

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, Department of Human Services and its Departmental Component against loss in accordance with the terms of the policy. Designating the State of New Jersey, Department of Human Services and its Departmental Component as an additional insured permits the Department to pay the premium should the insured fail to do so.

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 an RFP.

Approval: written permission from the Departmental Component's Ethic Liaison Officer to attend and/or participate in an Event; to accept and honorarium or fee; and/or to accept Direct or Indirect Benefits in connection with attendance.

Award: includes State grants, State aid, and federal and State financial assistance in the form of grants, loans, loan guarantees, property, capital funding agreements, interest subsidies, insurance, food commodities and other assistance.

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.

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.

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.

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).

Closeout "preliminary": 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 by which the Department of Human Services 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.

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

Cognizant: a term used to designate audit responsibilities and is generally used in conjunction with the awarding agency that provides the predominant amount of federal and State funding.

Cognizant Division: the division or other designated component within the Department of Human Services 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 social service or training Contract between the Department and the Provider Agency for less than one year during which time special terms or conditions specified in the Contract must be met by the Provider Agency.

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 Provider Agency staff members, officers and Governing Board Members.

Copyrighted Material: an exclusive, legal right to adapt, distribute, reproduce, publish or sell any information funded and developed under a Department Contract or subcontract.

Consistency: a Provider Agency's method of accounting must be uniform from one period to another.

Consolidation: occurs 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 those passing out of existence.

Consumer: an individual receiving services from or funded in whole or in part by DHS (Department) or one of its departmental component.

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 written approval on the P1.10 Contract Modification form (Attachment A) to allow certain programmatic and/or financial changes in the Contract during the Contract term.

Contracted State Agency: the State organization or unit that enters into a contractual arrangement with a Departmental Component of the Department of Human Services.

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 New Jersey Department of Human Services' 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.

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

Days: calendar days.

Default: the Provider Agency has materially failed to fulfil or comply with the terms and conditions of the Contract.

Department: the New Jersey Department of Human Services. As used throughout the Manual, it also means, where appropriate from the context, the division, commission, bureau, office, unit or other designated component of the Department of Human Services responsible for the administration of particular Contract Programs.

Department Head: the administrative or executive head of the State Official's agency or his or her designee. The Commissioner of Human Services has designated Departmental Component Ethics Liaison Officers to grant the approval defined above.

Departmental Component: 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.

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 Human Services 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.

Direct Benefit: acceptance by a State Official from the sponsor of an Event or any other person of travel, meals, accommodation, waiver of conference or Event fee or any other costs associated with attending the Event for which no payment is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (bagels, doughnuts, pastries and cookies).

Disallowed Costs: those charges to a Contract that the Department determines to be unallowable in accordance with applicable cost principles, Department policies, or other conditions contained in the Contract.

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.

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 \$5,000 or more per unit.

Event: a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from the State Official's work location, is sponsored or co-sponsored by a non-government source and the invitation for which is extended to the State Official because of his/her official position.

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 Contract Closeout: the process by which the Department of Human Service 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 Provider Agency and the Department.

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.

Governing Board (also Board): the Provider Agency board, commission, council or other organizational body which signs the Contract, enacts Provider Agency policy regarding Contract services, and is responsible to the Department for Contract compliance.

Indirect Benefit: acceptance by a State Official from the Event sponsor or any other person of reimbursement for costs of travel, meals, accommodation, event fees, or any other costs associated with attending the Event for which no reimbursement is made by the State but is intended to mean nominal refreshments such as nonalcoholic beverages and snacks (bagels, doughnuts, pastries and cookies).

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. Included as In-Kind Contributions are public contributions formerly designated as CCE (Certified Cash Expenditures).

Insurance Declaration Page: a document that lists most of the vital information about the Insurance policy. The declaration page states the name and address of the name insured or insured party; the location of the property insured along with its location and description; the value and replacement value of property insured; the inception and expiration date of the policy period, the premium and any other conditions, terms, exclusions and endorsements.

Interest: the cost incurred for the use of borrowed funds. Interest costs are generally paid at fixed intervals by the user.

Interested Party: 1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated to be subject to the regulatory, licensing or supervisory authority of the State Official's agency; 2. Any supplier, or employee, representative or agent thereof; 3. Any organization that advocates or represents the position of its members to the State Official's agency; 4. Any

organization a majority of whose members are as described in paragraphs 1 through 3 above.

Letter of Approval: the written correspondence between the Departmental Component and Provider authorizing a Contract Modification approval pending submission and approval of a P1.10 Contract Modification form (Attachment A).

Limits: the dollar amount of insurance carried for the types of insurance listed.

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

Lower Tier Covered Transaction(s) (Contract/Subcontract): the Contract between DHS and the Provider Agency and all subsequent subcontracts, down to the lowest level, that may result from the initial Contract.

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.

Management Decision: the evaluation by the federal or State awarding agency or the pass-through entity of the audit findings and corrective action plan and the issuance of a written decision as to what corrective action is necessary.

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 Human Services Contracts. Such requirements may be Departmental or statutory.

Merger: occurs where one corporation absorbs another of relatively equal size and importance and remains in existence while the other is dissolved.

Minority: a person who is:

African American, having origins in any of the black racial groups in Africa;

Hispanic, having Spanish culture, with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;

Asian-American, having origins in and of the original peoples of the Far East, Southeast Asia, Indian sub-continent, Hawaii, or the Pacific Islands;

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 or 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.

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.

