (60) days.
5. The Provider Agency's failure to submit the appropriate audit report within the timeframes set forth in 4 or 4b, if DCF has approved an extension request, is grounds for DCF to initiate Contract Default (DCF.P9.05-2007).
6. Provider Agencies, that have Subrecipients perform the services of their Contracts and expend within their fiscal year federal or State financial assistance of \$100,000 or greater, shall ensure that the Subrecipients are audited annually and receive a copy of this policy as part of their agreement with them.
7. Provider Agencies shall make available to the Department upon request records that adequately identify the source and application of funds awarded and the source documentation for audits.
8. Provider Agencies shall maintain and make available to the New Jersey Office of the State Comptroller, upon request, all documentation related to audits for five (5) years from the date of final payment in accordance with Section 3.13 Audit of the Standard Language Document (DCF.2.01-2007).
9. The Provider Agency shall include a Corrective Action Plan to address each audit finding in the current year's audit report, if applicable. The Corrective Action Plan shall provide the name(s) of the contact person(s) responsible for Corrective Action, the Corrective Action planned, and the anticipated completion date.
10. When expenditures of federal Awards totaling \$750,000 or more are incurred by the Provider Agency during the fiscal year, it shall submit a data collection form (Appendix X to Part 200-Form SF-SAC), described in the Uniform Guidance Section 200.512(b), to the Federal Audit Clearinghouse.
11. The Provider Agency shall prepare a schedule of expenditures of federal/State Awards for the period covered by the agency's financial statements that include the total federal/State Awards expended as determined in accordance with Uniform Guidance Section 200.502.

B. Auditor:

1. The Auditor shall include its latest external peer review performed in accordance with Government Auditing Standards with the audit report. NOTE: The Department reserves the right, at its discretion, to conduct or arrange for quality control reviews of selected Provider Agency audits and accompanying work papers.
2. Management Letters issued by the Auditor to the Provider Agency shall be submitted to the Department's Office of Grants, Integrity and Accountability as part of the audit report submission when provided as part of the engagement.
3. If the Audit uncovers or suggests any irregularities or illegal acts, the Auditor shall communicate knowledge of these acts, in writing, to the DCF Office of Grants, Integrity, and Accountability PO Box 717, Trenton, New Jersey 08625-0717.
4. The Auditor shall retain audit work papers and reports for a minimum of seven (7) years from the date of the audit report unless the Department requests in writing a need to extend the retention period. The audit work papers and reports shall be made available, upon request, to the Department or its designee(s).
5. The Auditor is subject to an external quality control review in accordance with Government Auditing Standards at least once every three (3) years.
6. Auditors shall use the criteria outlined in Sections 200.519 and 200.520 when making risk determinations for federal and State programs subject to the Uniform Guidance Subpart F, Audit Requirements.
7. Auditors must include a supplementary schedule of the Provider Agency's federal/State Awards/expenditures in all types of audits submitted. This schedule, entitled Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance, shall show for each Award:
 - a) Federal/State Grantor department
 - b) Pass-through Grantor for federal/State Awards
 - c) Program title/name
 - d) Federal/State CFDA/grant Award number or account number
 - e) Award period
 - f) Fiscal year expenditures

C. The Department of Children and Families:

1. The Department is responsible for the reasonable cost of funding, as an allowable contract cost, additional audit work performed in accordance with audit requirements that are above and beyond the State minimum.
2. The Department's Office of Contract Administration (OCA) will:
 - a) Provide technical advice/assistance to Provider Agencies, their Auditors, and Departmental staff as needed;
 - b) Ensure the Provider Agency's Auditor is licensed and in compliance with Government Auditing Standards quality review requirements; and
 - c) Inform the Provider Agency that an audit conducted by an accountant not properly licensed, or who failed to submit a copy of their quality control review, is not acceptable and constitutes grounds for Contract Default.
3. The Office of Grants, Integrity, and Accountability (GIA) will:
 - a) Perform desk reviews of audits submitted to the Department as the State Cognizant Department and then notify OCA of the results; and.
 - b) Follow-up on the audit findings of its desk reviews to ensure the Provider Agency takes appropriate and timely Corrective Action; and
 - c) Issue a Management Decision as prescribed in Section 200.521, Management Decision of the Uniform Guidance Subpart F.

Key Terms (Definitions):

In addition to the defined terms included in the Glossary of the Contract Policy and Information Manual, the following terms shall have meanings as stated:

- Audit Finding means deficiencies the Auditor is required by the Uniform Guidance to report in the Schedule of Findings and Questioned Costs.
- Auditor/Licensed Public Accountant means an Auditor that is a licensed certified public accountant or works for a licensed certified public accounting firm who meets the general standards specified in Generally Accepted Government Auditing Standards (GAGAS).
- Award(s) includes State grants, State aid, and federal and State financial assistance in any form.
- Corrective Action means action taken by the Provider Agency that corrects identified deficiencies, and produces recommended improvements, or

demonstrates the audit findings are either invalid or do not warrant Provider Agency action.

- Contract Default means the Provider Agency has materially failed to fulfill or comply with the terms and conditions of the Contract.
- Department means the Department of Children and Families.
- Departmental Component means the Office of Contract Administration (OCA) as the unit within the Department responsible for the negotiation, administration, approval, closeout, and monitoring of certain Contracts.
- Major Program means a federal/State program determined by the Auditor to be a Major Program in accordance with the Uniform Guidance Subpart F.
- Management Decision means the Office of Grants, Integrity and Accountability's (GIA's) written evaluation of the audit findings and Corrective Action Plan noting the basis for each audit finding sustained, and the expected Provider Agency action to repay Disallowed Costs, make financial adjustments, or take other action.
- Management Letter means a written communication from the Auditor to the Provider Agency that provides instances of non-compliance and internal control weaknesses that are not material but warrant the attention of those charged with governance at the Provider Agency.
- Pass-through Entity/Grantor means a non-federal entity, that transmits a federal or State Award to a Provider Agency or a Subcontractor to carry out a federal or State program.
- Provider Agencies means all for-profit and non-profit private and public entities that have either a cost reimbursement or fee for service Contract with the Department, regardless of whether the Department is the State Cognizant Department.
- State Cognizant Department means the Department assigned audit oversight responsibility to ensure a Provider Agency with at least one cost reimbursement Contract with the State timely submits a quality audit report that complies with federal and State requirements.
- State Grant Compliance Supplement is a document developed by the New Jersey Department of Treasury, Office of Management and Budget that contains compliance requirements to be tested by the Auditor to determine if the Provider Agency has complied with requirements determined by the Department to materially affect the Award/program.
- Subcontractor means the legal entity that enters into a contractual arrangement with a Provider Agency to provide the contracted service.
- Subrecipient means the legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds.

Forms and Attachments:

- Form [CON-7.6.2007-ATT1](#) Notification of Licensed Public Accountant

Policy History:

- Revised February 18, 2020
- Revised July 15, 2019
- Revised July 31, 2017
- Revised January 5, 2015
- Revised November 17, 2014
- New August 31, 2007

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P8.01-2007

EFFECTIVE DATE: August 31, 2007

REVISED: January 1, 2012

**SUBJECT: Access to Records and Facilities; Retention of Contract
Records; Confidentiality**

I. PURPOSE

The purpose of this policy is to advise Department personnel and Provider Agencies the requirements for accessing Provider Agency records and facilities, the retention of Contract records, and the confidentiality of client records.

II. SCOPE

This policy applies to all Contracts, as well as all approved assignments and subcontracts.

III. POLICY

A. Public Access

The policy delineated below reflects many of the provisions of N.J.S.A. 47:1A-1 et seq., popularly referred to as the "Right to Know Law", as well as Department of Human Services Administrative Order 2:01, "Confidential Nature of Records and the Right to Know", and N.J.S.A. 52:15C-1 et seq.

1. Certain Contract documents are considered public records and are therefore open to public inspection. For example:
 - Standard language documents ("boilerplates")
 - Appendices, and supporting materials
 - Programmatic and financial reports
 - Monitoring and evaluation reports
 - Audit reports
2. Every citizen shall have the right to inspect the above-designated public records during regular business hours after prior arrangements have been made with the Department or Provider Agency. Citizens shall also have the right, under the supervision of an appropriate Departmental or Provider Agency official, to copy such records by hand and also to have such records machine copied by the Department or Provider Agency upon payment of a reasonable fee. Original records may not be removed from the Department

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

or Provider Agency premises. Information regarding the Open Public Records Act (OPRA) is available at www.state.nj.us/opra.

3. Client records of any kind, including, but not limited to, case records, social histories, eligibility, medical, and psychological records, are not considered public records and are not open to public inspection. Any client name and other direct or indirect identifying client information must be deleted before Contract records are made public (refer to Section III. D.2 below regarding confidentiality).

B. Government Access to Provider Agency Records and Facilities

1. The Provider Agency's services, books, records, and facilities must be available to the Department or an agent of the State or Federal government for the purposes of visitation, inspection, evaluation, or audit. Such visitations, inspections, evaluations, and audits may be at any time and may be announced or unannounced.
2. The Provider Agency must, during regular business hours, make available to all such governmental agencies, or any persons or organizations engaged thereby, its financial, statistical, and program information, client records, and other data relating to the Contract, in order to permit audit examination, inspection, excerpts and transcripts.

If the Provider Agency is located outside the State of New Jersey, the Provider Agency shall make the records available in New Jersey upon receiving a written request for such records from the Department or its representative.

3. The right of access to Provider Agency records is not limited to the required four-year retention period (refer to Section III. C. below), but lasts as long as the records are retained.

C. Retention of Records

1. The Provider Agency and its subcontractors shall maintain adequate books and records, supporting documents, statistical records, client records, and all other records pertinent to the Contract, and with the following qualifications, shall “maintain all documentation related to products, transactions or services under contract for a period of five years from the date of final payment.”

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- a. If any litigation, claim, negotiation, audit or other action involving the records has not been resolved, the records must be retained until after such resolution.
- b. Records for Equipment acquired with Federal/State funds must be retained for five years after final disposition, replacement, or transfer of the Equipment.
- c. If Contract records are transferred to or maintained by the Department, the Provider Agency has no further obligation with respect to those records. If records are transferred to the Department, the Department shall verify in writing to the Provider Agency, a listing of the records that were received.
- d. Public Provider Agencies are required to abide by the Destruction of Public Records Law (N.J.S.A. 47:3-15 et seq.), and the General Records Retention Schedule for County and Municipal Agencies which is developed in accordance with the law. A copy of the law and the schedule may be obtained through the Department of State, Division of Archives and Records Management.

2. Copies made by microfilming may be substituted for the original records.

D. Confidentiality

1. All visitations, inspections, evaluations, and audits shall be conducted in accordance with generally accepted standards of privilege and confidentiality.
2. The Provider Agency must treat all personal records of applicants for and recipients of Contract services in accordance with all applicable Federal and State legislation and regulations, including Executive Orders, governing access to and confidentiality of records. With the exceptions specified below, the Provider Agency may not release or disclose records except to authorized personnel of the Provider Agency, the Department, or another appropriate unit, agency, or agent of State or Federal government approved by the Department for receipt of the information. Exceptions are as follows (see N.J.S.A. 30:4-24.3):
 - a. When release or disclosure is court-ordered;
 - b. When the applicant or recipient (or, if appropriate, his or her parent or guardian) gives prior written approval regarding the information to be

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

released or disclosed and the person(s) and/or agency(ies) authorized to receive the information; and

- c. When the Provider Agency is located outside the State of New Jersey, release or disclosure may be to authorized personnel of such other state's local or state government.

Any release or disclosure of information shall explicitly prohibit any unauthorized re-release or re-disclosure of the information.

.ij.,t

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P8.02-2007

EFFECTIVE DATE: August 31, 2007

REVISED: June 10, 2014

SUBJECT: **Business Registrntion**

I. PURPOSE

The purpose of this policy is to inform Provider Agencies and Departmental Components about the State's annual business repotting requirements once a Provider Agency has filed their incorporation papers with the State of New Jersey.

II. SCOPE

This policy applies to all contracts entered into by the Depattment with profit corporations (domestic and foreign), as well as, all limited pattnerships, limited liability companies, and limited liability partnerships.

This policy does not apply to governmental entities or non-profit organizations.

III. POLICY AND PROCEDURES

In accordance with N.J.S.A. 52:32-44 et ffi., all profit corporations (domestic and foreign), as well as, all limited pattnerships, limited liability companies, and limited liability partnerships must submit annual reports and associated fees (annual business registration) each year commencing with the year after their date of incorporation.

Unincorporated businesses, businesses owned by individuals or general partnerships, governmental entities, or non-profit organizations do not have to file for incorporation or register their business annually.

Please note that no State agency (the Deptmtent) can contract with a Provider Agency (excluding governmental entities and non-profit organizations) if the Provider has **not** filed for its incorporation papers or filed its annual business registration commencing with the year after becoming incorporated. Furthermore, no Provider Agency that has a Contract with the Deptmtent shall enter into any subcontract unless the subcontractor can demonstrate that it is incorporated or its amrnal business registration is current (does not apply to governmental entities and non-profit organizations).

Background

Annual business repotting is a prerequisite for maintaining active business status. Annual repotts contain vital business census data; addresses, officer/director information, etc., which is used to update the State's public records system. This public information

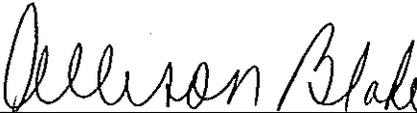
**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

represents the core of the State's corporate/business status reporting system. The commercial, financial and legal sectors rely heavily on this reporting system for service of process and credit checks; while the data collected assists in providing a uniform and reliable source of contact information. In addition, this business information integrates with all of the Treasurer's public records systems and serves as a mechanism for updating corporation office and agent registration changes. It is important that businesses comply with annual business report requirements given the overall significance the information provides to the State's public records system.

In accordance with State law, incorporated businesses that fail to file annual reports for two consecutive years will have their business registration revoked. If an entity's business registration is revoked, it may be reinstated by submitting the appropriate forms and fees.

Further information regarding registration, fees, forms, and reporting can be obtained from:

NJ Treasury Department
Division of Revenue
Phone: (609) 292-9292
Internet: www.state.nj.us/njbgs



Commissioner



NEW JERSEY DEPARTMENT
OF CHILDREN AND FAMILIES

New Jersey Department of Children and Families Policy Manual

Manual:	Con	Contracting and Procurement	Effective Date: 7/1/17
Volume:	1	Contract Policy and Information Manual	
Chapter:	A	Contract Policy and Information	Revised Date: 6/22/2020
Subchapter:	8	General Management Standards and Information	
Issuance:	8.03	Service Providers in Good Standing	

Purpose:

This issuance establishes policy and procedure related to how the Department of Children and Families (DCF) ensures that Provider Agencies with Third Party Social Service and Training Contracts conduct business ethically and honestly, and how the Office of Contract Administration (OCA) determines and documents they are in Good Standing with both the federal and State governments.

Authority:

- Executive Order #34/1976
(<https://nj.gov/infobank/circular/eojsc34.htm>)
- Executive Order #189/1988
(<https://www.state.nj.us/infobank/circular/eok189.htm>)
- The State of New Jersey Department of Treasury Circular Letter No. 93-13-GSA (<https://www.state.nj.us/infobank/circular/cir9313a.htm>)
- N.J.A.C. 10:3-1, Debarment, Suspension and Disqualification
- Standard Language Document for Social Service and Training Contracts CON-I-2-2.01.2007

Policy:

- A)** The OCA shall offer technical assistance or issue a Notice of Corrective Action to a Provider Agency that can reasonably be expected to remediate performance deficiencies. Such remediation may prevent the Debarment, Suspension, and Disqualification processes described herein and prescribed by Executive Orders #34 and #189, and the initiation of the Contract Default actions described in Contract Default CON- I-A-9-9.05.2007.

- B)** To promote full, free and honest competition, and performance, the processes for Debarment, Suspension, and Disqualification exclude Provider Agencies from participation in contracts. These measures are not intended for punishment and shall not be invoked for any longer than deemed necessary to protect the interests of the State.
- C)** A decision to debar and disqualify a Provider Agency from contracting with DCF shall be made only upon the approval of the Commissioner of the Department. Insofar as practicable, prior notice shall be given to the Attorney General and the Treasurer of any proposed Debarment.
- D)** A decision to suspend and disqualify a Provider Agency from contracting with the Department shall be made only upon the approval of the Commissioner of the Department and the Attorney General. Insofar as practicable, prior notice shall be given to the Treasurer of any proposed Suspension.
- E)** The existence of cause for Debarment or Suspension shall not necessarily require it unless required by law. The decision to debar shall always be made within the discretion of the DCF Commissioner, and the decision to suspend shall always be made within the discretion of the Commissioner and the NJ Attorney General. All mitigating factors shall be considered.

Procedures:

- A)** Prior to initial contract execution or contract Renewal, the OCA Business Office shall confirm a Provider Agency is in Good Standing with the State of New Jersey and the federal government as follows:
1. The OCA shall conduct a State search of each Provider Agency at the initiation of a Contract and then annually by using the New Jersey Debarment Database at <http://www.nj.gov/treasury/revenue/debarment/index.shtml>.
 2. The OCA shall conduct a federal search of each Provider Agency at the time it initiates a Contract with DCF and annually update the search results, by using the System for Award Management (SAM) at <https://www.sam.gov/SAM/>.