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 program usually do not have a reimbursable ceiling.

Pass-through Entity: 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.

Preliminary Contract Closeout: the process whereby a 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 Expenditure (ROE) submitted by the Provider Agency to the Departmental Component.

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 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.

Property Insurance: a broad form of insurance coverage for damage or loss to real and personal property.

Provider Agency (also Provider): the public or private organization which has a social service or training 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.

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.

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

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.

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 Human Services) 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 Official: any State Officer or employee or special State Officer or employee as defined in the Conflict of Interest Law, N.J.S.A. 52:13D-13(b) and (e).

Subrecipient (Subcontractee): the legal entity that enters into a Contractual arrangement with a Contractee or another Subcontractee, no matter how many interceding administrative Tiers (levels) separate the parties.

Termination: an official cessation of the 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.

Tier: each successive, separate level of administrative organization beginning with the Department of Human Services and ending with the Provider of service.

Total Cost: all costs including the cost of approved Equipment.

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 join 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.

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 HUMAN SERVICES

Contract Policy and Information Manual (CPIM)

PROVIDER AGENCY

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**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

TO: Manual Holders

DATE: January 1, 2000

SUBJECT: Federal Debarment, Suspension, Ineligibility and
Voluntary Exclusion Requirements

EFFECTIVE: January 3, 2000

The purpose of this memorandum is to inform Provider Agencies and Departmental Components that federal Executive Order 12549 requires a certification by the Provider Agency and **all** subsequent subcontractors that it has not been debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from federally funded Contracts. This certification is currently a requirement in P1.04, Request for Proposal and is required for all contracts as well.

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

DEFINITIONS

Lower Tier Covered Transactions or Transaction (Contract/subcontract) means the Contract between DHS and the Provider Agency and all subsequent subcontracts, down to the lowest level, that may result from the initial Contract.

Lower Tier Participant or Participant (Provider Agency/subcontractor) means the Provider Agency and all subcontractors, down to the lowest level, that may result from the initial Contract.

Principal means 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.

CERTIFICATION PROCESS

The attached Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Lower Tier Covered Transactions must be signed by the Lower Tier Participant(s) and will


become an attachment to the Contract for all Contracts of \$100,000 or more that contain as little as one dollar of federal funds. Contracts that contain no federal funds are not subject to the certification process. If the Provider Agency chooses to subcontract, a blank certification must be included in the subcontract package and the completed, signed certification will become part of the subcontract. The Provider Agency and subsequent subcontractors may rely on the certification presented to them unless it is known to be erroneous.

The Federal Debarment list may be found at the following Web site:
[HTTP://EPLS.ARNET.GOV](http://EPLS.ARNET.GOV)

This requirement will be incorporated inn the following standard language documents: Standards Language Document for Social Service and Training Contracts, Individual Provider Agreement and the Tuition Agreement. When the language is added as a revision to each of the standard language documents, this information memorandum will be rescinded.

Attachment

Issued by:


Henrietta Small, Manager
Contract Policy and Management Unit

READ THE ATTACHED INSTRUCTIONS BEFORE SIGNING THIS CERTIFICATION.
THE INSTRUCTIONS ARE AN INTEGRAL PART OF THE CERTIFICATION.

Certification Regarding Debarment, Suspension, Ineligibility
and Voluntary Exclusion
Lower Tier Covered Transactions

1. The Lower Tier Participant (Provider Agency/subcontractor) certifies, by submission of the attached contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any Federal department or agency.
2. Where the Lower Tier Participant (Provider Agency/subcontractor) is unable to certify to any of the statements in this certification, such Lower Tier Participant (Provider Agency/subcontractor) shall attach an explanation to this certification.

Name and Title of Agency Director

Signature

Date

Agency Name: _____

Contract #: _____ Federal ID #: _____

This certification is required by the regulations implementing Executive order 12549, Debarment and Suspension, 29 CFR Part 76, Section 76.510.

Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion
Provider Agency/Subcontractor Contracts

Instructions for Certification

1. By signing and submitting the attached Contract, the Lower Tier Participant (Provider Agency/subcontractor) 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 (Contract) was entered into. If it is later determined that the Lower Tier Participant (Provider Agency/subcontractor) knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Departmental Component with which this Transaction (Contract) originated may pursue available remedies, including suspension and/or debarment.
3. The Lower Tier Participant (Provider Agency/subcontractor) shall provide immediate written notice to the Departmental Component to which this Contract is submitted if at any time the Lower Tier Participant (Provider Agency/subcontractor) learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms used in this certification are consistent with those set out in the Definitions and Coverage sections of rules implementing Federal Executive Order 12549. You may contact the Departmental Component to which this Contract is submitted for assistance in obtaining a copy of those regulations.
5. The Lower Tier Participant (Provider Agency/subcontractor) agrees by submitting this Contract that, should the Contract be entered into, it shall not knowingly enter into any subcontract with a subcontractor who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this Contract, unless authorized by the Federal department or agency with which this Contract funding originated.

6. The Lower Tier Participant (Provider Agency/subcontractor) further agrees by submitting this Contract that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Transactions", without modification, in all Lower Tier Covered Transactions (subcontracts) and in all solicitations for Lower Tier Covered Transactions (subcontracts).
7. A Lower Tier Participant (Provider Agency/subcontractor) may rely upon a certification of a subcontractor 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 Lower Tier Participant (Provider Agency/subcontractor) 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 Nonprocurement Programs.
8. Nothing contained in the foregoing shall be constructed to required 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 Lower Tier Participant (Provider Agency/subcontractor) is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for contracts authorized under paragraph 5 of these instructions, if a Provider Agency knowingly enters into a Lower Tier Covered Transaction with a subcontractor who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this Contract, in addition to other remedies available to the Federal Government, the Departmental Component with which this Contract originated may pursue available remedies, including suspension and /or debarment.

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Clusters

EFFECTIVE: This revised Policy Circular shall become effective on July 1, 2013.

PROMULGATED: June 14, 2013

SUPERCEDES: Policy Circular P1.12, dated August 11, 2005.

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

I. SCOPE

This Policy Circular applies to DHS Third Party Social Services and Training Contracts administered by the; 1) Division of Developmental Disabilities; 2) Division of Mental Health and Addiction Services; and 3) Division of Family Development.

II. DEFINITIONS

In addition to the terms defined in the DHS Contract Policy and Information Manual, and the DHS 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.

III. POLICY

The following three Departmental Components have identified service-related programs that may be combined to form Clusters:

- 1) Division of Developmental Disabilities (see criteria; DDD Attachment 1);
- 2) Division of Mental Health and Addiction Services (see criteria; DMHAS Attachment 2); and
- 3) Division of Family Development (see criteria; DFD Attachment 3).

For contracting purposes, service-related program components identified within a Cluster category will enable Provider Agencies to

move funds between these service-related programs to offset a deficit identified in one program with a surplus in another service-related program within the same Cluster category. However, it is important to note that Provider Agencies are precluded from moving funds between Cluster categories to offset a deficit identified in one Cluster category with a surplus in another Cluster category without an approved contract modification as required by Policy Circular P1.10.

A form is attached to this policy, DHS Attachment 4, which is required to be completed annually and updated as necessary by all provider agencies that have designated clusters. When Clusters are added or deleted within a Contract term, a Contract Modification is required.

1. 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.

2. 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.

- a. Single funding source
- b. Multiple funding sources for the same service
- c. State funds
- d. Federal funds

Service program components that are funded by a federal grant will generally not be Clustered with services funded by other funding sources. However, where two or more service components are solely funded by the same federal grant, the services may be Clustered unless otherwise restricted by the grant language.

3. Fixed-Unit Rate Service Programs

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

4. Required Form

The authorized Provider Agency signatory shall sign a Cluster Designation Form, Attachment 4, if any clusters are designated.

Issued By:

Howard Mass, Director
Office of Administration

Gerald Suozzo,
Chief of Staff

DIVISION OF DEVELOPMENTAL DISABILITIES

CLUSTER CATEGORIES

1. **Community Care Cluster:** Cost Reimbursement programs only, including:
 - a. Group Homes
 - b. Supervised Apartments
 - c. Supportive Living Arrangements
 - d. All Other Direct Residential Services
 - e. Community Care Residences (Skill)
 - f. Day Habilitation (including Special Needs)
 - g. Supported Employment
 - h. All Direct Support Services (Family Support, Respite, Case Management, etc.)

** Important Note:* A Fixed Rate program within the Community Care Cluster must remain independent of any Cost Reimbursement program. Reporting of Fixed Rate program elements (budgets/expenditures) must remain separate and may not be combined with any Cost Reimbursement program information.

2. **Emergency Capacity:** Any Emergency Capacity program must remain its own and separate budget and reporting cluster.
3. **New Initiative/Expansion Cluster:** Resources and costs related to new programs in their first year of operation must be maintained and reported in the New Initiatives/Expansion Cluster for the initial year of operation separate and distinct from the “Community Care Cluster”. Preservation of resources and costs related to new program is necessary to ensure any surplus resulting from a delay in start-up of the program is not used to offset costs in other clusters. Further, confining cost reporting in this cluster will assist the Division in analyzing how actual placements and costs line up against budgeted projections.

While the typical preservation of funds in this cluster is for the initial year of operation, the Office of Contract Administration retains the prerogative to require an agency to preserve resources and costs in this cluster for a period of longer than one year, if necessary.

4. **Cognizant or Pass-thru Cluster:** This cluster will be utilized for any occurrence where DDD is the contracting entity but placement is being funded from a non-DDD source. This cluster may include, but is not limited to, placements funded within DDD contracts by the Division of Mental Health and Addiction Services or the Department of Children and Families.
5. **Non-Direct Service/Special Program Cluster:** This cluster will be utilized for any non-direct care program. Such programs may include, but are not limited to:
 - a. Support Coordination
 - b. Fiscal Intermediary Services
 - c. Special Non-Direct Care Programs
6. **Purchase of Care Cluster:** This cluster will be utilized for any purchase of care, fee for service based contracts (non-cost reimbursement).

**DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES
CLUSTER CATEGORIES**

DMHS recognizes three distinct program Clusters:

(1) Community Care cost-reimbursement programs, including:

Designated Screening
Emergency Services
Outpatient Services
Partial Care
Residential Services
P.A.T.H.- Programs for Assistance in the Transition from
Homelessness
I.C.M.S.- Integrated Case Management Services
Systems Advocacy
I.F.S.S.- Intensive Family Support Services
Self-Help Centers
Supported Employment
P.A.C.T.-Program for Assertive Community Treatment
Criminal Justice Programs

(2) Special Revenues: Programs which utilize special revenues and which require separate accountability by DMHAS. Examples are: Child Residential programs for which DMHAS establishes final Medicaid rates; and Welfare to Work programs via Division of Family Development (DFD) which are federally funded.