In SAM, there are four (4) exclusion categories for Debarment. The four (4) categories are:

- Ineligible (Proceedings Pending)
- Ineligible (Proceedings Completed)
- Prohibition/Restriction
- Voluntary Exclusion

3. The OCA shall obtain a signed Department of Children and Families' Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions form (CON-I-A-8-8.03 Attachment 1) from all Provider Agencies with Third Party Social Service and Training Contracts funded with federal grant monies.

B) Any Department employee that becomes aware of a possible cause to invoke the processes for Debarment and Disqualification to bid or otherwise engage in State Contracting with a Provider Agency and its affiliates shall immediately report the information to their Manager. The Manager shall then report the information to the Commissioner and the assigned OCA Business Office.

1. Causes for Debarment include but are not limited to:

a) A final judgment or conviction establishing that a Provider Agency had executed one or more of the following:

- The commission of a criminal offense to obtain or attempt to obtain a public or private contract, or subcontract thereunder, or in the performance of such contract or subcontract;
- A violation of the Federal Organized Crime Control Act of 1970, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, perjury, false swearing, receiving stolen property, obstruction of justice, or any other offense indicating a lack of business integrity or honesty;
- A violation of the federal or State antitrust statutes, or of the Federal Anti-Kickback Act (18 U.S.C. 874, 40 U.S.C. 276 B,c);
- A violation of any of the laws governing the conduct of elections of the State or its political subdivisions;
- Violations of the "Law Against Discrimination" (P.L. 1945, c.169, C.10:5-1 et seq., as supplemented by P.L. 1975, c.127), or of the act banning discrimination in public works employment (C.10:2-1 et seq.), or of the "Act Prohibiting Discrimination by Industries Engaged in Defense Work in the Employment of Persons Therein" (C.114, L.1942, C.10:1-10 et seq.);
- Violations of any laws governing the hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages, or child labor; and
- Violations of any laws governing the conduct of occupations or professions or regulated industries.

Or

- b) Clear and convincing evidence establishing that a Provider Agency has done one or more of the following:
- Willfully failed to perform in accordance with Contract specifications or within contractual time limits;
 - Maintained a record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more Contracts, provided that such failure or unsatisfactory performance has occurred within a reasonable time preceding the determination to debar and was caused by acts within the control of the debarred Provider Agency;
 - Violated contractual or statutory provisions regulating contingent fees;
 - Provided any other cause affecting responsibility as a State contractor of such serious and compelling nature as may be determined by the Department to warrant Debarment;
 - Paid, offered to pay, or agreed to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b. and e., in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or any partnership, firm, or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g;
 - Solicited any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the Attorney General and the Executive Commission on Ethical Standards;
 - Directly or indirectly undertook any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, Contract or other agreement, express or implied, or sells any interest in such vendor to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which they are employed or associated or in which they have an interest within the meaning of N.J.S.A. 52:13D-13g. Any such relationships shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer, employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality, or appearance of a Conflict of Interest;
 - Influenced, or attempted to influence or caused to be influenced, any State officer or employee or special State officer or employee in their

official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee;

- Caused or influenced, or attempted to cause or influence, any State officer or employee or special State officer or employee to use, or attempts to use, their official position to secure unwarranted privileges or advantages for the vendor or any other person; or
- Any other cause affecting responsibility as a State contractor of such serious and compelling nature to warrant Debarment, including such conduct as may be prescribed by laws or contracts even if such conduct has not been or may not be prosecuted as violations of such laws or contracts.

C) Upon the Business Office's knowledge of infractions by a Provider Agency or its affiliates, the Business Office Manager shall ensure the Commissioner has been alerted to the situation and seek approval to invoke the processes for Debarment and Disqualification to bid or otherwise engage in State contracting of a Provider Agency and its affiliates.

1. The Commissioner, after considering all mitigating factors in determining the seriousness of the offense and the failure or inadequacy of performance and exercising discretion in determining whether Debarment is warranted, may act in the public interest to authorize OCA to seek Debarment for cause. When the Commissioner decides to seek Debarment, OCA shall provide notice to the NJ Attorney General and the NJ Treasurer of the proposed Debarment, and then provide the Provider Agency written notice:

- Stating that Debarment is being considered,
- Setting forth the reasons for the proposed Debarment, and
- Indicating that such party will be accorded an opportunity for a hearing if requested within a stated period in accordance with the provisions of the Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq.

2. Debarment shall be for a definitively stated period not to exceed five (5) years.

3. Except as otherwise provided by law, a Debarment may be removed, or the period reduced by discretion of the Commissioner. In the event an appeal taken from a judgment or conviction that provided a basis for Debarment is reversed, the Debarment shall be removed upon the request of the debarred Provider Agency unless other cause for Debarment exists.

D) Any Department employee that becomes aware of a possible cause to invoke the processes for Suspension and Disqualification to bid or otherwise engage in State contracting of a Provider Agency and its affiliates shall immediately report the information to their Manager. The Manager shall then report it to the

Commissioner and the assigned OCA Business Office. The OCA then may invoke the processes for Suspension and Disqualification to bid or otherwise engage in State contracting of a Provider Agency and its affiliates to protect the interests of the State upon the approval of the Commissioner and the Attorney General.

1. Causes for Suspension and Disqualification to bid or otherwise engage in State contracting of a Provider Agency and its affiliates include but are not limited to:
 - Adequate evidence that cause exists or evidence adequate to create a reasonable suspicion that cause exists with or without corroboration which may properly be drawn from the existence or absence of affirmative facts; or
 - Another department in the State has suspended a Provider Agency of this Department.
2. When the Commissioner and the Attorney General determine that one of the above causes justifies the decision to seek Suspension, they shall authorize the OCA to provide prior notice to the Treasurer of the proposed Suspension and then provide the Provider Agency written notice within ten (10) days after the effective date of the Suspension:
 - Stating that a Suspension has been imposed and its effective date;
 - Setting forth the reasons for the Suspension to the extent that the Attorney General determines that such reasons may be properly disclosed;
 - Stating that the Suspension is for a temporary period pending the completion of an investigation and such legal proceedings as may ensue; and
 - Indicating that, if such legal proceedings are not commenced or the Suspension removed within 60 days of the date of such notice, the Provider Agency will be given either a statement of the reasons for the Suspension and an opportunity to request a hearing, or a statement declining to give such reasons and setting forth the Department's position regarding the continuation of the Suspension.
3. A Suspension shall not continue beyond 18 months from its effective date unless Debarment, civil or criminal action regarding the alleged violation shall have been initiated within that period.
4. The Suspension shall continue until the legal proceedings are completed.

E) The OCA will provide technical assistance or require Corrective Action to remediate a Provider Agency's deficiencies in the performance of its Contract as follows:

- Any Department employee that becomes aware of a Provider Agency's deficiency in the performance of its Contract should immediately report the deficiency to the OCA Business Office charged with administering the Provider Agency's Contract.
- A deficiency in the performance of a Contract may include, but is not limited to, a Provider Agency's failure to:
 - Comply with the terms and conditions of the Standard Language Document for Social Service and Training Contracts CON-I-A-2-2.01.2007;
 - Adhere to DCF policies and procedures;
 - Comply with Contract deliverables;
 - Maintain qualified staff and staff ratios;
 - Use Contract funds only for purposes approved by the OCA;
 - Guard against conduct or acts detrimental to the Department or Department clients;
 - Avoid sanctions or financial actions against the Provider Agency;
 - Submit accurate and complete documentation on a timely basis;
 - Demonstrate financial solvency or accountability;
 - Adhere to programmatic standards concerning the quality and consistency of care; and
 - Maintain a record free of an unusually high number of investigations, relative to the number of investigations of other Provider Agencies, or investigations resulting in negative findings.
- Although the above described deficiencies in the performance of a Contract also may serve as a basis for the OCA to conclude that the Provider Agency is in Default of the Contract in accordance with Contract Default CON-I-A-9-9.05.2007, the OCA may first elect to provide technical assistance or implement Corrective Action to remedy the material failure to fulfill or comply with the Contract terms and conditions.
- Upon learning of a Provider Agency's deficiency in the performance of its Contract, the OCA Business Office charged with the administration of the Contract may first contact the Provider Agency to offer technical assistance to remediate it.
- Technical assistance should involve the setting of measurable and attainable goals to be achieved within specified timeframes, and subsequent documented efforts to accomplish these goals.

- If the identified goals are not achieved through technical assistance, additional deficiencies are identified while engaging in technical assistance, or the deficiencies identified or subsequently discovered are too numerous or serious to address through technical assistance, the Director of the OCA or the Director's designee may authorize the initiation of Corrective Action after consultation with the Program Manager overseeing the provision of the contracted services.
- If this consultation results in the conclusion that deficient performance justifies discontinuing the referral of DCF clients for services by the Provider Agency, then the Program Manager overseeing the provision of the program services will notify the Provider Agency of this decision promptly by telephone and in a confirming letter copied to the OCA Director and the assigned Business Office Manager. The Program Manager may discontinue referrals to the Provider Agency before OCA initiates Corrective Action, or for some or all the time that the Provider Agency is under Corrective Action.
- The OCA Director or designee will authorize the Business Office staff to initiate Corrective Action after assessing:
 - The effectiveness of the technical assistance provided and the utility of additional technical assistance;
 - The alternative of concluding that the Provider Agency is in default of the Contract in accordance with Contract Default CON-I-A-9-9.05.2007;
 - The impacts on the Provider Agency's performance of any other Contracts in the Department;
 - The fairness of imposing Corrective Action on the Provider Agency compared to other similarly performing Provider Agencies; and
 - The quality and need for the specified services as revealed in the consultation with the Program Manager overseeing the contracted services.
- The OCA Business Office charged with the administration of the Contract will inform the Provider Agency in writing that the Department is initiating Corrective Action with a Notice of Corrective Action.
- The Notice of Corrective Action:
 - Identifies all performance deficiencies that shall be addressed;
 - Directs the Provider Agency to submit by a specified date, a proposed Corrective Action Plan (CAP) to address each deficiency, using the attached Department template CON-I-A-8-8.03 Attachment 2;
 - Confirms the date of the telephone notification and written confirmation of the suspension of new referrals when this is an added consequence of the initiation of Corrective Action;

- Is signed by the Supervising Contract Administrator of the OCA Business Office charged with the administration of the Contract or their supervisor;
 - Is addressed to the Chief Executive Officer of the Provider Agency;
 - Is copied to the OCA Director, DCF Division Director, Program Manager of the unit overseeing the contracted services, Office of Grants, Integrity, and Accountability Director, Office of Licensing (OOL) Director, and the Institutional Abuse Investigation Unit (IAIU) Director;
 - Includes the following language: "The Department will not consider applications a Provider Agency under Corrective Action submits in response to bidding opportunities that are due prior to the date of that Provider Agency's Notice of Discharge from Corrective Action."
 - Is sent by electronic mail and certified mail with return receipt requested on both; and
 - Shall be presumed to have been received by the addressee five (5) days after being properly mailed to the last address known by the Department.
- Failure by a Provider Agency to respond timely to a Notice of Corrective Action may result in Contract Default. If a proposed CAP is not provided by the specified due date, the OCA Business Office charged with the administration of the Contract will issue a written statement that the CAP is overdue, and the Provider is at serious risk of Contract Default as in Contract Default CON-I-A-9-9.05.2007.
 - Upon receipt of the Provider Agency's written proposed CAP, the OCA Business Office charged with administering the Contract will review the Provider Agency's proposed specified actions and timeframes to ameliorate each deficiency identified in the Notice of Corrective Action.
 - The OCA Business Office reviewing the Provider Agency's proposed CAP may condition approval on the Provider Agency's acceptance and incorporation of amendments and revised timeframes. The Business Manager's review will include consultation with the Program Manager of the unit overseeing the provision of contracted services.

13. The OCA Business Office will respond in writing within 15 business days of the Provider Agency's submission of their proposed CAP by sending either a Notice of Corrective Action Plan Rejection or a Notice of Corrective Action Plan Approval.

14. The Notice of Corrective Action Plan Rejection:

- Confirms the Department's rejection of the Provider Agency's proposed CAP, and the inability of the Department and the Provider Agency to agree on revisions that would result in approval; and
- Informs the Provider Agency that the deficiencies in the performance of the Contract identified in the Notice of Corrective Action now serve as the

basis for the Department's finding that the Provider Agency is in Default of the Contract in whole or in part in accordance with Contract Default CON-I-A-9-9.05.2007.

- The Notice of Corrective Action Plan Approval:
 - Confirms either the Department's acceptance of the Provider Agency's proposed CAP, or specifies that its acceptance is contingent on the Provider Agency's acceptance of OCA's revision(s) to the proposed CAP;
 - Reminds the Provider Agency that the Department will not consider any applications submitted to it in response to bidding opportunities that are due before the Provider Agency's Notice of Discharge from Corrective Action; and
 - Informs the Provider Agency that a Notice of Discharge from Corrective Action will be sent when the Department concludes that each deficiency identified in the approved CAP has been remedied and that all improvements have been maintained for a period of six (6) continuous months, unless otherwise specified.
- From start to finish, the approved CAP is monitored by the OCA and its assigned Business Office, in consultation with the Program Manager overseeing the provision of the contracted services.
- The Business Office shall monitor the biweekly progress of a Provider Agency in fulfilling each of the requirements of a CAP.
- The OCA Business Office charged with the administration of the Contract will advise the Provider Agency of the date when all requirements in the approved CAP have been met in a Notice of Corrective Action Plan Compliance.
- The Notice of Corrective Action Plan Compliance:
 - Confirms the Department's satisfaction with the Provider Agency's performance in its compliance with all provisions of the approved CAP as of a specified date;
 - Reminds the Provider Agency that it must maintain its compliance for a period of six (6) continuous months from that date, during which the Department will not consider any applications from the Provider Agency submitted in response to bidding opportunities due prior to that date, unless the Commissioner exercises discretion to find cause for the OCA to issue an earlier Notice of Discharge from Corrective Action; and
 - Informs the Provider Agency that failure to maintain continuous compliance during the six (6) month period will result in an extension of the monitoring period or Contract Default proceedings.

- The OCA Business Office charged with administering the Contract sends a Notice of Discharge from Corrective Action when the Provider Agency has maintained compliance for a continuous six (6) month period.
- The Notice of Discharge from Corrective Action:
 - Acknowledges that the Provider Agency has remedied each deficiency identified in the approved CAP;
 - Confirms that the term of the Corrective Action has ended because each of the improvements made through the CAP has been maintained for a period of six (6) continuous months, unless the Commissioner decides otherwise; and
 - Advises that the Department will consider any applications from the Provider Agency submitted in response to bidding opportunities that are due after the date of the Notice of Discharge from Corrective Action.
- If the Provider Agency fails to respond to the OCA Business Office's request to comply with any of the terms or conditions of the Corrective Action, in whole or in part, the Department may, by notice, place the Provider Agency in Default status, and take any action(s) listed in accordance with Contract Default CON-I-A-9-9.05.2007.
- The Corrective Action procedure in this section does not extend to Corrective Actions initiated by the Department's Office of Licensing (OOL). OOL conducts investigations and Corrective Actions to address Provider Agencies who fail to adhere to its regulations, while leaving OCA to address those who fail to adhere to Contract requirements. The results of its investigations, however, may form a basis for the Department's conclusion that a Provider Agency is sufficiently deficient in its performance to justify OCA Corrective Action.
- The Corrective Action procedure in this section does not extend to remedial measures required by the Department's Institutional Abuse Investigations Unit (IAIU). The results of its investigations, however, may form a basis for the Department's conclusion that a Provider Agency is sufficiently deficient in its performance to justify OCA Corrective Action.

Key Terms (Definitions):

- Affiliate(s) means persons having an overt or covert relationship such that any one of them directly or indirectly controls or has power to control another.
- Corrective Action means that Office of Contract Administration (OCA) has identified and notified the Provider Agency in writing regarding contractual or programmatic deficiencies in the administration of services that require remediation through a Corrective Action Plan (CAP).