(3) New Initiatives:

- a) New Community Care program awards will be treated as Clusters during the initial service phase-in, or until the program budget is stable. This will typically result in the new program treated as a Cluster during the first two years, with an additional year possible if necessary.
- b) New Revenue Initiatives, such as the Adult Mental Health Rehabilitation Medicaid revenue initiative for PACT and Adult Residential, will require the targeted revenue to be restricted or clustered during the two year phase-in period(a third year to be added if necessary), with program expenditures and other revenue not restricted by Cluster.

DIVISION OF FAMILY DEVELOPMENT

CLUSTER CATEGORIES

The Division of Family Development will recognize the following categories of Clustered Services. In the contracts for clustered services, it may be required to separate federal or state funded components. If this is the case, it will be so designated on the Annex B Summary Sheet.

1. Child Care Resource and Referral (CCRR) Agency contracts
 - Subsidy support for federally and state funded programs
 - Non-voucher Quality programs
2. WFNJ (Work First New Jersey) Transportation Services
3. Family Worker Outreach
4. SSH (Social Services for the Homeless)
5. SSBG (Social Services Block Grant) Homeless Assistance
6. SAIF (Supportive Assistance for Individuals and Families)
Intensive Case Management
7. Refugee Resettlement Programs
8. New Initiatives, Special Projects or Expansion programs will
have Clusters designated on Annex B.

DEPARTMENT OF HUMAN SERVICES

Cluster Designation Form

The Department of Human Services has defined the term "Cluster" in DHS Policy Circular P1.10 (Contract Modification) and this policy, as one or more service-related Programs designated by the Departmental Component, and identified in the Contract. For contracting purposes, the applicable Cluster determines the extent to which a Provider Agency can offset deficits in one program with surpluses in another program, without penalty, subject to other provision in this policy. Note: The contract settlement process will be performed on a cluster-by-cluster basis.

PROVIDER AGENCY: _____

CONTRACT #: _____ **CONTRACT TERM:** _____

CONTRACT CLUSTER (complete one sheet for each cluster):

Program Name

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

SIGNATURES:

Provider Agency

Date

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
DIVISION OF YOUTH AND FAMILY SERVICES**

SUBJECT: Two-year Contracting

EFFECTIVE: This policy circular shall become effective on July 1, 1988, and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular DYFS 1.50, promulgated November 5, 1986.

The purpose of this policy circular is to establish the policy and procedures for implementing two-year Contracts in the Division of Youth and Family Services (DYFS).

I. SCOPE

This policy circular applies to all DYFS Contracts designated by the Division as eligible for two-year terms.

II. POLICY

- A. Except in those circumstances outlined in Section B below, social services Contract in DYFS may be executed for two-year terms.

The implementation of two-year Contract terms have the advantage of:

1. increase administrative simplicity for the Division 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 two-year Contracts terms with specific Contract will be made by the DYFS Regional Offices. In making such decisions, the factors listed below will be considered.

1. Public agencies will not be given Contract with two-year terms because of restriction in the New Jersey Local Public Contracts Law which prohibits local public

agencies from executing Contract with longer than 12-month terms.

2. Contracts which are funded by an unstable funding source, such as the Refugee Resettlement Program, will not be given two-year terms.
 3. New Contract Provider Agencies will not be given two-year terms in their first year of funding.
 4. Provider Agencies with identified contracting/management problems will not be given two-year Contract terms. Contracting/management problems may be identified by a Contract audit report, Pre-Award Survey, or by a Division monitoring report.
- C. Provider Agencies which have two-year Contract terms will receive equitable treatment from the Division with regard to all funding increases available or decreases required. The fact that a Provider Agency has a two-year Contract will not penalize that Provider Agency if additional funding available for Contract services. Similarly, in the case of a reduction in funding, a Provider Agency with a two-year term will be as vulnerable to any necessary Contract reductions as a Provider Agency with a one-year term.
- D. The process for receiving and considering recommendations from the county planning bodies will be the same for two-year Contracts as for one-year Contracts.

III. PROCEDURES

A. Contract Document for Two-Year Contracts

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

1. Standard Language Document- A two-year Contract will have a single Standard Language Document for the two-year term. On the signature page of the Standard Language Document, the Contract effective date and the Contract expiration date will indicate the two-year Contract term.
2. Programmatic Annex- A single programmatic annex (Annex A) will be prepared and will include information which applicable to the full two-year Contract term. Specifically, items in the Annex A which shall be written to include two-year data are: Contract term,

Contract level of service delivery, service days, number of clients to be served, and goals and objectives.

3. Fiscal Annex- The fiscal annex (Annex B, and/or Annex B-2) of a two-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

- (1) Annex B (Budgets)

In accordance with the policies and procedures of the Contract Reimbursement Manual, there will be at least two budgets for a two-year Contract. 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 two-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 III.D.2 of this circular and in accordance with Policy Circular P1.10 Contract Modification.

- (2) Cover Page for Annex B

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

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

(3) 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 two-year Contract term unless revised by a Contract Modification. If the Contract has a maximum funding amount, this amount will be included for the two-year 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.

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 two-year Contract term, such documents may be submitted to the Division during the Contract term, as permitted by the Division. Specifically, with regard to execution and submission of donor agreements during the Contract term, refer to Policy Circular P6.01, Match Requirements for Social Services Block Grant Service Contracts.

B. Division Documents

The following Contract documents used by the Division shall be completed as indicated, for a two-year Contract.

1. Transmittal Letter

At the beginning of a two-year Contract, the Regional Office shall issue a transmittal letter to the Provider Agency which states:

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

2. Contract Information Form (CIF)

The Regional Office will complete a single CIF for the full two years of the Contract term, using the aggregate Contract Reimbursable Ceiling to identify the Division's funding obligation.

C. Advance Payment

The amount of the advance payment available under a two-year Contract will be the Contract's first two months' estimated claim. (See Policy Circular P410, Advance Payments, for additional information.) Advances will be issued at the beginning of the two-year Contract terms and recouped, according to Division procedures, throughout the Contract term.

D. Budget Flexibility for Cost-Related Contracts

In a two-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

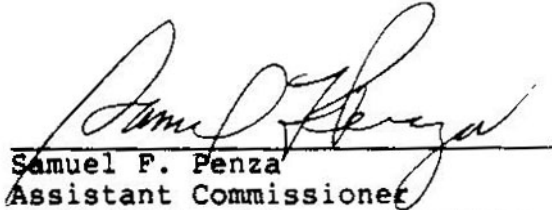
If a Provider Agency underspends a budget in the Contract, the unspent amount, with Division approval, may be carried forward from the expiring budget to a succeeding budget within the current Contract. In order to carry forward unspent funds, the Provider Agency must submit a request for a Contract Modification.

Approval for the Contract Modification will be granted by the DYFS Regional Office 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.

Issued by:



William Waldman, Director
Division of Youth and Family
Services



Samuel F. Penza
Assistant Commissioner
Department of Human Services

STATE OF NEW JERSEY

DEPARTMENT OF HUMAN SERVICES

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

EFFECTIVE: This policy circular shall become effective immediately.

PROMULGATED: July 20, 2009

SUPERSEDES: P1.01, Documents and Conditions Required for Processing,
Executing and Documenting a DHS Third Party Contract,
promulgated February 19, 2008.

I. SCOPE

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

II. PURPOSE:

The purpose of this circular is to: standardize the requirements for executing a contract Department wide. It is also intended to reduce or eliminate risk to the Department by assuring the inclusion of essential Contract documents in the DHS contract file or on site at the contract provider agency. The DHS also seeks to clarify the requirements pertaining to the documents and to track the receipt and compliance status of required documents.

III. 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:*

- **DHS Departmental Component Contract Award/Renewal letter;**
- **A list or letter containing the contact persons** in the Departmental Component that are resources for the provider agency, including the name, title, phone and e-mail information. The list would minimally include the Contract Manager or Supervisor, the Contract Administrator and, where applicable, the person responsible for payments;

- **A copy of the Required Documents Checklist (Attachment 1);**
- **Two Standard Language Documents (SLD)**, each with original signatures by the Contract Provider's Board authorized signatory (CPIM, P2.01). The appropriate SLD for the Provider Agency will be identified by the Departmental Component;
- Signed and dated N.J.S.A. 52:34-13.2 (formerly known as **Executive Order 129**);
- Signed and dated Public Law, Chapter 51 and 271 and Executive Order 117(for-profits organizations only)
- 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 (CPIM, P2.01):
 - 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;
 - **An Annex B-2**; or
 - **A Budget Summary**;
- An **Annex A** (or a **description** of the project/initiative) (or an **Annex A Update Form** for a renewal);
- **Performance Outputs** or **Outcomes** (these may be included in the Annex A);
- A copy of the Provider Agency's Insurance Policy Declaration page(s) showing the amounts and types of **insurance to ensure compliance with Policy Circular P8.14, Minimum Standards for Insurance**. The "State of New Jersey, Department of Human Services and the Departmental Component" must be named as the additional insured (and its mailing address); Also bonding certificates/insurance must be submitted where applicable (CPIM, 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);

- A copy of the **Certificate of Incorporation** (CPIM, P1.01);
- A completed **Standardized Board Resolution Form** (signed by either the President/Chairperson or Secretary for the Board) stating who is authorized to sign the Contract, invoices and checks relating to the contract, and also addresses other contract commitments. (CPIM, P1.06) and (CRM, 5.3); and
- A copy of the **Certification of Employee Information Report** (Certificate, hereafter) issued by the NJ Department of the Treasury, Division of Contract Compliance and Equal Employment Opportunity (IMP07-1), or a copy of the recently completed EEO Employee Information AA302 form (AA302 hereafter) (the provider agency is responsible for submitting the original completed AA302 to the Division of Contract Compliance for processing and forwarding the Certification to their contract administrator upon completion (within 60 day of submission.)).

B. Other requirements

- a. 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 dated, current list of **board members**, their **terms**, the **officers**, each member's **home address**, and any **business address or affiliation**. (CPIM, P1.01);
 - A copy of all **applicable licenses**;
 - A **list of all contracts and grants** to be awarded to the Provider Agency by any federal, State, local government, or private agency during the Contract term. The awarding agency, amount, term, and the type of service(s) of the contract/grant(s) must be listed;
 - A chart showing the **organizational structure** of the Provider Agency (P1.01, P-Misc.03);
 - A copy of the Agency's current **Personnel Manual** or **Employee Handbook**;
 - A copy of the Provider Agency's **Conflict of Interest Policy** (CPIM, P8.05);
 - A copy of the Provider Agency's **Affirmative Action Policy**;