- Corrective Action Plan (CAP) means the written response from a Provider Agency to the OCA's written Notice of Corrective Action that describes the actions the Provider will take within specified timelines to remedy each identified deficiency.
- Debarment means an exclusion from Department contracting, based on the Provider Agency's lack of responsibility as evidenced by an offense, failure, or inadequate performance, for a reasonable period commensurate with the seriousness of the infraction. The decision to debar shall be made by the Commissioner.
- Default means the Provider Agency has materially failed to fulfill or comply with the terms and conditions of the Contract.
- Department or DCF means the New Jersey Department of Children and Families.
- Disqualification means a Debarment or Suspension which denies or revokes a qualification to respond to a Request for Proposal (RFP) or Request for Qualifications (RFQ) or to otherwise engage in Department contracting pursuant to statutes or regulations.
- Good Standing means that a Provider Agency is not debarred, suspended, or disqualified from doing business with the State of New Jersey or the federal government pursuant to Executive Order #34/1976. Good Standing also means the Provider Agency is not under a Corrective Action Plan or has successfully met and then maintained all the requirements of a Corrective Action Plan for a period of six (6) continuous months or an otherwise specified period, as confirmed by a Notice of Discharge from Corrective Action.
- Lower Tier Covered Transaction(s) means:
 - Any transaction between a participant and a person other than a procurement contract for goods or services, regardless of type, under a primary covered transaction; or
 - Any procurement contract for goods or services between a participant and a person, regardless of type, expected to equal or exceed the federal procurement small purchase threshold fixed at 10 U.S.C. 2304(g) and 41 U.S.C. 253(g) (currently \$100,000) under a primary covered transaction; or
 - Any procurement contract for goods or services between a participant and a person under a covered transaction, regardless of amount, under which that person will have a critical influence on or substantive control over that covered transaction. Such persons may include loan officers or Chief Executive Officers acting as principal investigators and providers of federally required audit services.
- Lower Tier Participant means the Provider Agency and all subcontractors, down to the lowest level, that may result from the initial Contract.
- Notice of Corrective Action means the written communication from the Office of Contract Administration (OCA) to the Provider Agency that notifies the Provider Agency that the Department is initiating Corrective Action.

- Notice of Corrective Action Plan Approval means the written communication from the Office of Contract Administration (OCA) Business Office that confirms either the Department's acceptance of the Provider Agency's proposed Corrective Plan (CAP), or the Provider Agency's acceptance of OCA's revisions to the proposed CAP.
- Notice of Corrective Action Plan Compliance means the written communication from the Office of Contract Administration (OCA) Business Office that documents the date when all stipulations in the approved Corrective Action Plan have been met and the required maintenance period begins.
- Notice of Corrective Action Plan Rejection means the written communication from the Office of Contract Administration (OCA) Business Office that confirms the Department's rejection of the Provider Agency's proposed Corrective Action, the inability of the Department and the Provider Agency to agree on revisions that would result in approval, and the probable consequence of Contract Default.
- Notice of Discharge from Corrective Action means a written notice from DCF to the Provider Agency confirming that it has addressed the deficiencies identified in the Notice of Corrective Action and that the improvements made through Corrective Action were maintained throughout the specified timeframe.
- Program Manager means the head of the Departmental Component charged with overseeing the provision of the program services provided under the Contract.
- Provider Agency (also Provider) means all for profit, nonprofit, private, and public entities that have either a cost reimbursement or fee for service Contract with the Department.
- State when capitalized means the State of New Jersey.
- State Contracting means any arrangement giving rise to an obligation to supply anything to, or perform any service for the State, other than by State employment. To supply anything to or perform any service for a private person where the State provides substantial financial assistance and retains the right to approve or disapprove the nature or quality of the goods, service, or persons who may supply or perform the same.
- Suspension means the Department has excluded a Provider Agency from providing some or all contracted services for a temporary period, pending the completion of an investigation or legal proceeding. The decision to suspend shall always be made at the discretion of the Commissioner and the NJ Attorney General.

Forms and Attachments:

- CON-I-A-8-8.03 Attachment 1 - Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transaction

- CON-I-A-8-8.03 Attachment 2 - Corrective Action Plan Template to be Completed by Provider Agency

Policy History:

- Issued July 1, 2017
- Revised April 6, 2020

Attachment 1

Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion Lower Tier Covered Transactions

READ THE ATTACHED INSTRUCTIONS BEFORE SIGNING THIS CERTIFICATION.

THE INSTRUCTIONS ARE AN INTEGRAL PART OF THE CERTIFICATION.

1. The prospective lower tier participant certifies, by submission of this Certification, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by a Federal department or agency.
2. The provider certifies, by submission of this Certification, that neither it nor its principals is presently disqualified, debarred, or suspended from doing business within the State of New Jersey, pursuant to Executive Order#34-1976. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name of Provider Agency

Printed Name and Title of Authorized Representative

Signature of Authorized Representative

Date

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
Lower Tier Covered Transactions

Attachment 1
Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of facts upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility

of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-Procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

10. By signing the Certification, the participant is also certifying that neither it nor its principals is presently disqualified, debarred, or suspended from doing business within the State of New Jersey, pursuant to Executive Order#34-1976.

Attachment 2

Corrective Action Plan Template

Please note: To access the worksheet, double left click on the "Worksheet" Icon below to bring up the Corrective Action Plan Template.



Microsoft Excel
Worksheet

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.PS.05-2007

EFFECTIVE DATE: August 1, 2007

REVISED: July 1, 2008

SUBJECT: **Conflict of Interest**

I. PURPOSE

The purpose of this policy is to establish minimum standards for use by Provider Agencies in the development and implementation of a Conflict of Interest policy and the Department of Children and Families' (DCF) compliance procedure.

II. SCOPE

This policy applies to all DCF Contracts.

III. DEFINITIONS

In addition to defined terms included in the Glossary of the Manual, the following terms, when capitalized, shall have meanings as stated:

Conflict of Interest (also Conflict) means a conflict, or the appearance of a conflict, between the private interests and the official responsibilities of a person in a position of trust. Persons in a position of trust include, but are not limited to Provider Agency paid and volunteer Staff Members, officers, or Governing Board members.

Governing Board (also Board) means the Provider Agency board, commission, council, or other organizational body that signs the Contract, enacts Provider Agency policy regarding Contract services, and is responsible to the Department for Contract compliance.

Staff Member means a person who receives all or part of his/her income from the Provider Agency's payroll, subcontractors, and/or volunteer(s) that serve the Provider Agency in any capacity.

IV. POLICY

Each Provider Agency must have written policies and procedures for identifying and eradicating any real or perceived Conflicts of Interest.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- A. The purpose of such policies and procedures is to prevent the personal interest of Staff Members, officers or Governing Board members from:
 - 1. Interfering with the performance of their responsibilities to the Provider Agency and its clients; or
 - 2. Resulting in personal financial, professional, and/or political gain.

- B. The Provider's policy must include provisions for disclosure of situations when:
 - 1. A member of the Governing Board is related or otherwise involved with another member of the Governing Board;
 - 2. A member of the Governing Board is related to a Staff Member;
 - 3. A member of the Governing Board is also a Staff Member;
 - 4. A Staff Member in a supervisory capacity is related to or lives in the same household of another Staff Member he/she supervises;
 - 5. A member of the Governing Board or a Staff Member receives payment, goods, or services from the Provider Agency for any subcontracts, goods or services, such as consultant, laundry, maintenance, construction, or remodeling; and
 - 6. A member of the Provider Agency Governing Board or staff is a member of the Governing Body or Staff Member of a funder/contributor to the Provider Agency.

- C. The Provider's policy must specify the procedures to be followed in the event of a perceived or real Conflict of Interest. Possible procedures include:
 - 1. Action steps for determining if a Conflict exists;
 - 2. Mandated or voluntary non-participation of Staff Members, officers, or Governing Board members in a situation in which there is a Conflict of Interest;
 - 3. Sanctions for a breach of the approved Provider Agency Conflict of Interest policy; and
 - 4. Appeal and administrative review of imposed sanctions.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- D. The policy must contain specific provisions to ensure that any Provider Agency Staff or Governing Board Member does not participate in the selection, award, or administration of any procurement transaction where federal or State funds are used, and none of the following has a financial interest in said transaction:
 - 1. The Staff or Governing Board Member;
 - 2. Any member of his/her immediate family;
 - 3. Any member of his/her household;
 - 4. An organization in which any of the above is an officer, director or employee; and
 - 5. A person or organization with whom any of the above is negotiating or has any arrangement concerning prospective employment.

V. PROCEDURES

- A. The Provider Agency must develop a written Conflict of Interest policy in accordance with the minimum guidelines specified in this policy.
- B. The policy must be adopted by the Provider Agency's Governing Board, in accordance with procedures in the Board's by-laws.
- C. A copy of the adopted policy, with a date for compliance, must be furnished to Governing Board members, officers and Staff Members, and must be posted in a conspicuous place within the Provider Agency's administrative office and site of service provision.
- D. A copy of the policy must be forwarded to the Department for review and filing with the Provider Agency's Contract documents. Any revisions to the policy, as they are made and adopted, must be forwarded to the Department.

VI. DCF COMPLIANCE PROCEDURE

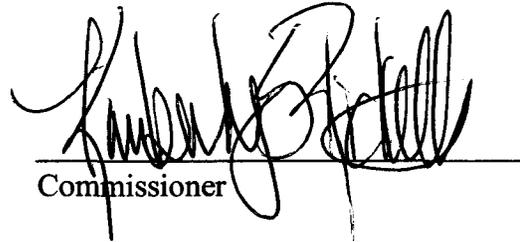
- A. In the event that the Department tests the Conflict of Interest policy as itemized in Section IV.B. and/or determines that a Conflict of Interest exists; the Department at its sole discretion will require abatement by the Provider.
- B. When it has been determined that the Provider Agency has a Conflict of Interest, the Department may take one of the following actions in no order of ascending sanction:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

1. Require a corrective action to abate the Conflict of Interest within a specified time frame
2. Hold the Contract in default
3. Withhold payments pending correction of the Conflict of Interest
4. Discontinue any current or future Contract negotiations, and
5. Take other remedies that may be legally available

VII. ATTESTATION REQUIREMENT

Each Staff Member (paid or volunteer, inclusive of subcontractors, the Governing Board, consultant, or any committee) must complete Attachment 1, the Attestation Form of the Conflict of Interest Policy on an annual basis. Forms must be maintained on site by the Provider Agency and open for inspection as is stated in DCF.8.01-2007 Access to Records and Facilities; Retention of Contract Records; Confidentiality.



Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

ATTESTATION FORM

The following is the minimum requirement for each Staff Member of the Provider Agency to document attestation to the Conflict of Interest Policy. This form must be completed in full on an annual basis and maintained on site by the Provider Agency.

Name of Agency

Contract Number

Name of Subcontractor

Phone Number

Address

City/State

Questionnaire – The following questions must be answered Yes or No. Please circle "Y" for yes and "N" for no. All "Yes" answers must be followed by a detailed explanation:

1. Y / N Are you related to any member of the Governing Board?
2. Y / N Are you related to any Staff Member?
3. Y / N Are you a member of the Governing Board and the agency Staff?
4. Y / N In your capacity with the Provider Agency, do you hold a position of authority over any family member or person that resides in the same household?
5. Y / N Do you receive any subcontracted payment (money or in-kind goods/services) from the Provider Agency?
6. Y / N Do you also serve on the staff or governing body of a funder/contributor to the Provider Agency?

Please explain any "Yes" responses in the space below. Use additional sheets if necessary:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

I agree to abide by the agency's written policy and internal procedural guidelines regarding the Conflict of Interest policy.

I agree to abide by the specific provisions that no volunteer or paid Provider Agency Staff, subcontractor, officer, consultant or Governing Board member participates in the selection, award, or administration of any procurement and/or transaction in which federal or State funds are used, where any of the following has a financial, political, and/or personal interest in that transaction:

1. The Staff Member, Officer of the Governing Board member;
2. Any member of his/her family;
3. Any member of his/her household;
4. An organization in which any of the above is an officer, director or employee; and
5. A person or organization with whom any of the above is negotiating or has any arrangement concerning prospective employment."

ATTESTATION: I certify that the information is true and to the best of my knowledge. I have read and will comply with the Conflict of Interest Policy. My submission of this Form constitutes an attestation of compliance with DCF.P8.05-2007 in total.

Print Name

Title

Signature

Date

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P8.10-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Nondiscrimination/Americans with Disabilities Act**

I. PURPOSE

The purpose of this policy is to notify Provider Agencies of prohibitions against discrimination, sexual harassment, third-party harassment; retaliation; Affirmative Action guidelines; and the need for reasonable accommodation for those persons with disabilities who are service consumers, volunteers or employees of entities that provide contracted services to the New Jersey Department of Children and Families.

II. SCOPE

This policy applies to all contracted entities.

III. DEFINITIONS

Minority defines minority persons as those that are categorized and listed in the Glossary of Terms within this policy manual.

Sexual Harassment with or without sexual conduct is defined as unwanted sexual advances, requests for sexual favors, hostile work environment harassment, quid pro quo harassment, and any other verbal or physical contact that is or can be construed of a sexual nature.

Third-Party Harassment is unwelcome behavior involving any of the protected categories as defined in the Law Against Discrimination (N.J.S.A. 10:5-1 et.seq.) that is not directed at an individual but exists in the workplace and interferes with an individual's ability to do the job.

Retaliation is when a complainant or witness is subjected to adverse effects for their involvement in the complaint process.

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

IV. POLICY

The State of New Jersey is committed to contracting with vendors that are dedicated to providing services to clients, and work environments for employees and volunteers that are free from discrimination, Sexual Harassment, or Third-Party Harassment. Under this policy, all forms of discrimination/harassment based upon the following protected categories are prohibited and will not be tolerated: race, creed, religion, color, national origin/nationality, ancestry, age, gender/sex (including pregnancy), marital/civil union status, familial status, affectional or sexual orientation, gender identity or expression, domestic partnership status, civil union, atypical hereditary cellular or blood trait, genetic information, AIDS and HIV status, disability, (including perceived disability, physical, mental, and/or intellectual disabilities), or liability for service in the Armed Forces of the United States of America.

A. Nondiscrimination

1. The Provider Agency must comply with all applicable federal, State and local laws, rules and regulations, including but not limited to the following: federal Civil Rights Act of 1964 (as amended); Law Against Discrimination (LAD) (N.J.S.A, 10:5-1 et. seq.); and the American Disabilities Act of 1990 (ADA Title I); associated executive orders pertaining to affirmative action and nondiscrimination on public contracts; and the federal Equal Employment Opportunity Act.
2. Provider Agencies must adopt procedures to ensure the resolution of any complaint of discrimination. Such procedures must incorporate appropriate due process standards and provide for a prompt and equitable resolution of the complaint. The procedures must also include provisions for handling acts of retaliation as well as incidences where the complainant knowingly filed false claims of discrimination.
3. Provider Agencies must publicly display a statement notifying applicants for services or employment that they do not discriminate against all listed groups as stated in the LAD. This statement must also be included in all publications and related materials referring to Contract services. To this end, Provider Agencies must use either:
 - a. statement which at a minimum includes assurances of nondiscrimination as noted in Section A above; or

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

b. the following model statement:

"This agency does not discriminate against any applicant for services, volunteer or paid employment, nor against any volunteer/employee or recipient of service because of race, creed, religion, color, national origin/nationality, ancestry, age, gender/sex (including pregnancy) marital/civil union status, familial status, affectional or sexual orientation, gender identity or expression, domestic partnership status, atypical hereditary cellular or blood trait, genetic information, AIDS and HIV status, disability (including perceived disability), physical, mental, and/or intellectual disabilities, or liability for service in the Armed Forces of the United States of America. Any complaint of discrimination regarding volunteer or paid employment or the provision of services shall be referred to (Indicate the appropriate Provider Agency person, with title, address and telephone number.)"

B. Persons with Disabilities

1. The Provider Agency must comply with all applicable federal, State and local laws, rules and regulations, including but not limited to the following: Section 504 of the federal Rehabilitation Act of 1973 pertaining to nondiscrimination on the basis of disability and regulations thereunder; and the Americans with Disabilities Act .
2. The Provider Agency must make reasonable accommodation and program access for all individuals with disabilities. This may include steps such as, but not exclusive to: job restructuring, modification of equipment, ancillary aids and services to individuals with disabilities, removal of physical barriers or providing the services by an alternate means or location.
3. Provider agencies should contact the ADA Coordinator within the Departmental Component for further information.

C. Affirmative Action

All entities that contract with the Department must provide Equal Employment Opportunity (EEO) regardless of creed, religion, color, national origin/nationality, ancestry, age, gender/sex (including pregnancy) marital/civil union status, familial status, affectional or sexual orientation, gender identity or expression, domestic partnership status, atypical hereditary cellular or blood trait, genetic information, AIDS and HIV status, disability (including perceived disability, physical, mental, and/or intellectual disabilities), or liability for service in the Armed Forces of the United States of America.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

This policy and mandate includes but is not limited to, recruitment, selection, hiring, training, promotion, transfer, termination, facility accessibility, and reasonable accommodation.

EEO also includes policies, procedures, and programs for the recruitment, retention and promotion of the protected classes as listed in the Law Against Discrimination (N.J.S.A. 10:5-1 et.seq.)

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P8.13-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Copyrights**

I. PURPOSE

The purpose of this policy is to inform Department staff and Provider Agencies of the Department's policy regarding copyrights.

II. SCOPE

This policy applies to all Contracts.

III. DEFINITIONS

In addition to the defined terms included in the Glossary of the Manual, the term listed below, when capitalized, shall have meaning as stated.

Copyrighted Material means an exclusive, legal right to adapt, distribute, reproduce, publish or sell any information funded and developed under a Department Contract or subcontract.