- A copy of the Provider Agency's **By-Laws** (current or latest revision) (CPIM, P1.01) (Note: the cover sheet for the By-laws or each individual policy should show a date of Board review no older than 3 years.);
 - A copy of all **local certificates of occupancy** (where applicable);
 - A copy of the **lease** or **mortgage(s)** (CRM, 4.5);
 - A copy of the **Annual Report to the Secretary of State** (CPIM, P1.01, P1.04);
 - A copy of the **State of New Jersey Business Registration**;
 - A copy of the **Annual Report - Charitable Organization** (CPIM, CO-8, P1.04);
 - A copy of the Provider Agency's most recently completed **audit** (CPIM, P1.01, P7.06);
 - A copy of the most recent **Tax Exempt Form 990**, if the Agency is an incorporated not-for-profit, or a copy of the most recent **U.S. Corporation Income Tax Return, Form 1120**, if the Agency is incorporated as a for-profit;
 - A copy of the Agency's **Procurement Policy** (CRM, 2.3);
 - A current **Equipment inventory** of items purchased with DHS funds (CPIM, 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..);and
 - A copy of all **Subcontracts or Consultant Agreements**, related to the DHS Contracts, signed and dated by both parties (CPIM, P2.01).
 - A copy of a **Business Associate Agreement** (BAA) for Health Insurance Portability Accountability Act of 1996 compliance, if applicable, signed and dated.
 - Reports; any **programmatic, fiscal and close out reports** as required by the contract.
- b. A Departmental Component may require a Provider Agency to complete additional contract forms (e.g. unique reporting or attendance forms). See Attachment #1.

IV. PROCEDURES

A. Agency Contract Documents:

The following contract documents are to be returned to the Provider Agency upon execution of the contract:

- **SLD** (one of the two originally signed documents);
- **Annex B, B-2 or Budget Summary** (one of the two originally signed documents); and
- **Annex A** (or **Annex A Update Form** for a renewal); and
- **Payment Schedule** (if applicable, a copy of completed, signed document).

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 DHS Contracting forms are available for downloading from the DHS website. No documents may be altered in any manner except for the insertion of required information. The DHS 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:

Payment may be withheld until all required documents have been submitted. 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 are required to 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 an Provider Agency to submit a copy of the Provider Agency's policy for a particular subject matter (e.g. Conflict of Interest, Procurement practices. Affirmative Action, etc.), there is a corresponding DHS policy circular detailing the essential content requirements.
2. Where the Provider Agency's policy does not meet the essential criteria as defined in DHS policy, the Provider Agency's policy must be amended to include the required information. The revised policy must show the date of the revision and the signature of a Board authorized signatory.

- G. Provider Agencies that have contracts with more than one DHS Departmental Component must submit duplicate contract documents based on the Departmental Component's requirements.

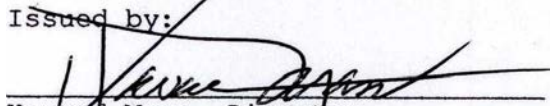
Each Departmental Component maintains its own files and internal procedures regarding contract documents. Therefore, although it may be duplicative to submit certain items to multiple Department Components, this is still necessary.

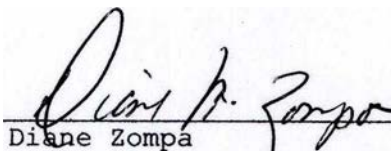
- H. Checklist:

The Provider Agency checklist is attached. (Attachment 1)

The Provider Agency

Issued by:


Howard Mass, Director
Office of Administration
Department of Human Services


Diane Zompa

Chief of Staff

Department of Human Services

DEPARTMENT OF HUMAN SERVICES

REQUIRED CONTRACT DOCUMENTS CHECKLIST

Instructions: The Departmental Component is to:

- 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 # _____
Contract Agency _____
Contract Term _____
Provider Agency's authorized signatory _____

Departmental Component _____
DHS Reviewer & Title _____

Compliance status-for DHS completion

Required Documents	<u>Agency needs to provide to DHS 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. Include date when reviewed Onsite</u>	N/A
DHS Award letter					
A Letter /list containing DHS contact persons					
A copy of the Required Contract Documents Checklist					
Two Standard Language Documents					
A Signed/dated N.J.S.A.52:34-13.2 Certification form (Formerly Executive Order 129)					
A Signed/Dated P.L. 2005, Chapters 51 & 271 & Executive Order 117.					
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/DHS 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 Certification of Employee Information Report or recent completed Employee Information Report- AA302 form					
Copy of the Provider's Affirmative Action Policy					
Copy of the Conflict of Interest Policy					
Copy of Provider Agency's By-Laws					
A Signed/dated Business Associate Agreement (BAA), if applicable					
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 State of NJ Business Registration					
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, if applicable					
Reports:					
Programmatic					
Fiscal					
Close out					
Other Departmental Component-specific documents (D.C. is to specify documents):					

[illegible]

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Timely Execution, Renewal Conditions and Sanctions for Contracts

EFFECTIVE: This policy circular shall become effective on January 1, 2006 and shall then be implemented immediately.

PROMULGATED: August 11, 2005

SUPERSEDES: Policy Circular P1.02, promulgated July 1, 1988

RELATED POLICY: Circular P1.01, Documents and Conditions Required for Processing, Executing and Documenting a DHS Third Party Contract.

The purpose of this circular is to advise Department personnel and Provider Agencies of the documents and conditions required for the timely execution for new and renewal Third Party Contracts.

I. SCOPE

This policy circular applies to all DHS Third Party Contracts including both initial and renewal contracts.

II. POLICY

- A. Time frames for DHS distribution and provider agency submission of contract documents:

Contract renewal packages are to be sent out by the Departmental Component at least **three months** prior to the renewal date.

Completed contract packages are to be received by the Departmental Component at least **one month** prior to the renewal date.

- B. Contract Renewal. Unless a contracted provider agency or individual provider is otherwise notified in writing 60 days prior to the end date of the current contract term it can be assumed that the contract is to be renewed, subject to the terms and conditions negotiated with the Departmental Component.

P1.02

All required reports (attendance, service, financial, performance, etc.) must be current.


Where any required documents (See Policy Circular P1.01) are outstanding at the time of the renewal, whether with Departmental Component approval or the documents are not yet due, it is at the discretion of the Departmental Component whether to:

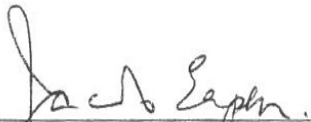
- 1) Process the contract on a conditional basis pending submission of the material and
 - a) Not withhold payments; or
 - b) Withhold a portion of the provider's payments;
- 2) Process the contract for an abbreviated term length (e.g. three months).
- 3) Process the contract but acknowledge in writing that failure to submit any outstanding documents may require the Departmental Component to withhold or cease payments until compliance. If there is material change in the terms and conditions of the contract, signatures by both parties must be obtained prior to the official date of the contract.
- 4) Take other steps as stated in Policy Circular 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.

Issued by:


Gretchen Jacobs, Director
Office of Contract Policy
and Management


Jacob Eapen, Assistant Commissioner
Budget, Finance, Administration,
Real Estate and Information Technology

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Charitable Registration and Investigation Act

EFFECTIVE: This policy circular shall become effective immediately

PROMULGATED: May 1, 1995

SUPERSEDES: Policy Circular P1.03, promulgated July 1, 1988.

The purpose of this circular 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.

I. SCOPE

This policy circular applies to all private non-profit Provider Agencies that contract with the Department of Human Services.

II. POLICY

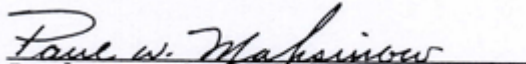
Private non-profit Provider Agencies must be in compliance with the Charitable Registration and Investigation Act of 1994 and all reporting and auditing requirements of the Division of Consumer Affairs, Office of Consumer Protection.

III. PROCEDURES

- A. In accordance with Policy Circular P1.01, Contract Proposal Process, the Provider Agency must make available to the Department for review, documentation that demonstrates its compliance with all conditions of the Charitable Registration and Investigation Act effective on August 10, 1994. A copy of the booklet covering the Act can be obtained by writing the Division of Consumer Affairs, Office of Consumer Protection, P.O. Box 45021, Newark, NJ 07101 or by telephoning (973) 504-6215.
- 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.

Issued by:


Paul W. Maksimow
Assistant Commissioner
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Request for Proposal

EFFECTIVE: This policy circular is effective November 16, 1998 with its adoption in the *New Jersey Register* and shall be implemented immediately.

PROMULGATED: November 16, 1998

SUPERSEDES: Policy Circular P1.04, promulgated December 15, 1997.

The purpose of this circular is to establish procedures in accordance with N.J.A.C. 10:3-3, Request for Proposal, when making a request for proposal (RFP).

I. SCOPE

This policy circular applies to all Departmental Components, the County Human Services Advisory Councils (CHSACs) and Designated Entities when Departmental Components choose to issue an RFP, and to all groups or entities responding to the Department's RFPs for Contracts for the provision of third-party social services or training. The RFP process shall not be required for renewal or expansion of Department purchase of service contracts, unless the Departmental Component determines to do so. This policy is promulgated to provide a consistent approach to contracts which do not fall within the parameters of the Bidding Law, N.J.S.A. 52:34-6 et seq., and as a supplement to the Publication of Grants, N.J.S.A. 52:14-34.4,5,6.

II. DEFINITIONS

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

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

County Human Services Advisory Councils (CHSACs) means 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 New Jersey Department of Human Services' 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.

Designated Entity means that group or county board which has been given the authority by the Department of Human Services to solicit human service proposals for 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.

Minority means a person who is:

African-American, having origins in any of the black racial groups in Africa;

Hispanic, having Spanish culture, with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;

Asian-American, having origins in and of the original peoples of the Far East, Southeast Asia, Indian sub-continent, Hawaii, or the Pacific Islands; or

American Indian or Alaskan native (Native American), having origins in any of the original peoples of North America and who maintains cultural identification through tribal affiliations or community recognition.

Minority Agency means a business or 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.

III. PROCEDURES

The Departmental Component and the CHSACs/Designated Entity shall follow the procedures set forth in this circular when requesting proposals for the provision of third-party social service or training Contracts.