IV. POLICY

- A. The State of New Jersey reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use any work or materials developed with State or federal funding under a Department funded Contract or subcontract. The State of New Jersey also reserves the right to authorize others to reproduce, publish or otherwise use any work or materials developed under said Contract or subcontract.
- B. The contracting Departmental Component shall ensure that it receives a copy of any Copyrighted Material.
- C. When a Provider Agency decides to publish any Copyrighted Material, the following steps shall be taken by the Departmental Component:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

1. Ensure that there is proper acknowledgment of the source of funds used to develop the copyrighted work. The following statement is sufficient:

This material is based upon work supported by the Department of Children and Families, State of New Jersey under Contract # _____.

2. Ensure that the following disclaimer appears with the publication:

Any opinions and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the official opinion of the State of New Jersey or Department of Children and Families.

3. Ensure that the Provider Agency includes in the publication contract/agreement a reference that stipulates the inclusion of a statement that protects the rights of the State of New Jersey with regards to Copyrighted Materials, as well as the addition of contract/agreement language that guarantees the inclusion of acknowledgment and disclaimer statements for any State supported published material.
 4. Determine whether it is in the best interest of the Departmental Component to have the provider agency obtain prior approval of any proposed commercial publication, including approval of the process by which a publisher is selected. If prior approval is required, it must be included in the Contract Annex A.
- D. Unless Department regulations or the terms or conditions of the Contract stipulate otherwise, Provider Agencies shall have no obligation to the Department with respect to Program Income earned from license fees and royalties for Copyrighted Material.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P8.14-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Minimum Standards for Insurance**

I. PURPOSE

The purpose of this policy is to establish the minimum standards for insurance coverage.

II. SCOPE

This policy applies to Provider Agencies that are covered by the Department of Children and Families' Standard Language Document for Social Services and Training Contracts and to Tuition Agreements. It does not apply to Individual Provider Agreements (Contracts with sole practitioners who are not incorporated), Agreements with Another State Agency, or to two party consultant agreements.

III. DEFINITIONS

In addition to defined terms included in the Glossary of the Manual, the following terms, when capitalized, shall have meanings as stated:

Additional Insured means an endorsement to an insurance policy extending the coverage to the State of New Jersey against loss in accordance with the terms of the policy. Designating the State as an additional insured permits the Department to pay the premium should the insured fail to do so.

Broad Form means liability coverage that provides insurance for multiple types of perils. A Broad Form policy provides all risks coverage in one policy except for listed exclusions.

Certificate of Insurance means a statement of coverage taking the place of the policy as evidence of insurance indicating the insured.

Commercial Automobile Liability Insurance means coverage that provides limits above the standard limits in the base policy, and/or covers areas of liability not covered in a standard policy.

Employee Fidelity Bond (commercial blanket bond) means coverage issued for a stated amount on all regular employees of the Provider insuring against loss from employees' dishonest acts.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Employers' Liability Insurance means coverage against the common law liability of an employer for injuries by accident or disease to employees, as distinguished from the liability imposed by Workers' Compensation Law.

General Liability Insurance means liability coverage for all premises and operations for all general liability hazards, unless excluded.

Limits means the dollar amount of insurance carried for the types of insurance listed.

Products/Completed Operations means a form of liability insurance which covers accidents arising out of operations which have been completed or abandoned, provided the accident occurs away from the premises owned, rented, or controlled by the insured.

Professional Liability/Malpractice means coverage for the Provider and health care providers in its employ, acting under their scope of duties, while providing medical and social services care to the clients.

Property Insurance means a Broad Form of insurance coverage for damage or loss to real and personal property.

Umbrella Policy means a policy that provides limits above the standard limits in the base policy, and/or covers areas of liability not covered in a standard policy.

Workers' Compensation Insurance means benefits payable to an employee, without regard to liability, required by State law in case of illness, injury, disability, or death as a result of occupational hazards.

IV. POLICY

A. To conform to Section 5.05 of the Standard Language Document, the Provider Agency shall secure liability insurance in accordance with the minimum standards for insurance coverage outlined in paragraph B. below and maintain it in force for the term of the Contract. The Provider shall obtain and retain current Certificates of Insurance for all coverage for inspection. Such Certificates of Insurance must contain the provision that the insurance provided in the Certificate shall not be canceled or non-renewed for any reason except after thirty Days written Notice to the Department. Public entities, such as counties, municipalities or public school districts that are self insured must provide acknowledgment that they are self-insured to the extent necessary to cover liabilities imposed by law and assumed under the Contract.

B. The following are the minimum standards for insurance:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

1. General Liability Insurance written on a commercial liability occurrence form against any liability of the Provider. Said insurance shall not be circumscribed by an endorsement limiting the breadth of coverage. The State of New Jersey shall be named as Additional Insured. The policy shall include the following:
 - a. Broad Form Comprehensive General Liability
 - b. Products/Completed Operations
 - c. Premises/Operations

The minimum limits of liability shall be: bodily injury liability and property damage liability - \$1,000,000 each occurrence \$3,000,000 aggregate (may be written as a combined single limit). An Umbrella Policy may be used to supplement the base policy to meet the minimum standards for insurance. The State of New Jersey shall be named as an Additional Insured.

2. Commercial Automobile Liability Insurance written to cover cars, vans or trucks used by the Provider. Limits of liability for bodily injury and property damage should not be less than \$2,000,000 each occurrence. The State of New Jersey shall be named as an Additional Insured.
 3. Workers' Compensation Insurance without regard to liability, required by State law in case of illness, injury, disability, or death as a result of a job related accident.
 4. Employer's Liability Insurance is to be included with limits of not less than:
 - a. \$100,000 Bodily Injury, each occurrence
 - b. \$100,000 Disease each employee
 - c. \$500,000 Disease aggregate limit
 5. Employee Fidelity Bond issued for a stated amount on all regular employees of the Provider insuring against loss from employees' dishonest acts. The bond should be for at least 15% of the full dollar amount of all State of New Jersey contracts for the current year when the combined dollar amount exceeds \$50,000.
- C. The Department will pay its share of the cost of insurance that benefits all operations of the Provider Agency as approved in Contract negotiations with Department staff. Premiums may be charged directly to a Departmental

Contract when the insurance relates directly to the service(s) performed in the Contract.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF P9.02-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Department and Provider Agency Monitoring of Level of Service Delivery**

I. PURPOSE

The purpose of this policy is to advise Department personnel and Provider Agencies of policies and procedures for monitoring contracted level of service delivery.

II. SCOPE

This policy applies to all Cost-Related and Non-Cost-Related Contracts, with the exception of those Contracts that have no contractually agreed-upon upper payment limit.

III. POLICIES AND PROCEDURES

A. Cost-Related Contracts

1. Establishment of Budgeted Units of Service

- a. In a Cost-Related Contract, an accurate projection of the Contract's Budgeted Units of Service is essential because:
 - i. It allows comparison of the cost of similar services (through computation of the Unit Cost);
 - ii. It represents the Provider Agency's contractual commitment against which actual performance will be measured; and
 - iii. In Contracts paid by means of a rate, the rate is calculated based on the Budgeted Units of Service.

Therefore, in negotiating the Contract, consideration should be given to anticipated changes and any other factors that may impact on the program's Budgeted Units of Service.

- b. For renewal Contracts, in establishing the Budgeted Units of Service, consideration should be given to, among other factors, historical data collected during the previous Contract term.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- c. For new Contracts, the Budgeted Units of Service may be based on Departmental experience with Contracts in the locality, which provides comparable services under comparable circumstances.

2. Department Monitoring Responsibilities

- a. It is the responsibility of the Department to monitor the Contract level of service delivery on a regular basis through on-site review and desk monitoring of appropriate reports.
- b. It is the responsibility of the Department to conduct at least a quarterly analysis of Contract performance, making a comparison of:
 - i. Actual versus Budgeted Units of Service;
 - ii. Actual versus projected expenditures; and
 - iii. Actual versus budgeted Unit Cost.

The purpose of this analysis is to ascertain if services are being delivered in the quantity and for the Unit Cost negotiated and agreed to in the Contract.

- c. If based on the quarterly analysis it is determined that the actual performance level differs from the Budgeted Units of Service - whether higher or lower - the Department may require a Contract Modification to revise the Budgeted Units of Service and, as appropriate, make corresponding adjustments in the Contract Budget and/or Payment Rate. For further information refer to policy DCF.P1.10, Contract Modification.
- d. If the Actual Units of Service are lower than the Budgeted Units of Service, the Provider Agency will be in default of the Contract, and the Department may choose to pursue default proceedings other than requiring a Contract Modification. For further information on default policies and procedures, refer to Policy DCF.P9.05, Contract Default.
- e. When Contract payment is based on a rate per Unit of Service delivered, any change in the Payment Rate, which results from a Contract Modification, may be effective up to three months prior to the execution of the Modification. Failure to execute a Contract Modification when Actual Units of Service differ from Budgeted Units of Service may result in:
 - i. An overpayment by the Department if the Actual Units of Service are higher than the Budgeted Units of Service; or

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- ii. Un-reimbursed costs to the Provider Agency if Actual Units of Service are lower than Budgeted Units of Service (since a Payment Rate may not be adjusted upward based on a final report of expenditures).

3. Provider Agency Monitoring Responsibilities

- a. Provider Agencies should closely monitor their level of service delivery during the Contract term. It may take three months of effective monitoring to obtain a meaningful indication of the true performance in relation to the Budgeted Units of Service.
- b. At such time as it is determined that actual performance differs from the Budgeted Units of Service (whether higher or lower), the Provider Agency should submit a request for a Contract Modification to reflect more appropriate Budgeted Units of Service. In addition, corresponding revisions should be requested in budgeted costs since a number of expenditure items are dependent upon the level of service delivery.
- c. If Contract payment is based on a rate, any change in the Payment Rate which results from the Contract Modification may be effective up to three months prior to the date of the Provider Agency's submission of the Modification request.

B. Non-Cost-Related Contracts

The policies and procedures for monitoring the level of service delivery in Non-Cost-Related Contracts are essentially the same as those established above for Cost-Related Contracts. However, since budgets and expenditure reports are not submitted for Non-Cost-Related Contracts, monitoring is based on a comparison between the Actual Units of Service delivered and the level agreed to in the Contract programmatic Annex. In most cases, a Contract Modification should result when a discrepancy exists between the two levels. (An exception would occur when the actual level of service is low and the Department chooses to pursue default options other than Contract Modification).

Provider Agencies with a Non-Cost-Related Contract receive reimbursement based on a fixed payment rate times the number of billable (eligible) Units of Service. In only very rare circumstances will the rate itself change as a result of a Contract Modification. In most instances, a Contract Modification generated for level of service reasons will result in a change in the contracted level of service delivery and a corresponding change in the Contract upper payment limit.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P9.05-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Contract Default**

I. PURPOSE

The purpose of this policy is to advise departmental personnel and Provider Agencies of the policies and procedures to be followed in case of Provider Agency Contract Default.

II. SCOPE

This policy applies to all Contracts.

III. DEFINITIONS

The following terms, when used in this policy, are defined as:

Action is the notice of an impending remedy, including Termination of the Contract. The action may be implemented during the current Contract or a subsequent Contract as appropriate.

Default is the Provider Agency has materially failed to fulfill or comply with the terms and conditions of the Contract.

Notice is an official written communication between the Department and the Provider Agency. All notices shall be delivered in person or by certified mail, return receipt requested, and shall be directed to the person(s) and address(es) specified for such purpose in the annex(es) or to such other persons as either party may designate in writing.

The Notice shall also be sent by regular mail and shall be presumed to have been received by the addressee five days after being properly sent to the last address known by the Department.

IV. POLICY

A. The Provider Agency is in Default of the Contract when any of the following circumstances apply. These circumstances include, but are not limited to:

1. Failure to provide the contracted units of service or the level of service agreed to in the annex(es) of the Contract;

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

2. Use of Contract funds for purposes other than those approved by the Departmental Component and specified in the annex(es) to the Contract;
 3. Failure to submit timely reports, and/or submission of reports or documents that are inaccurate or incomplete in any material respect;
 4. Failure to comply with the terms and conditions of the Standard Language Document or the policies and procedures outlined in the DCF Contract Policy and Information and DCF Contract Reimbursement Manuals;
 5. Conduct or acts, including but not limited to, adjudged criminal activity on the part of the Provider Agency, its officers, board members, volunteers or employees, which are detrimental to the Department, department clients or the Provider Agency; and
 6. Sanctions or financial actions taken by third parties against the Provider Agency that jeopardize the intent or fulfillment of the Contract.
- B. When the Provider Agency is in Default of the Contract, the Departmental Component may take one or more of the following Actions:
1. Terminate the Contract in whole or in part;
 2. Temporarily withhold cash payments pending successful completion of an approved corrective action plan that would alleviate the concern for Default;
 3. Disallow all or part of the cost of the activity or action not in compliance;
 4. Prohibit the Provider Agency from incurring additional obligations;
 5. Discontinue any current or future Contract negotiations; and
 6. Take other remedies that may be legally available.
- C. The Department shall allow all necessary and proper costs which the Provider Agency could not reasonably avoid during Termination proceedings. Additional payments or costs are not reimbursable unless written permission has been granted by the Departmental Component.
- D. Contract Closeout procedures for Termination of the Contract under this policy shall be the same as indicated in policy DCF.P7.01, Contract Closeout, and policy DCF.P7.06, Audit Requirements.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- E. Implementation of the procedures established in this policy does not preclude the Department from implementing debarment procedures as enumerated in Federal Executive Order 12549 and State Executive Order 34 (1976) or any other legal rights available to the Department of Children and Families.
- F. The Provider Agency has the right to request an informal review regarding any action taken according to the specific procedures established by the Departmental Component, which shall be referenced in the notice of action.
- G. If the Provider Agency fails to request an informal review of the decision within 21 Days of the date on the USPS return receipt for the written notice of the decision to take action or terminate, the Provider Agency shall forfeit all rights of review.

V. PROCEDURES

- A. The Departmental Component may provide technical assistance to the Provider Agency to correct all non-compliant items associated with the Default.
- B. The Departmental Component shall establish time frames for compliance. If corrective measures have not been taken within the specified time frames, the Departmental Component may take one or more of the Actions listed in IV.B of this policy, including Termination.
- C. The Departmental Component shall document all communications, formal and informal, with the Provider Agency regarding Default of the Contract, including the date of each Notice to the Provider Agency and certification that each was sent.
- D. The Provider Agency shall be advised of the following in a Notice of Action or Termination:
 - 1. The reason for the Action(s);
 - 2. The Provider Agency's right to request an informal review, time frames and procedures;
 - 3. The effective date of the impending Action or Termination; and
 - 4. That a request for an informal review of the decision for Action does not preclude the determined Action from being implemented.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- E. If the Provider Agency requests an informal review of an Action, the Departmental Component must respond to the request for informal review in accordance with the specific Departmental Component's informal review process.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P-Misc.03-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Provider Agency Chief Executive Officer and Contract Program Director**

I. PURPOSE

The purpose of this policy is to clarify the term "Chief Executive Officer" (CEO) and to specify the responsibilities of the CEO and the Contract program director.

II. SCOPE

This policy applies to all Contracts.

III. DEFINITIONS

The definitions for the purpose of this directive are listed in the policy section of this document.

IV. POLICY

A. Chief Executive Officer

1. The Chief Executive Officer named in the Annex(es) is responsible for all aspects of Contract services.
2. Because of the differences in the types of agencies that contract with the Department, the following are separate definitions for the CEO in:
 - a. Private for-profit and non-profit Provider Agencies

In the case of private for-profit and non-profit Provider Agencies, the CEO shall be either the chairperson of the Agency's governing body or the executive director of the Agency, as designated by resolution of the governing body and consistent with Agency by-laws.

- b. Public Provider Agencies

In the case of public Provider Agencies, (e.g., municipalities and counties), the CEO shall be either the chairperson of the Agency's governing body (e.g., city council, board of supervisors, board of chosen

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

freeholders), or the Agency's chief administrator (e.g., mayor, city manager, county administrator), as designated by resolution of the governing body.

c. Educational Institutions

In the case of educational institutions, the CEO shall be either the chairperson of the Agency's governing body or the president of the institution, as designated by resolution of the governing body and consistent with the institution's by-laws.

B. Program Director

The program director named in the Annex (es) must be directly responsible for Contract services, and unless otherwise specified in the Annex (es), must devote full time to the Provider Agency to carry out that responsibility and to supervise Provider Agency personnel in the administration and/or delivery of Contract services.

- C. If the position of CEO and/or program director should be or become vacant during the term of the Contract, the Department must be notified in writing of said vacancy. The Department must subsequently be notified in writing of the new CEO or program director when the vacancy is filled.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P-Misc.04-2007

EFFECTIVE: August 31, 2007

SUBJECT: **Persons Delivering Contract Services**

I. PURPOSE

The purpose of this policy is to advise Department personnel and Provider Agencies of policy concerning persons delivering Contract services.

II. SCOPE

This policy applies to all Contracts.

III. DEFINITIONS

The definitions for the purpose of this directive are listed in the policy section of this document.

IV. POLICY

The Provider Agency is responsible for the delivery of all Contract services, no matter how or by whom such services are delivered.

A. Contract Personnel

Except for situations described in B and C below, all Contract services are to be delivered by Contract personnel who:

1. are employees of the Provider Agency;
2. meet the qualifications and carry out the duties and responsibilities described in the Annex(es);
3. work the weekly time periods and receive the compensation (or compensation within the range) specified in the Annex B: Contract Budget; and
4. are covered by the Provider Agency's written personnel policies which, except as may be limited by the terms of the Annex B: Contract Budget, apply to all employees of the Provider Agency.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

B. Volunteers

1. The Provider Agency may use volunteers in the provision of Contract services, provided that:
 - a. the Annex(es) contain, at least, a detailed description of the duties, responsibilities, qualifications and standards of performance for such volunteers;
 - b. volunteers are supervised by approved Provider Agency personnel; and
 - c. volunteers are not used to replace Contract personnel except when authorized in writing by the Department.

2. Subcontract Personnel

Contract services may be delivered by persons employed under an approved assignment or subcontract.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P-Misc.06-2007

EFFECTIVE: August 31, 2007

SUBJECT: **Child Abuse or Neglect**

I. PURPOSE

The purpose of this policy is to advise Department and Provider Agency personnel of the policy and procedures to be followed in the reporting of incidents of child abuse or neglect, whether such report is based on a suspicion or a reasonable cause to believe.

II. SCOPE

This policy applies to all Provider Agencies.

III. DEFINITIONS

For the purpose of this directive, the following items shall be defined as follows:

Abused Child, as defined in N.J.S.A. 9:6-8.9, means a child under the age of 18 years:

- A. Whose parent, guardian or other person(s) having custody and control inflicts or allows to be inflicted upon such child physical injury by other than accidental means which causes or creates a substantial risk of death, disfigurement, impairment of physical or emotional health or impairment of the function of any body part;
- B. Whose parent, guardian or other person(s) having custody and control creates or allows to be created a substantial or ongoing risk of physical injury to such child by other than accidental means which would be likely to cause death, disfigurement or impairment of the function of any body part;
- C. Whose parent, guardian or other person(s) having custody and control commits or allows to be committed an act of sexual abuse against the child;
- D. Whose physical, mental or emotional condition has been impaired or is in imminent danger of becoming impaired as the result of the failure of his/her parent, guardian or such other person(s) having custody and control, to exercise a minimum degree of care: (1) in supplying the child with adequate food, clothing, shelter, education, medical or surgical care though financially able to

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

do so or though offered financial or other reasonable means to do so, or (2) in providing the child with proper supervision or guardianship, by unreasonably inflicting or allowing to be inflicted harm, or substantial risk thereof, including the infliction of excessive corporal punishment, or by any other act of similarly serious nature requiring the aid of the court; or

- E. Who has been willfully abandoned by his/her parent, guardian or by such other person(s) having custody and control.

IV. POLICY

- A. It is the responsibility of the Department of Children and Families to ensure that services to clients are provided in a safe and secure environment. A major emphasis of the Department is to put an obligation on any Department or Provider Agency personnel who even suspect that a child may be abused or neglected while under the care and/or supervision of the Provider Agency, to report the incident immediately to the Department's State Central Registry. This immediate response will help to ensure the safety and well being of the child in question as well as facilitate an investigation.
- B. In accordance with N.J.S.A. 9:6-8.10, 8.14 and 2C:43-3 and 8, any person having reasonable cause to believe that a child may have been subjected to abuse or neglect is legally obligated to report any and all information regarding the incident or incidents to the Division of Youth and Family Services. Failure to report is a disorderly persons offense. A person convicted of a disorderly persons offense may be fined up to \$1,000 and may be sentenced to up to six months in jail.
- C. In accordance with N.J.S.A. 9:6-8.13, anyone acting pursuant to this Act in making a report shall have immunity from any liability, civil or criminal, that might otherwise be incurred or imposed. Any such person shall have the same immunity with respect to testimony given in any judicial proceeding resulting from such report.

V. PROCEDURES

Reporting Requirements

- A. Incidents of suspected child abuse or neglect involving Provider Agency staff with children under their care and/or supervision must be reported immediately to the State Central Registry, 1-877-NJ-ABUSE. If the child is in immediate danger, 911 must also be called.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- B. Provider Agency staff having reasonable cause to believe that a child has been abused or neglected in the child's own home shall promptly report the incident(s) to the State Central Registry, 1-877-NJ-ABUSE. If the child is in immediate danger, Provider Agency staff must also call 911.

- C. When making a report, the reporting person shall provide, whenever possible, the following information:
 - 1. the name and approximate age of the child;
 - 2. the name and address of the parent or guardian of the child;
 - 3. the name and location of the Provider Agency;
 - 4. a description of the child's present condition and the nature and extent of the abuse or neglect to which s/he has been subjected, including an indication of the seriousness of the situation and whether the child appears to be in immediate or imminent danger; and
 - 5. the name of the alleged perpetrator and any other information known concerning the circumstances of the suspected abuse or neglect.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P-Misc.07-2007

EFFECTIVE: August 31, 2007

SUBJECT: Financial Transactions with Clients, Patients and Residents

I. PURPOSE

The purpose of this policy is to establish minimum standards for use by Provider Agencies in the development and implementation of Financial Transaction with clients, patients and residents.

II. SCOPE

This policy applies to all Provider Agencies.

III. DEFINITIONS

Financial Transaction for the purpose of this policy is defined as any exchange of money or goods for money or goods between two or more parties.

IV. POLICY

- A. Each Provider Agency shall have written policies and procedures covering Financial Transaction(s) with clients, patients and residents.
- B. This Provider Agency policy shall advise staff, and volunteers, that engaging in certain activities with respect to Financial Transaction(s) with clients, patients and residents are prohibited. These prohibitions shall include the following:
 - 1. Borrowing money from clients, patients and residents;
 - 2. Engaging in any Financial Transaction with clients, patients and residents, i.e., unauthorized loans, purchases, etc.;
 - 3. Selling to clients, including inviting sales persons to meet with clients, patients and residents; and
 - 4. Coercing any client, patient or resident to make a purchase or loan.
- C. The policy shall specify the procedures to be followed when an employee is in violation of the policy, including, but not limited to, any administrative actions covering specific offenses, such as:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

1. A formal written reprimand;
2. A short suspension from work without pay; or
3. Termination.

V. PROCEDURES

- A. The Provider Agency shall develop a written policy in accordance with the minimum guidelines specified in this policy.
- B. The policy shall be adopted by the Provider Agency's Governing Board in accordance with procedures in the Board's by-laws.
- C. A copy of the adopted policy with a date for compliance shall be furnished to Board members, officers and staff and posted in a conspicuous place in the facility.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY GUIDELINE: DCF.PG97-1-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: Department Equitable Interest in Contract Purchased Equipment

I. PURPOSE

The purpose of this policy guideline is to provide assistance in understanding equitable interest in contract purchased equipment.

II. POLICY QUERY

How should the Department calculate its equitable interest for Equipment purchased with Contract funds? Should the calculation be accomplished before or after other revenues are used to offset Contract funding?

III. POLICY INTERPRETATION

Revenue as defined in Section 4.2 of the Department's Contract Reimbursement Manual (CRM) is the total income generated by the Provider Agency by means of its programs and activities. Such income comes from various sources such as other government contracts and grants, payments from non-contract clients, foundation grants, contributions, third party health insurance, fund raising, investment income and miscellaneous sources and credits.

Department Contract Generated Revenue as defined in the CRM includes all income generated by the Provider Agency in connection with the delivery of Contract services such as Department client fees, any interest, dividends, etc., earned on Department funds, third party insurance such as Medicare and Medicaid, and Department rental agreements.

Note: The Department considers all Department and federal funds expended through a Department Contract as public funding, such funding shall be recognized as contributory financing towards the determination of equitable interest (See policy DCE.P4.05).

The Department's equitable interest for cost related Contracts shall be determined in the following manner:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- A. Equipment purchased using 100% Department funds will have a Department equitable interest of 100%, as long as there is documentation to support the purchase.
- B. When the Department is not the only funder, then the Department's equitable interest in Equipment purchased shall be the Department's percentage of Contract participation in the program for which the Equipment was acquired, plus any Department Contract Generated Revenue divided by the Provider Agency's annual total cost to operate that program.

Example

The Department's Contract participation rate is 75%, and the Provider Agency during the Contract term purchases a \$20,000 vehicle and the Department covers the entire purchase price of the vehicle, what is the State's equitable interest in the vehicle? Since the Department provided the entire amount of the purchase, the Department's equitable interest in the vehicle is 100%. If the purchase is made during the Contract year with funds from the Provider's total operating budget, the equitable interest would be 75% since the Department furnishes 75% of the Provider's total annual budget.

The Department's percentage of interest (equitable interest) in the Equipment is the same percentage as the Department's share of the Contract Total Cost. The equitable interest for Contract purchased Equipment shall be calculated using the **Reimbursable Ceiling line** added to any **Department Contract Generated Revenue** divided by the **Total Cost line** of the Annex B: Contract Summary Form. The calculation shall be accomplished before the **Department Contract Generated Revenues** are used to offset the **Total Cost line**. The Department's equitable interest shall be determined during Contract negotiations or adjusted, as appropriate, at the time of any Contract Modification, not after the Contract has expired.

Example

The Department's Reimbursable Ceiling line on the Annex B: Contract Expense Summary form is \$50,000, the Department Contract Generated Funds are \$15,000, and non-Department funds are \$35,000 equaling the Total Cost line of \$100,000, then:

$$\frac{\$50,000 + \$15,000}{\$100,000} = 65\% \text{ Equitable Interest}$$

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

After the Department's equitable interest is determined, it shall be entered on the Provider Agency's Equipment inventory records and kept on file at the Provider Agency. The Provider Agency shall list the Department's equitable interest on the budget's Schedule 6: Cost of Equipment form prior to Contract signature. The Equipment schedule shall serve as the supporting document to the Contract budget for identifying the Department's equitable interest of any purchased Contract items. If necessary, the equitable interest may be revised, as appropriate, and noted on a new Schedule 6: Cost of Equipment form and secured to Attachment 1 of the DCF.P1.10 Contract Modification form. The revised percentage shall then be used to calculate any future Department equitable interest in Equipment purchased through the Contract.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY GUIDELINE: DCF.PG00-1-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Auditors Access to Client Records**

I. PURPOSE

The purpose of this policy guideline is to provide policy interpretation regarding auditors' access to client records.

II. SCOPE

This interpretation applies to all Departmental Components.

III. EXAMPLES

Situation:

A DCF Provider Agency refused to allow auditors to review client records, using the Division of Mental Health Services regulation N.J.A.C. 10:37-6.79, Confidentiality of Records, as the basis for the refusal.

Policy Query:

Does an audit firm have the right to access client records during the course of its work on a Provider Agency's single or other legitimate audit? Does Division of Mental Health Services regulation N.J.A.C. 10:37-6.79, Confidentiality of Records, preclude access to client records by a CPA during the course of an audit?

Policy Interpretation:

In order to produce a complete and accurate audit, auditors must be provided access to all Departmental Component client records in the course of the audit to test compliance with laws, regulations and contract specifications. CPAs are held to a code of ethics requiring that information obtained through an audit be kept confidential.

The Division of Mental Health Services (DMHS) regulation, N.J.A.C. 10:37-6.79, Confidentiality of Records, generally prohibits the release of client records except as indicated in the regulation. The intent of the N.J.A.C. 10:37-6.79, Confidentiality of Records, is not to prohibit auditors from reviewing client records in the course of their audit. The Division, the State and the federal government

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

require audits; and consequently, section 6.79 (a) 1.iv.(1) of the regulation allows disclosure of records to auditors who have been designated as monitoring and site review staff by DMHS.

When required, the auditor must present appropriate identification to providers' representatives or state officials.

In addition, DCF.P8.01, Access to Records and Facilities, Retention of Contract Records, Confidentiality, states in section II.B.2. that client records relating to the Contract must be made available in order to permit audit examination. Section II.D.1. of the policy indicates further that such audits shall be conducted in accordance with generally accepted standards of privilege and confidentiality.

IV. ORIGIN OF INTERPRETATION

The original development of this interpretation was in conjunction with the Department of Human Services Office of Auditing, Office of Legal and Regulatory Liaison and the Division of Mental Health Services.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY GUIDELINE: DCF.PG05-1-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: **Cognizant Contracting**

I. PURPOSE

The purpose of this Policy Guideline is to clarify and affirm the policies and procedures that will supplant certain portions of the Cognizant Division Contracting policy DCF.P1.25 which has been rescinded. Information herein is a reiteration of related existing policy in the Contract Policy and Information Manual (CPIM).

II. POLICY CLARIFICATION AND AFFIRMATION

Any contracts that include more than one DCF Departmental Component may have their respective responsibilities stated in an Interdivisional Agreement. If such an agreement is developed, all of the involved Departmental Components must be included. Development of an agreement is at the discretion of the involved Departmental Components; however, if a provider requests development of such an agreement, it may be considered by the involved Departmental Components.

The involved Departmental Components shall determine which Division is the lead Departmental Component and also the functions that will be assumed by all DCF participants. The Lead Departmental Component may be changed from time to time as deemed necessary by the involved Departmental Components.

The provider agency's fiscal year is to be used as the contract term unless dictated by the funding source or when the term length of the contract is atypical. Such exceptions must be stated in writing to the provide agency.

The allowable General and Administrative (G&A) costs must be identified for the provider agency by the Departmental Components. The basis for the G&A percentage must be stated in the contract.

For efficiency and convenience to the provider agency, only the DCF standardized contract forms are to be used in processing contracts. Any exceptions are listed on he Documents and Conditions Required for Processing, Executing and Documenting a Third Party Contract form, DCF.P1.01.

Each Departmental Component shall maintain its own set of contract documents. It is recognized that this can be a duplication of paperwork for the provider; however, each Departmental Components has its own file requirements and is responsible for internal controls.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY GUIDELINE: DCF.PG07-1-2007

EFFECTIVE DATE: August 31, 2007

**SUBJECT: Applicability of the Federal Davis-Bacon Act and the New Jersey
Prevailing Wage Act**

I. PURPOSE

The purpose of this information memorandum is to provide assistance in understanding the federal Davis-Bacon Act and the New Jersey Prevailing Wage Act as each applies to funding allocated through the Department's Contracts. Any Department of Children and Families Services Contract in excess of \$2,000 for the construction, alteration, demolition (applies to State funding only), repair or renovations to any property or premises, may, depending on the funding source (State, local or federal) and contractual circumstances, be subject to the requirements of the Davis-Bacon Act and/or the New Jersey Prevailing Wage Act.

The federal Davis-Bacon Act and the State Prevailing Wage Acts are discussed below:

1. Davis-Bacon Act - (40 U.S.C. §276a-276a-5)

All contracts or subsequent subcontracts for construction, alteration, renovation, or repair, including painting and decorating, of a public building or public work, or building or work, financed by federal funds which meets the \$2,000 threshold are required to pay the federal prevailing wage rate for each class of laborer or mechanic employed. Regulations applicable to grant-enabling statutes incorporating the Act can be found in 29 Code of Federal Regulations (CFR), Parts 1, 3, 5 and 7. These regulations stipulate that grant funds appropriated under statutes imposing the Davis-Bacon Act requirements shall not be paid to a grantee (the Department) until contractors or subcontractors performing work under the grant certify that they will comply with the Act's requirements. The Act also applies to any contract or subcontract for similar work on public grants from a federal agency, or where the federal government acts as guarantors of mortgages. The only exception is for the transportation of materials and supplies by persons who are not employed directly at the work site, but are employed solely to make deliveries to the work site.

Provider Agencies must ensure that contracts or subcontracts for any construction/alteration projects contain the wage determinations issued and that the appropriate clauses required by the Davis-Bacon regulations (29 CFR, section 5.5) are present. It should be made clear in any announcements of projects or Raps that federal grant funds are being used and that Davis-Bacon will apply even if the federal government is not a party to the contract or subcontract. The prevailing wage must be paid regardless of any contractual relationship that may exist between a contractor or a subcontractor. Although the Department is not responsible to review sub-contracts for compliance, it has the right to require a prevailing wage.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Sanctions for post-certification violations include suspension of payment, advances, or guarantees of grant funds, and the forced restitution of wages that should have been paid and the removal of offending contractors or subcontractors from active employment lists.

Failure to comply can bring penalties that can be severe. The contractor or subcontractor and their sureties are liable for any excess costs for completing the work; the Department may withhold accruals to ensure payment of prevailing wages to the workers; the contract or subcontract may be terminated and/or the contractor or subcontractor may be debarred for a period of three years.

2. New Jersey Prevailing Wage Act -(N.J.S.A. 34:11-56.27 et seq.)

Current law requires that workers who are compensated pursuant to a public works contract must be paid the prevailing wage when a public body is a party to said contract. If the public body is not a signatory party of the contract, the Prevailing Wage Act does not apply. The fact that the source of funds for the contract comes from a public body is immaterial in determining the applicability of the New Jersey Prevailing Wage Act.

The penalties of paying less than the prevailing wage, where applicable, may include the termination of a contract or part thereof. The State maintains the right to proceed or prosecute the contracted work to completion with the contractor's surety liable for excess costs. The Act also provides for criminal sanctions including fines and/or imprisonment. In addition, administrative assessments may be levied by the New Jersey Commissioner of Labor.

Language concerning the Davis-Bacon Act and the New Jersey Prevailing Wage Act has been included in the Department of Children and Families' Standard Language Document for Social Service and Training Contracts. When applicable, all Provider Agency Contracts must contain the federal Davis-Bacon Contract Provision (See attachment #1) and a State specific clause stating that the prevailing wage rate, as designated by the New Jersey Commissioner of Labor, must be paid to all workers employed through any subsequent Contracts or subcontracts. **These notices must be present even if the State or federal Act does not apply to a given construction/alteration project.** General federal wage determinations are kept up-to-date by modifications published in the *Federal Register*. State wage determinations can be obtained by contacting the NJ Department of Labor, Office of Wage and Hour Compliance, Public Contracts Unit by calling (609) 292-2259.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY GUIDELINE: DCF.PG07-2-2007

EFFECTIVE DATE: August 31, 2007

**SUBJECT: Debarments, Suspensions and Disqualification Pursuant to
Executive Order #34-1976**

I. PURPOSE

The purpose of this policy guideline is to inform the Departmental Components of how to initiate the procedure to debar, suspend, or disqualify a person/Provider Agency according to Executive Order #34-1976; N.J.A.C. 10:3-1, Debarment, Suspension and Disqualification of Person(s); and Treasury Circular 93-13-GSA.

II. PROCEDURES

The Departmental Component shall notify the Director of the Office of Legal and Regulatory Oversight (OLRO) and the Director of the Office of Contract Administration, Accounting and Procurement (OCAAP) of a pending recommended action for debarment, suspension or disqualification. All documentation shall be forwarded to OLRO as soon as possible for review. OLRO will notify all appropriate persons of the recommendation, including the Commissioner and the Attorney General, as appropriate, and obtain all required signatures to implement the recommendation.

Upon the decision to or not to debar, suspend, or disqualify a person/Provider Agency, OLRO will notify the Departmental Component and OCAAP of the final decision. If the person/Provider Agency is to be debarred, suspended or disqualified, OLRO will complete and forward the required form (GSA-40, New Jersey Debarment Transmittal) to Treasury notifying them of the action.

OCAAP shall notify all Department Manual holders explaining who has been debarred, suspended or disqualified and the reason for such.

Commissioner

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

CONTRACT POLICY AND INFORMATION MANUAL (CPIM)

GLOSSARY OF TERMS

The following terms when capitalized in the Manual shall have the meaning as stated. Additional terms, as needed, will be defined in the policy circulars. Furthermore, when a term in this glossary has a different meaning in a particular circular, the term will be defined for a limited application in that circular.

Accrual Basis of Accounting

The accounting method in which Revenue is reported in the period in which it is earned, regardless of when it is collected, and expenses are reported in the period in which they are incurred, regardless of when they are paid.

Acquiring Organization

The business entity that acquires, affiliates, consolidates, merges, etc. with a Provider Agency.

Acquisition

The takeover of one corporation by another, if both parties retain their legal existence after the transaction.

Acquisition Cost

The net invoice unit price of an item of Equipment, including the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight and installation shall be included in or excluded from the Acquisition Cost in accordance with the Provider Agency's regular written accounting practices.

Action

Notice of an impending remedy, including Termination of the Contract. The action may be implemented during the current Contract or a subsequent Contract as appropriate.

Actual Units of Service

The number of service units delivered by the Provider Agency for the reporting period.

Additional Insured

An endorsement to an insurance policy extending the coverage to the State of New Jersey against loss in accordance with the terms of the policy. Designating the State as an additional insured permits the Department to pay the premium should the insured fail to do so.

Affiliate(s)

Persons having an overt or covert relationship such that any one of them directly or indirectly controls or has power to control another.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Affiliation

The association of two or more entities for the advancement of a specific goal or purpose.

Agreement

The Standard Language Document, the Individual Provider Agreement, the Annex(es), any additional appendices or attachments (including any approved assignments, subcontracts or modifications) and all supporting documents

Allocability

A cost is allocable if it is assignable or chargeable to a particular cost objective, such as a contract, project, product, service, process, or other major activity, in accordance with the relative benefits received or some other equitable relationship.

Annex B Budget

The Attachments to the Contract Standard Language Document and Standardized Agreement containing Financial information.

Annex(es)

The attachment(s) to the Contract Standard Language Document and Standardized Agreements containing programmatic and financial information.

Applicable Credits

Those receipts or reduction of expenditures which operate to offset or reduce expense items allowable to the Contract as direct or indirect costs.

Applicant

The person, agency or entity responding to a Request for Proposal (RFP) or a Request for Qualifications (RFQ).

Audit Finding

Deficiencies the Auditor is required by the Uniform Guidance to report in the Schedule of Findings and Questioned Costs.

Auditor/Licensed Public Accountant (see Licensed Public Accountant)

Award(s)

Includes State grants, State aid, and federal and State financial assistance in any form.

Broad Form

Liability coverage that provides insurance for multiple types of perils. A Broad Form policy provides all risks coverage in one policy except for listed exclusions.

Budget Category

One of the major groupings of cost identified in the Contract Budget Annex B form.

Budget Period

A period congruent with the Contract when services are delivered. Generally, a budget will cover a 12-month period which coincides with the Provider Agency's fiscal year.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Budgeted Units of Service

The projected level at which the Provider Agency will deliver Contract services. The Budgeted Units of Service are specified in the Annex B and/or Annex B-2.

Business Associate

A person or entity, other than a member of the workforce of a Covered Entity, who performs functions or activities on behalf of, or provides certain services to, a Covered Entity that involves access by the Business Associate to Protected Health Information (PHI). This definition is also applicable to a subcontractor that creates, receives, maintains, or transmits Protected Health Information (PHI) on behalf of another Business Associate.

Business Associates Agreement (BAA)

Sets forth the responsibilities of a Provider Agency, as a Covered Entity, in relationship to Protected Health Information (PHI), as those terms are defined and regulated by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the regulations adopted thereunder by the Secretary of the United States Department of Health and Human Services with the intent that the Covered Entity shall, at all times, be in compliance with HIPAA and the underlying regulations. The Business Associate Agreement (BAA) is entered into for the purpose of the Business Associate providing services on behalf of the Covered Entity.

Cash Basis of Accounting

The accounting method in which Revenue is reported in the period in which it is received and expenses are reported in the period in which they are paid.

Certificate of Insurance

A statement of coverage taking the place of the policy as evidence of insurance indicating the insured.

Charitable Registration and Investigation Act

N.J.S.A. 45:17A-18 et. seq., specifically 45:17A-21b was developed to protect the public from fraud and deceptive practices.

Chief Executive Officer (CEO)

Because of the differences in the types of agencies that contract with the Department, the following are separate definitions for CEO in:

1. Private for-profit and non-profit Provider Agencies:
In the case of private for-profit and non-profit Provider Agencies, the CEO shall be either the chairperson of the Agency's governing body or the executive director of the Agency, as designated by resolution of the governing body and consistent with Agency by-laws.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

2. **Public Provider Agencies:**
In the case of public Provider Agencies, (e.g., municipalities and counties), the CEO shall be either the chairperson of the Agency's governing body (e.g., city council, board of supervisors, board of chosen freeholders), or the Agency's chief administrator (e.g., mayor, city manager, county administrator), as designate by resolution of the governing body.
3. **Educational Institutions:**
In the case of educational institutions, the CEO shall be either the chairperson of the Agency's governing body or the president of the institution, as designated by resolution of the governing body and consistent with the institution's by-laws.

Client Fees (also Fees)

The monetary assessment which, according to Departmental policies, may be charged to certain recipients of specific social services. Any allowable Client Fees to be charged and the amount projected to be collected by the Provider Agency in connection with the delivery of Contract services are specified in the Contract Annex (es).

Contract Closeout

The process by which the Departmental Component determines that all applicable administrative actions and all required work of the Contract has been completed by the Provider Agency and the Departmental Component. This process includes reconciling the Final Report of Expenditure (FROE) with the Provider's audit and determining whether any funds need to be recovered.

Cluster:

One or more Contracts of a Provider Agency designated by the Departmental Component as a basis for reallocating funds to alleviate deficits.

Cognizant (see State Cognizant Department)

Cognizant Division

The division or other designated component within the Department of Children and Families responsible for all fiscal Contract administration functions when a Provider Agency contracts with more than one Departmental Component.

Commercial Automobile Liability Insurance

Coverage that provides limits above the standard limits in the base policy and/or covers areas of liability not covered in a standard policy.

Conditional Contract

A Third Party Social Service or training Contract between the Department and the Provider Agency, during which time special terms or conditions specified in the Contract must be met by the Provider Agency, in accordance with specified time frames.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Conflict of Interest (also Conflict)

A Conflict, or the appearance of a Conflict, between the private interests and the official responsibilities of a person in a position of trust. Persons in a position of trust include, but are not limited to Provider Agency paid and volunteer Staff Members, officers, or Governing Board members.

Consistency

A Provider Agency's method of accounting must be uniform from one period to another.

Consolidation

When two or more corporations cease to exist, and by the same process a new one is created, taking over the assets and assuming the liabilities of merging entities.

Contract

One of the Department's social service or training Contracts with a Provider Agency. Terms and conditions of the Contract are included in the Standard Language Document, Annex (es), appendices, and attachments and Contract Modifications (including any approved assignments and subcontracts) and supporting documents. The Contract constitutes the entire binding agreement between the Department and the Provider Agency.

Contract Budget

The Department approved budget for Cost-Related Contracts contained in the Annex B and Annex B-2, and prepared in accordance with the Department's Contract Reimbursement Manual and Contract Policy and Information Manual.

Contract Modification

The formal procedures entailing the Department's approval of certain programmatic and/or financial changes in the Contract during the Contract term in accordance with the requirements of DCF CON I A 1 800, Contract Modification.

Contracted State Agency

The State organization or unit that enters into a contractual arrangement with a Departmental Component of the Department of Children and Families.

Copyrighted Material

Exclusive, legal rights to adapt, distribute, reproduce, publish or sell any information funded and developed under a Department Contract or subcontract.

Corrective Action

The Office of Contract Administration (OCA) has identified and notified the Provider Agency in writing regarding contractual or programmatic deficiencies in the administration of services that require remediation through a Corrective Action Plan (CAP).

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Corrective Action Plan (CAP)

The written response from a Provider Agency to Office of Contract Administration (OCA)'s written Notice of Corrective Action that describes the actions the Provider will take within specified timelines to remedy each identified deficiency.

Cost Analysis

The evaluation of cost data for the purpose of establishing estimates of Contract costs to be incurred and then determining costs to be reimbursed or prices to be paid. The Cost Analysis method for determining Contract value is applicable to Cost-Related Contracts.

Cost-Related Contract

A Contract for which the total value of the Contract is determined by a detailed analysis of costs, i.e., "Cost Analysis".

Cost Sharing

Denotes Provider Agency participation in the cost of Programs funded under Department Contracts. Provider Agencies are able to participate in the cost of Programs from various sources of restricted and unrestricted funds.

County Human Services Advisory Councils (CHSACs)

Councils appointed by the government of each county to review county-level human service activities and to serve as the primary vehicle for local public input into the New Jersey Department of Children and Families' decision making. The activities of the County Human Services Advisory Councils include, but are not limited to, the issuance, review and comment on human service proposals; preparation of allocation plans; review of existing purchase of service contracts; and coordination and consolidation of the local human services delivery systems.

Covered Entity

A health plan, a health care clearinghouse, or a health care provider who transmits any health information in electronic form in connection with a transaction covered by the regulations. In reference to the Business Associate Agreement (BAA), Covered Entity shall mean the New Jersey Department of Children and Families (DCF).

Cultural Competence

The Department of Children and Families recognizes a set of beliefs and culturally competent values. Cultural Competence is the process by which individuals and systems respond respectfully to the strengths and skills of diverse ethnicities and cultures, languages, socio-economic classes, disabilities, religions, genders, sexual orientation and other diversity related factors. This practice enables DCF staff and contracted Providers to achieve desired outcomes while preserving the pride, respect and dignity of each individual in our diverse communities thus ensuring the safety, well-being and success of the children, youth and families we serve.

Cumulative Increase

The combined effect of all budget changes within a Budget Category.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Days

Calendar days.

Debarment

An exclusion from Department contracting, based on the Provider Agency's lack of responsibility as evidenced by an offense, failure, or inadequate performance, for a reasonable period commensurate with the seriousness of the infraction. The decision to debar shall be made by the Commissioner.

Default

The Provider Agency has materially failed to fulfill or comply with the terms and conditions of the Contract.

Department or DCF

The New Jersey Department of Children and Families.

Departmental Component

The division, bureau, commission, office or other unit within the Department responsible for the negotiation, administration review, approval, and monitoring of certain Third Party Social Service or Training Contracts.

Depreciation

The process of allocating the cost of a tangible fixed asset (e.g., buildings, office equipment and computer equipment) less salvage value, over its estimated useful life in a rational and systematic manner.

Designated Entity

That group or county board which has been given the authority by the Department of Children and Families to solicit human service proposals for the review and comment and recommended acceptance for third-party social service Contracts. Although the RFP is handled by a group other than the Departmental Component, the Contract is signed and finalized by the Departmental Component.

Disallowed Costs

Those charges to a Contract that the Departmental Component determines to be unallowable in accordance with applicable cost principles, Departmental policies, or other conditions contained in the Contract.

Disqualification

A Debarment or Suspension which denies or revokes a qualification to respond to a Request for Proposal (RFP) or Request for Qualifications (RFQ) or to otherwise engage in Department contracting pursuant to statutes or regulations.

Donor

The public (except the State of New Jersey) or private entity contributing match to a Contract.

Donor Agreement (Public or Private)

A standard written agreement between the Provider Agency and a public or private entity providing match to be used in a SSBG service Contract. The standard Donor Agreement is furnished by the Departmental Component.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Emergency

A situation in which the life, health, safety, or welfare of children and families are at risk or will be placed at risk absent prompt intervention. This can occur as the result of a natural disaster and its after effects, a sudden and unexpected withdrawal of a Contract, or other circumstances as deemed necessary and appropriate by the Commissioner.

Employee Fidelity Bond (commercial blanket bond)

Coverage issued for a stated amount on all regular employees of the Provider Agency insuring against loss from employees' dishonest acts.

Employers' Liability Insurance

Coverage against the common law liability of an employer for injuries by accident or disease to employees, as distinguished from the liability imposed by Workers' Compensation Law.

Equipment

An article of nonexpendable tangible personal property having a useful life of more than two years and an Acquisition Cost of \$1,000 or more per unit. General purpose Equipment includes office Equipment, reproduction and printing Equipment, motor vehicles, and automated data processing Equipment, whether special modifications are needed to make the Equipment suitable for a particular purpose.

Evaluation Committee

The individuals approved by the Grants Management Committee to evaluate the proposals.

Expiration

The cessation of the Contract because its term has ended.

Facilities

Land and buildings or any portion thereof, equipment individually or collectively, or any other tangible capital asset, wherever located and whether owned or leased by the Provider Agency.

Fair Market Value

The value determined to be a reasonable price for a comparable item on the competitive market in the same geographic area. Such determination is made in some cases by comparison shopping and in others by formal appraisal procedures.

Federal Government Executive and Legislative Branch(es)

An officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress.

Final Report of Expenditures (FROE)

The report of a Provider's actual expenditures for the full term of a Contract paid with scheduled payments. This report is compared to the approved budget for the full term of that Contract.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Financial Transaction

Any exchange of money or goods for money or goods between two or more parties.

Flexible Limits

An upper dollar limit which is established for each Budget Category, and which may not be exceeded without an approved Contract Modification. Flexible Limits are determined by adding an amount to the approved Annex B Budget.

For-Profit Contract

A Contract in which a fixed dollar amount is added to the Net Cost to determine the Contract Reimbursable Ceiling. For-Profit Contracts are allowed only with for-profit Provider Agencies.

General and Administrative or Indirect Costs

Costs which are incurred for common or joint objectives and which are not readily subject to treatment as direct costs. These costs are not directly traceable to a particular segment and probably could not be fully eliminated if any one segment of the enterprise were discontinued.

General Liability Insurance

Liability coverage for all premises and operations for all general liability hazards, unless excluded.

Good Standing

A Provider Agency is not debarred, suspended, or disqualified from doing business with the State of New Jersey or the federal government pursuant to Executive Order #34/1976. Good Standing also means the Provider Agency is not under a Corrective Action Plan or has successfully met and then maintained all the requirements of a Corrective Action plan for a period of six (6) continuous months or an otherwise specified period, as confirmed by a Notice of Discharge from Corrective Action.

Governing Board (also Board)

The Provider Agency board, commission, council or other organizational body that signs the Contract, enacts Provider Agency policy regarding Contract services, and is responsible to the Department for Contract compliance.

Governmental Officer

An officer or staff member of the Executive Branch of State Government authorized by law to administer governmental processes or perform other functions related to such processes.

Governmental Processes

Includes but is not limited to the promulgation of any executive order; rate setting; development, negotiation, award, modification or cancellation of a public contract; issuance, denial, modification, renewal, revocation or suspension of licenses or waivers; procedures for purchasing; or rendition of administrative determinations.

Grants Management Committee

The committee appointed and approved by the Deputy Commissioner to coordinate and manage the grant and request for proposal process among a variety of Departmental Components.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Grants Management Support Unit

The unit in the Deputy Commissioner's Office to support and maintain records of requests for proposals and responses to grant applications. The unit shall also support the grant application process for federal or other grants.

Health Insurance Portability and Accountability Act of 1996 (HIPAA) Regulations

The regulations promulgated under HIPAA by the U.S. Department of Health and Human Services, including, but not limited to, the Privacy Rule and the Security Rule, and shall include the regulations codified at 45 CFR Parts 160, 162, and 164.

Hybrid Entity

Under HIPAA, a larger entity with subdivisions that may have distinct missions with certain subdivisions providing health-related treatment services, while other subdivisions within the same entity may not.

Initial Advance Payment

The first payment made by check or other appropriate payment mechanism to a Provider Agency during the Contract term before expenses are incurred or services are provided.

In-Kind Contributions

Property or services (except the services of volunteers) which benefit the Contract Program and which are contributed by a public entity without charge to the Provider Agency. Public contributions formerly designated as CCE (Certified Cash Expenditures) are included as In-Kind Contributions.

Interest

The cost incurred for the use of borrowed funds. Interest costs are generally paid at fixed intervals by the user.

Letter of Approval

The written correspondence between the Departmental Component and Provider Agency authorizing a Contract Modification pending the submission and approval of a DCF.P1.10 Contract Modification form (Attachment 1).

Licensed Public Accountant/Auditor (also Auditor)

An Auditor that is a licensed certified public accountant or works for a licensed certified public accounting firm who meets the general standards specified in Generally Accepted Government Auditing Standards (GAGAS).

Limits

The dollar amount of insurance carried for the types of insurance listed.

Line Item

Each entry of cost within a Budget Category listed in the Annex B (e.g., the salary or wages for each position listed under the Budget Category of Personnel).

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Lobbying

Any act, whether written, verbal, or non-verbal, that seeks to influence legislation, regulation or governmental processes, or any communication with or securing information from governmental officers.

Lobbyist

Any person, partnership, committee, association, corporation, labor union or any other organization that employs, engages or otherwise uses the services of any governmental affairs agent to influence legislation, regulations or governmental processes.

Lower Tier Covered Transaction(s):

- a. Any transaction between a participant and a person other than a procurement contract for goods or services, regardless of type, under a primary covered transaction; or
- b. Any procurement contract for goods or services between a participant and a person, regardless of type, expected to equal or exceed the federal procurement small purchase threshold fixed at 10 U.S.C. 2304(g) and 41 U.S.C. 253(g) (currently \$100,000) under a primary covered transaction; or
- c. Any procurement contract for goods or services between a participant and a person under a covered transaction, regardless of amount, under which that person will have a critical influence on or substantive control over that covered transaction. Such persons may include loan officers or Chief Executive Officers acting as principal investigators and providers of federally required audit services.

Lower Tier Participant(s) (Provider Agency/Subcontract)

The Provider Agency and all subcontractors, down to the lowest level, that may result from the initial Contract.

Mail

Letter, e-mail, or legible facsimile (fax) transmission

Major Program

A federal/State program determined by the Auditor to be a Major Program in accordance with the Uniform Guidance Subpart F.

Management Decision

The GIA's written evaluation of the audit findings and Corrective Action Plan noting the basis for each Audit Finding sustained, and the expected Provider Agency action to repay disallowed costs, make financial adjustments, or take other action.

Management Letter

A written communication from the Auditor to the Provider Agency that provides instances of non-compliance and internal control weaknesses that are not material but warrant the attention of those charged with governance at the Provider Agency.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Marketable Asset

Any item of value that can be sold, bartered or traded.

Match

A percentage or designated amount of funds required as Cost Sharing for certain Department of Children and Families Contracts. Such requirements may be Departmental or statutory.

Merger

Occurs where one corporation is dissolved and absorbed by another that remains in existence.

Minority

A person who is:

1. African American, having origins in any of the black racial groups in Africa;
2. Hispanic, having Spanish culture, with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;
3. Asian-American, having origins in and of the original peoples of the Far East, Southeast Asia, Indian sub-continent, Hawaii, or the Pacific Islands;
4. American Indian or Alaskan native (Native American), having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliations or community recognition.

Minority Agency

A business organization, profit or non-profit, which is:

A sole proprietorship, partnership, or joint venture in which at least 51% of the ownership interest is held by Minorities and the policy-making, management and daily business operations are controlled by one or more of the Minorities who own it; or

A corporation or other business entity authorized under the laws of the United States whereby 51% of the stockholders, board of directors, ownership or management of daily business operations is controlled by one or more Minorities.

Modified Accrual Basis of Reporting

The reporting method in which all unpaid expenditures and uncollected Revenue attributable to the Contract (i.e., expenditures which are allocated to the Contract and have been incurred during the Contract term and Revenue which has been earned during the Contract term) are paid or collected by a specified date after the Expiration or Termination of the Contract. All such post-Contract payments or collections are then reported on the final expenditure report.

Net Cost

The Total Cost less Revenue.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Non-Cost-Related Contract

A Contract for which the total value is determined by a means other than Cost Analysis. Price Analysis is the most common method employed

Notice

An official written communication between the Department and Provider Agency. All Notices shall be delivered in person or certified mail, return receipt requested, and shall be directed to the persons and addresses specified for such purpose in the annex(es) or to such other persons as either party may designate in writing. The Notice shall also be sent by regular mail and shall be presumed to have been received by the addressee five Days after being sent to the last address known by the Departmental Component.

Notice of Corrective Action

The written communication from Office of Contract Administration (OCA) to the Provider Agency that notifies the Provider Agency that the Department is initiating Corrective Action.

Notice of Corrective Action Plan Approval

The written communication from the Office of Contract Administration (OCA) Business Office that confirms either the Department's acceptance of the Provider Agency's proposed Corrective Action Plan (CAP), or the Provider Agency's acceptance of OCA's revisions to the proposed CAP.

Notice of Corrective Action Plan Compliance

The written communication from the Office of Contract Administration (OCA) Business Office that documents the date when all stipulations in the approved Corrective Action Plan have been met and the required maintenance period begins.

Notice of Corrective Action Plan Rejection

The written communication from the Office of Contract Administration (OCA) Business Office that confirms the Department's rejection of the Provider Agency's proposed Corrective Action, the inability of the Department and the Provider Agency to agree on revisions that would result in approval, and the probable consequence of Contract Default.

Notice of Discharge from Corrective Action

A written notice from DCF to the Provider Agency confirming that it has addressed the deficiencies identified in the Notice of Corrective Action and that the improvements made through Corrective Action were maintained throughout the specified timeframe.

Open Purchase Service(s)

A contract service that is purchased on a fee for service or an as needed basis and in which the number of units to be purchased may not be fixed. Such contract service programs usually do not have a reimbursable ceiling.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Pass-through Entity/Grantor

A non-federal entity, which includes a State, local government, non-profit organization and for-profit organization that transmits a federal or State award to a Provider Agency or a Subcontractor to carry out a federal or State program.

Payment Rate

The agreed upon amount to be paid to the Provider Agency per single unit of service delivered under the Contract.

Person

An individual, corporation, company, association, authority, firm, partnership, society, state, local government or organization.

Pre-Award Survey

The examination and evaluation of certain records and documents to determine the adequacy of the financial management and administrative systems of a potential or current Provider Agency prior to the issuance of a new or successor Contract with the Provider Agency.

Price Analysis

The evaluation of price data without analysis of the separate cost components in arriving at prices to be paid for Contract services. The Price Analysis method of determining Contract value is applicable to Non-Cost-Related Contracts.

Principal

Officer, director, owner, partner, key employee or other person within the Provider Agency with primary management or supervisory responsibilities; or person who has a critical influence on or substantive control over the Contract whether or not employed by the Provider Agency.

Product/Completed Operation

A form of liability insurance which covers accidents arising out of operations which have been completed or abandoned, provided the accident occurs away from the premises owned, rented, or controlled by the insured.

Professional Liability/Malpractice

Coverage for the Provider Agency and health care providers in its employ, acting under their scope of duties, while providing medical and social services care to the clients.

Program

A specific service. A Program is generally represented by each column in the Contract Expense Summary of the Annex B: Contract Budget.

Program Director

The Program Director named in the Annex(es) must be directly responsible for Contract services, and unless otherwise specified in the Annex(es), must devote full time to the Provider Agency to carry out that responsibility and to supervise Provider Agency personnel in the administration and/or delivery of Contract services.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Program Income

All income generated by the Provider Agency as a result of Department supported activities (e.g., third party health insurance such as Medicaid, Medicare, or private insurance plans). Program Income does not include restricted or unrestricted public or private donations to the Provider Agency.

Program Manager

The head of the Departmental Component charged with overseeing the provision of the program services provided under the Contract.

Property Insurance

A broad form of insurance coverage for damage or loss to real and personal property.

Protected Health Information (PHI)

Individually identifiable health information that is transmitted by electronic media or transmitted or maintained in any other form or medium.

Protest/Appeal

The procedure defined herein for unsuccessful applicants to challenge the determination of the proposal review and evaluation process from which they were denied funding.

Provider Agency (also Provider)

All for-profit and non-profit private and public entities that have either a scheduled payment or fee for service Contract with the Department.

Reasonableness

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business.

Recipient (Contractee or Provider Agency)

The legal entity that enters into a contractual arrangement with any Departmental Component.

Reimbursable Ceiling

The cost of the Contract to the Departmental Component and the maximum payment to the Provider agency.

Renewal

The process of continuing the Contract into a new contract period

Replacement Equipment

Property acquired with Department funds to take the place of other Equipment purchased with Department funds. Replacement Equipment must serve the same function as the Equipment replaced and must be of the same nature or character, although not necessarily the same model, grade or quality.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Report of Expenditures (ROE)

The report of a Provider's actual expenditures for a portion of the full term of a Contract paid with scheduled payments that is compared to the approved budget for the same portion of the full term of that Contract.

Retaliation

When a complainant or witness is subjected to adverse effects for their involvement in the complaint process.

Revenue

The total income generated by the Provider Agency from its Programs and activities.

Sexual Harassment

Sexual harassment with or without sexual conduct is defined as unwanted sexual advances, requests for sexual favors, hostile work environment harassment, quid pro quo harassment, and any other verbal or physical contact that is or can be construed of a sexual nature.

Significant Events

A known or anticipated program, financial or administrative event or circumstance of a nature and extent that can reasonably be expected to diminish the quality or quantity of services to clients, or to influence or to jeopardize the ability of the Provider Agency to deliver contracted services, or to meet responsibilities under the Contract and which requires Notice to the Departmental Component. Examples include legal, administrative, financial services such as, but not limited to, bankruptcy petition, Merger, Acquisition, Affiliation, Consolidation, civil or criminal action taken against an employee of the agency, a finding of abuse or neglect against an employee of the agency and planned relocation or change in Service location(s).

Staff Member

A person who receives all or part of his/her income from the Provider Agency's payroll, subcontractors, and/or volunteer(s) that serve(s) the Provider Agency in any capacity.

Standard Language Document

The document which establishes the non- negotiable obligations, responsibilities, rights and relationships of the Contract parties.

State

The State of New Jersey.

State Agency

Any of the principal departments in the Executive Branch of the State Government (not including the Department of Children and Families) and division, board, bureau, office, commission or other instrumentality within the legislature of the State and any office, board, bureau or commission within or created by the Legislative Branch, and any independent State authority, commission, instrumentality or agency. A county or municipality shall not be deemed an agency or instrumentality of the State.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

State Cognizant Department

The Department assigned audit oversight responsibility to ensure a Provider Agency with at least one cost reimbursement contract with the State timely submits a quality audit report that complies with federal and State requirements.

State Contracting

Any arrangement giving rise to an obligation to supply anything to, or perform any service for the State, other than by State employment. To supply anything to or perform any service for a private person where the State provides substantial financial assistance and retains the right to approve or disapprove the nature or quality of the goods, service, or persons who may supply or perform the same.

State Grant Compliance Supplement

A document developed by the New Jersey Department of Treasury, Office of Management and Budget that contains compliance requirements to be tested by the Auditor to determine if the Provider Agency has complied with requirements determined by the Department to materially affect the Award/program.

Subcontractor

The legal entity that enters into a contractual arrangement with a Provider Agency to provide the contracted service.

Subcontractor Study

Conducted by a DCF contracted Provider that has been approved to subcontract DCF services. It is an onsite review of a potential subcontractor to determine its suitability prior to submission to the Departmental Component for approval.

Subrecipient

The legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds.

Suspension

The Department has excluded a Provider Agency from providing some or all contracted services for a temporary period, pending the completion of an investigation or legal proceeding. The decision to suspend shall always be made at the discretion of the Commissioner and the NJ Attorney General.

Termination

The official cessation of a Contract **prior** to the expiration of its term that results from action taken by the Department or the Provider Agency in accordance with provisions contained in the Contract.

Termination Date

The date a Contract expires.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Third-Party Social Service Contracting

When the State contracts with another party (Provider Agency) for services on behalf of an individual receiving services funded by a Departmental Component of the Department of Children and Families. In this type of purchase arrangement, the individual receiving the services, not the State, is the consumer. The three parties involved are the individual receiving the services, the service Provider, and the State acting as the third party on behalf of the individual receiving the services. DCF Third-Party Social Service Contracts must comply with the Department's contracting policies and procedures. These policies and procedures regulate Contracts and agreements with public or private Providers for the accomplishment of a particular purpose or program.

Third-Party Harassment

Unwelcome behavior involving any of the protected categories as defined in the Law Against Discrimination (N.J.S.A. 10:5-1 et.seq.) that is not directed at an individual but exists in the workplace and interferes with an individual's ability to do the job.

Tier

Each successive, separate level of administrative organization beginning with the Department of Children and Families and ending with the Provider of service.

Total Cost

All costs of the Provider Agency's Programs, activities, and Equipment before Revenue.

Total Operating Costs

The total operating cost(s) excluding the cost of Equipment. The term Total Operating Costs is applicable only to Cost-Related Contracts.

Trade-In

The difference between the amount that would have been paid for Replacement Equipment without a trade-in and the amount paid with the trade-in. The term refers to the actual difference, not necessarily the trade-in value shown on an invoice.

Transfer of Governing Board

Occurs when the Provider Agency remains intact, but assigns control or governance to a new entity or Governing Board.

Umbrella Organization

An affiliation among two or more business entities whereby each remains distinct, but joins to form a new collective directing organization. The new organization may be given management or service control, without acquiring the assets or liabilities of the existing entities.

Umbrella Policy

A policy that provides limits above the standard limits in the base policy, and/or covers areas of liability not covered in a standard policy.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Unit Cost

1. The Contract Reimbursable Ceiling minus Equipment divided by the Budgeted Units of Service, or
2. The cost to the Department minus any Equipment expenditures during a given period divided by the Actual Units of Service rendered during that period.

Unit of Service

The breakdown of the services used as a standard of measurement (e.g., hours, roundtrips, or meals).

Workers' Compensation Insurance

Benefits payable to an employee, without regard to liability, required by State law in case of illness, injury, disability, or death as a result of occupational hazards.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

EXECUTIVE ORDER NO. 34

WHEREAS, it is essential that all persons supplying goods or services to the State of New Jersey, or performing contracts or otherwise executing public works with the assistance of and subject to the approval of the State, must meet a standard of responsibility which assures the State and its citizens that such persons will both compete and perform honestly in their dealings with the State and avoid secret or illicit dealing; and

WHEREAS, it is essential that such persons be fully informed of policies of the State in this regard, and be afforded procedural safeguards appropriate to circumstances which such policies may occasion; and

WHEREAS, the courts have affirmed the duty and obligation of State officials to develop and effectuate such policies; and

WHEREAS, it is essential that such policies be uniformly applied by the various agencies of the Executive Branch, and that uniform procedures be adopted to implement them;

Now, therefore, I Brendan T. Byrne, Governor of the State of New Jersey, do hereby ORDER and DIRECT that:

1. Debarment, suspension and disqualification are measures which shall be invoked by the State to exclude or render ineligible certain persons from participation in contracts and subcontracts with the State, or in projects or contracts performed with the assistance of and subject to the approval of the State, on the basis of a lack of responsibility. These measures shall be used for the purpose of protecting the interests of the State and not for punishment. To assure the State the benefits to be derived from the full and free competition between and among such persons and to maximize the opportunity for honest competition and performance, these measures shall not be invoked for any time longer than deemed necessary to protect the interest of the State.
2. As used in this Order:
 - (a) "Debarment" means an exclusion from State contracting, on the basis of a lack of responsibility evidenced by an offense, failure, or inadequacy of performance, for a reasonable period of time commensurate with the seriousness of the offense, failure, or inadequacy of performance.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- (b) "Suspension" means an exclusion from State contracting for a temporary period of time, pending the completion of an investigation or legal proceedings.
- (c) "Disqualification" means a debarment or a suspension which denies or revokes a qualification to bid or otherwise engage in State contracting which has been granted or applied for pursuant to statute, or rules and regulations.
- (d) "State" means the State of New Jersey, or any of the departments or agencies in the Executive Branch of government with the lawful authority to engage in contracting.
- (e) "Person" means any natural person, company, firm, association, corporation, or other entity.
- (f) "State contracting" means any arrangement giving rise to an obligation to supply any thing to or perform any service for the State, other than by virtue of State employment, or to supply any thing to or perform any service for a private person where the State provides substantial financial assistance and retains the right to approve or disapprove the nature or quality of the goods or service or the persons who may supply or perform the same.
- (g) "Affiliates" means persons having an overt or covert relationship such that any one of them directly or indirectly controls or has the power to control another.

3. The executive head of each department or agency in the Executive Branch, with the lawful authority to engage in State contracting, shall, within 90 days of the date of this Order and in accordance with the provisions of the Administrative Procedures Act (P.L. 1968, c. 410, C. 52:14B-1 et seq.), promulgate rules and regulations governing the causes, conditions and procedures applicable to determinations of debarment, suspension and disqualification by that department or agency. Such rules and regulations shall to the extent consistent with existing law conform to the minimum standards hereinafter set forth, but need not be limited to such standards. In addition to any other filing required by law to be made, each executive head shall file with the Attorney General and the Treasurer a copy of such rules and regulations as may be promulgated.

4. Subject to the conditions hereinafter described, the rules and regulations referred to in Section 3 supra, shall authorize the department or agency to debar a person in the public interest for any of the following causes:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

- (a) Commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract, or subcontract thereunder, or in the performance of such contract or subcontract.
- (b) Violation of the Federal Organized Crime Control Act of 1970, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, perjury, false swearing, receiving stolen property, obstruction of justice, or any other offense indicating a lack of business integrity or honesty.
- (c) Violation of the Federal or State Antitrust Statutes, or of the Federal Anti-Kickback Act (18 U.S.C. 874, 40 U.S.C. 276 b, c).
- (d) Violations of any of the laws governing the conduct of elections of the State of New Jersey or of its political subdivisions.
- (e) Violation of the "Law Against Discrimination" (P.L. 1945, c. 169, C. 10:5-1 et seq., as supplemented by P.L. 1975, c. 127), or of the act banning discrimination in public works employment (C. 10:2-1 et seq.) or of the Act prohibiting discrimination by industries engaged in defense work in the employment of persons therein C. 114, L. 1942, C. 10:1-10 et seq.).
- (f) Violations of any laws governing hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages, or child labor.
- (g) Violations of any laws governing the conduct of occupations or professions or regulated industries.
- (h) Willful failure to perform in accordance with contract specifications or within contractual time limits.
- (i) A record of failure to perform or of unsatisfactory performance has occurred within a reasonable time preceding the determination to debar and was caused by acts within the control of the person debarred.
- (j) Violation of contractual or statutory provisions regulating contingent fees.
- (k) Any other cause affecting responsibility as a State contractor of such serious and compelling nature as may be determined by the department or agency to warrant debarment, including such conduct as may be prescribed by the laws or contracts enumerated in this paragraph

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

even if such conduct has not been or may not be prosecuted as violations of such laws or contracts.

(l) Debarment by some other department or agency in the Executive Branch.

5. The rules and regulations concerning debarment required herein shall include in substance the following conditions:

(a) Debarment shall be made only upon approval of the executive head of the department or agency, except as otherwise provided by law.

(b) The existence of any of the causes set forth in paragraph 4 of this Order shall not necessarily require that a person be disbarred. In each instance, the decision to debar shall be made within the discretion of the head of the department or agency unless otherwise required by law, and shall be rendered in the best interest of the State.

(c) All mitigating factors shall be considered in determining the seriousness of the offense, failure or inadequacy of performance and in deciding whether debarment is warranted.

(d) The existence of a cause set forth in subparagraphs (a), (b), (c), (d), (e), (f), and (g) of paragraph 4 of this Order shall be established upon the rendering of a final judgment or conviction by a court of competent jurisdiction or by an administrative agency empowered to render such judgment. In the event an appeal taken from such judgment or conviction results in reversal thereof, the debarment shall be removed upon the request of the debarred person unless other cause for debarment exists.

(e) The existence of a cause set forth in subparagraphs (h), (i), (j), and (k) of paragraph 4 of this Order shall be established by evidence which the department or agency determines to be clear and convincing in nature.

(f) Debarment for the cause set forth in subparagraph (l) of paragraph 4 of this Order shall be proper provided that one of the causes set forth in subparagraph 4(a) through 4(k) was the basis for debarment by the original debarring agency. Such debarment may be based entirely on the record of facts obtained by the original debarring agency, or upon a combination of such facts and additional facts.

6. The rules and regulations concerning debarment required by this Order shall include in substance the following provisions regarding procedures, period of debarment and scope of debarment:

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

(a) A department or agency seeking to debar a person or his affiliates shall furnish such party with a written notice: (i) stating that debarment is being considered, (ii) setting forth the reasons for the proposed debarment, and (iii) indicating that such party will be accorded an opportunity for a hearing if he so requests within a stated period of time. All such hearings shall be conducted in accordance with the provisions of the Administrative Procedures Act. However, where one department or agency has imposed debarment upon a party, a second department or agency may also impose a similar debarment without according an opportunity for a hearing, provided that the second agency furnishes notice of the proposed similar debarment to that party, and accords that party an opportunity to present information in his behalf to explain why the proposed similar debarment should not be imposed in whole or in part.

(b) Debarment shall be for a reasonable, definitely stated period of time which as a general rule shall not exceed 5 years. Debarment for an additional period shall be permitted provided that notice thereof is furnished and the party is accorded an opportunity to present information in his behalf to explain why the additional period of debarment should not be imposed.

(c) Except as otherwise provided by law, a debarment may be removed or the period thereof may be reduced in the discretion of the debarring agency upon the submission of a good faith application under oath, supported by documentary evidence, setting forth substantial and appropriate grounds for the granting of relief, such as newly discovered material evidence, reversal of a conviction or judgment, actual change of ownership, management or control, or the elimination of the causes for which the debarment was imposed.

(d) A debarment may include all know affiliates of a person, provided that each decision to include an affiliate is made on a case by case basis after giving due regard to all relevant facts and circumstances. The offense, failure or inadequacy of performance of an individual may be imputed to a person with whom he is affiliated, where such conduct was accomplished within the course of his official duty or was effected by him with the knowledge or approval of such person.

7. Subject to the conditions hereinafter described, the rules and regulations required by this Order shall authorize the department or agency to suspend a person in the public interest for any cause specified in paragraph 4 of this Order, or upon a reasonable suspicion that such cause exists.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

8. The rules and regulations concerning suspension required by this Order shall include in substance the following conditions:

(a) Suspension shall be imposed only upon approval of the executive head of the department or agency and upon approval of the Attorney General, except as otherwise provided by law.

(b) The existence of any cause for suspension shall not require that a suspension be imposed, and a decision to suspend shall be made at the discretion of the executive head of the department and of the Attorney General, and shall be rendered in the best interest of the State.

(c) Suspension shall not be based upon unsupported accusation, but upon adequate evidence that cause exists or upon evidence adequate to create a reasonable suspicion that cause exists.

(d) In assessing whether adequate evidence exists, consideration shall be given to the amount of credible evidence which is available, to the existence or absence of corroboration as to important allegations, and to inferences which may properly be drawn from the existence or absence of affirmative facts.

(e) Reasonable suspicion of the existence of a cause described in subparagraphs (a), (b), (c), (d), (e), (f), and (g) of paragraph 4 of this Order may be established by the rendering of a final judgment or conviction by a court of administrative agency of competent jurisdiction, by grand jury indictment, or by evidence that such violations of civil or criminal law did in fact occur.

(f) A suspension invoked by an agency for any of the causes described in subparagraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), and (l) of paragraph 4 of this Order may be the basis for the imposition of a concurrent suspension by another agency, which may impose such suspension without the approval of the Attorney General.

9. The rules and regulations concerning suspension required by this Order shall include in substance the following provisions regarding procedures, period of suspension and scope of suspension:

(a) A department or agency may suspend a person or his affiliates, provided that within 10 days after the effective date of the suspension, the agency provides such party with a written notice: (i) stating that a suspension has been imposed and its effective date, (ii) setting forth the reasons for the suspension to the extent that the Attorney General

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

determines that such reasons may be properly disclosed, (iii) stating that the suspension is for a temporary period pending the completion of an investigation and such legal proceedings as may ensue, and (iv) indicating that, if such legal proceedings are not commenced or the suspension removed within 60 days of the date of such notice, the party will be given either a statement of the reasons for the suspension and an opportunity for a hearing if he so requests, or a statement declining to give such reasons and setting forth the agency's position regarding the continuation of the suspension. Where a suspension by one agency has been the basis for suspension by another agency, the latter shall note that fact as a reason for its suspension.

(b) A suspension shall not continue beyond 18 months from its effective date unless civil or criminal action regarding the alleged violation shall have been initiated within that period, or unless debarment action has been commenced. Whenever prosecution or debarment action has been initiated, the suspension may continue until the legal proceedings are completed.

(c) A suspension may include all known affiliates of a person, provided that each decision to include an affiliate is made on a case by case basis after giving due regard to all relevant facts and circumstances.

The offense, failure or inadequacy of performance of an individual may be imputed to a person with whom he is affiliated, where such conduct was accomplished within the course of his official duty or was effectuated by him with the knowledge or approval of such person.

10. The rules and regulations required by this Order shall contain such provisions as may be necessary to conform existing practices and procedures under any relevant prequalification statutes to the procedures governing debarment and suspension required herein, to the extent that such existing practices and procedures may concern the disqualification of any person from State contracting.

11. The rules and regulations required by this Order shall provide that the exclusion from State contracting by virtue of debarment, suspension or disqualification shall extend to all State contracting and subcontracting within the control or jurisdiction of the department or agency which imposes the exclusion. However, when it is determined essential to the public interest by the head of the department or agency, and upon filing of a finding thereof with the Attorney General, an exception from total exclusion may be made with respect to a particular State contract.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

12. Insofar as practicable, prior notice shall be given to the Attorney General and the Treasurer of any proposed debarment or suspension.

13. The Treasurer shall maintain a current list of the names of all persons suspended or debarred, the effective date and term if any thereof, and the agency or agencies which impose same. Such list shall be available for public inspection.

14. Departments and agencies required by this Order to promulgate rules and regulations governing debarment and suspension are hereby authorized in connection with any proceeding thereunder to receive such information regarding the criminal conduct or criminal record of any person to the extent that such disclosure is deemed appropriate by the Attorney General, consistent with existing Federal and State law.

15. Nothing required by this Order shall be construed to limit the authority of any department or agency to refrain from contracting within the discretion allowed by law.

(SEAL)

Given, under my hand and seal this 29th day of
March, in the Year of Our Lord, one thousand nine
nine hundred and seventy-six, of the Independence
of the United States, the two hundredth.

/s/ Brendan Byrne
Governor

Attest:

/s/ John J. Degnan
Executive Secretary to the Governor

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

EXECUTIVE ORDER NO. 189

WHEREAS, it is essential that all persons supplying goods or services to the State of New Jersey, or performing contracts or otherwise executing public works with the assistance of and subject to the approval of the State, must meet a standard of responsibility which assures the State and its citizens that such persons will both compete and perform honestly in their dealings with the State and avoid conflicts of interest; and

WHEREAS, the New Jersey Conflicts of Interest Law prohibits State officers or employees and special State officers or employees from having any interest or engaging in any activity that is in substantial conflict with the proper discharge of their duties in the public interest or from undertaking any employment or service which might reasonably be expected to impair their objectivity or independence of judgment; and

WHEREAS, the New Jersey Conflicts of Interest Law prohibits State officers or employees and special State officers or employees from acting in their official capacity in any matter wherein they have a direct or indirect personal financial interest which might reasonably be expected to impair their objectivity or independence of judgment; and

WHEREAS, N.J.S.A. 52:34-19 provides that it shall be a misdemeanor to pay any fee, commission, compensation, gift or gratuity of any kind, directly or indirectly, to any person employed by the Department of the Treasury or to any other person in the employ of the State having any duties or responsibilities in connection with the purchase or acquisition of any property or services by the State or any agency or instrumentality thereof by or on behalf of any seller or supplier of such goods or services or other party to a contract with the State; and

WHEREAS, it is essential that persons providing goods or services to, or performing contracts for, the State be fully informed of the policies of the State concerning their relationships with State officers or employees and special State officers or employees and that these policies be uniformly applied by the various agencies of the Executive Branch; and

WHEREAS, it is therefore necessary to supplement Executive Order No. 34 (1976), which provides the grounds and procedures applicable to the debarment, suspension and disqualification of State vendors, to encompass appropriate standards prohibiting conflicts of interest on the part of present and prospective State vendors;

Now, therefore, I, Thomas H. Kean, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

1. As used in this Order, "vendor" means any person, firm, corporation, or other entity which provides or offers or proposes to provide goods or services to or performs any contract for any State agency.

2. The executive head of each department or agency in the Executive Branch with the lawful authority to engage in State contracting shall, in accordance with the provisions of the Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq., promulgate regulations supplementing those heretofore established pursuant to Executive Order No. 34 (1976) governing the causes, conditions and procedures applicable to determinations of debarment, suspension and disqualification by the department or agency to include the minimum standards hereinafter set forth. In addition to any other filing required by law to be made, each executive head shall file with the Attorney General and Treasurer a copy of such rules and regulations as may be promulgated.

3. The rules and regulations referred to in Paragraph 2 shall include the following prohibitions on vendor activities, the violation of which shall render said vendor liable to debarment in the public interest, pursuant to the procedures established by Executive Order No. 34 (1976), by any Executive department or agency:

a. No vendor shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b. and e., in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or any partnership, firm, or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g.

b. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the Attorney General and the Executive Commission on Ethical Standards.

c. No vendor may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such vendor to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with

STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES

any person, firm or entity with which he is employed or associated or in which he has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationship subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

d. No vendor shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.

e. No vendor shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the vendor or any other person.

f. The provision cited above in paragraph 3a. through 3e. shall not be construed to prohibit a State officer or employee or special State officer or employee from receiving gifts from or contracting with vendors under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards may promulgate under paragraph 3c.

4. The rules and regulations referred to in Paragraph 2, supra, shall require that the prohibitions set forth in paragraph 3, supra, shall be included in all requests for proposals issued by any State department or agency and in all contracts executed on behalf of a State department or agency, other than those of an interstate agency to which New Jersey is a party and contracts entered into on behalf of the interstate agency.

5. Nothing required by this Order shall be construed to limit the authority of any State department or agency to refrain from contracting within the discretion allowed by law, or to limit N.J.S.A. 52:34-19 or any other applicable statute or regulation.

6. This Order shall take effect on the ninetieth day following its execution.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

(SEAL)

GIVEN, under my hand and seal, this 20th day of July, in the Year of Our Lord, one thousand nine hundred and eighty-eight, and of the Independence of the United States, the two hundred and thirteenth.

/s/ Thomas H. Kean
Governor

Attest:

/s/ Michael R. Cole
Chief Counsel

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

**EXECUTIVE COMMISSION ON ETHICAL STANDARDS
GUIDELINES FOR EXECUTIVE ORDER No. 189**

The following guidelines have been developed to assist State employees and vendors in evaluating the conflict of interest potential in any contract or Request for Proposal (RFP) process.

Example 1

Employee is out to lunch or dinner with a contractor, consultant or any other private party which does or may do business with employee's agency. The employee should either pick up the check (assuming the employee has the authority or necessary approval), or pay for own meal (and get receipt). The best advice is, of course, to avoid these situations entirely.

Example 2

Employee is invited to a golf outing sponsored by a contractor, consultant or any other private party which does or may do business with employee's agency. Green fees, food and beverage will be paid for by the sponsor. Employee should politely decline the invitation.

Example 3

Employee is offered tickets to sporting or other entertainment events by a contractor, consultant or any other private party which does or may do business with employee's agency. Employee should politely decline the tickets. Payment by the employee for the ticket's face amount is also unacceptable.

Example 4

Employee is at a convention and stops at a vendor or other hospitality suite for a drink and hors d'oeuvres. Employee may accept hospitality as long as reception or suite is open to all conference attendees.

Example 5

Employee receives gift at Christmas/Hannukah time of liquor, cheese, etc. from a contractor, consultant or any other private party which does or may do business with employee's agency. Employee should decline the gift in the most gracious way possible.

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

Example 6

Employee is a member of a professional organization to which he or she pays dues (or his/her agency pays dues on behalf of employee). Employee may attend functions run by the organization and any additional fees and charges should be paid by the employee or his/her agency. Employee should not attend functions if fees are paid by a contractor, consultant or any other private party which does or may do business with his/her agency.

Example 7

Employee is invited to a "ribbon cutting" or "groundbreaking" ceremony at which a vendor is providing refreshments. Employee may attend as long as he/she receives no special consideration.