A. Request for Proposal

1. The Departmental Component or the CHSAC/Designated Entity shall issue a public announcement of the availability of funds for the purchase of services in accordance with N.J.S.A. 52:14-34.4, 34.5, 34.6. The announcement shall be made in a manner to permit reasonable competition among eligible Provider Agencies.
 - a. The Departmental Component shall publish the announcement in:
 - 1) the *New Jersey Register*, and
 - 2) publications directed toward Minority populations.
 - b. The Departmental Component may choose a second notification regarding the RFP announcement as follows:
 - 1) mail the announcement to all known potential Applicants, including those that may provide similar, but not the specific service requested, minority organizations, and culturally diverse and sensitive groups;
 - 2) publish notices in newspapers of general distribution; or
 - 3) upload the notice of the RFP on the Human Services On Line (HSOL) Web Page on the internet to allow access to the information by computer.
2. The Departmental Components may choose to have bidders' conferences. Technical information regarding the RFP may be disseminated at such a meeting.
3. The CHSACs/Designated Entities, at minimum, shall use the standards set forth in this policy when they are delegated the responsibility to solicit proposals for the Department. The Department will be a signatory to the contract in this instance. In all other instances, the Departmental Component shall notify the CHSAC/Designated Entity of the RFP, if appropriate.
4. The proposal process shall be completed within 120 days of publication, inclusive of all the informal review processes. See section III.K. below for exceptions.

5. Within 3 business days after a potential Applicant has requested a proposal package, the Departmental Component or the CHSAC/Designated Entity shall forward a proposal package to or may be picked up by those prospective Applicants responding to the public announcement. In addition, when the CHSAC/Designated Entity has been delegated the responsibility to solicit proposals on behalf of the Department, all appropriate Department procedures, as set forth in this policy circular, and county procedures, as appropriate, must be followed. The proposal package shall contain, at minimum, the following information and requirements:
 - a. the amount of funds available, the source of funds, the purpose, scope, and goals of the programs and services solicited, and any specific conditions, requirements, and/or constraints such as spending caps or Match requirements;
 - b. all requirements which must be fulfilled for the proposal to be evaluated;
 - c. the type of Provider Agencies eligible to submit a proposal for consideration;
 - d. a request for a list of the board of directors and officers of the Applicant agency;
 - e. the address/number to which the proposal is to be sent, the submission deadline (time and date) after which no applications will be accepted, time frames for review of the proposal and awarding of Contracts, and the target date for implementation;
 - f. the name and address of a contact person who can provide technical assistance;
 - g. funding proposal evaluation criteria as delineated in Section III.D. below;
 - h. a disclaimer stating the following: "The Department reserves the right to reject any and all proposals when circumstances indicate that it is in its best interest to do so. The Department's best interests in this context, include, but are not limited to, loss of funding, inability of the Applicant to provide adequate services, indication of misrepresentation of information and/or non-compliance with State and federal laws and regulations, any existing

Department Contracts, and procedures set forth in this policy circular";

- i. The following statements:
 - 1) It is anticipated that the resulting contract will contain approximately _____ dollars in funding;
 - 2) Needed for the privatization of State service/program only:
 - a) in accordance with guidelines established by the New Jersey Executive Commission on Ethical Standards, be advised that Department employees or former employees are eligible to submit proposals to this RFP; and
 - b) These services were previously State operated. Therefore, if awarded this contract, your provider agency may be responsible to maintain, administer and dispose of public records previously maintained by the State of New Jersey as defined by N.J.S.A. 47:3-16 and must agree to do so under the terms of the contract.
- j. the appropriate information, forms and a list of required supporting documents as included in Section III.D. below;
- k. a copy of Executive Order No. 189 (1988) regarding conflict of interest, Attachment A;
- l. a list of depository libraries throughout the State (see Information Memorandum P89-1) where Applicants may review the Department's Contract Reimbursement Manual and Contract Policy and Information Manual prior to responding to the RFP;
- m. the terms and conditions which must be met to comply with specific funding requirements and Department contracting rules and regulations, such as the Standard Language Document, the Department's Contract Reimbursement Manual and Contract Policy and Information Manual; and
- n. the Statement of Assurances and the requirement that it must be properly signed by the Chief

Executive Officer or equivalent and returned with the application package. See Appendix B.

- o. statement explaining the informal review process and that requests for reviews to the -
 - 1) Departmental Component must be completed within the time frame specified in the RFP or within 30 Days after receipt of the CHSAC/Designated Entity recommendation, and
 - 2) CHSAC/Designated Entity must be completed within the 90-Day CHSAC process time period and prior to the recommendations being sent to the Departmental Component.

B. Sole Source Services

Where there is none or only one response to the RFP, after specifications of the RFP have been cited and all criteria of this policy have been met, documentation of any and all efforts to obtain multiple responses shall be kept in the Department RFP file. Documentation shall also be retained of every contact made by the Departmental Component or CHSAC/Designated Entity to find a Provider Agency to fulfill the required services.

C. Internal Controls for Proposals

- 1. The Departmental Component or CHSAC/Designated Entity shall maintain all correspondence to and from the Departmental Component or CHSAC/Designated Entity, whichever is applicable, in a file retained in the individual program RFP records.
- 2. Correspondence shall be kept in a file by a staff person different from the staff personnel who are on the review panel and participating in the review and selection process.
- 3. The following information, at minimum, shall be maintained by the responsible unit:
 - a. name of the program;
 - b. submission deadline date;
 - c. date the completed proposal is received from the Applicant;

- d. name of the Department or CHSAC/Designated Entity staff person receiving the proposal for review and selection;
 - e. decision of the review panel in awarding the Contract; and
 - f. date the decision letter notifying the Applicant of acceptance or rejection was sent.
- 4. All proposal packages are to be sent to Applicants via first class mail, hand delivered or picked up in person, as decided by the Departmental Component, to ensure timely receipt by the Applicant.
 - 5. Proposal packages from Applicants are to be date and time stamped upon receipt.
 - 6. All decision letters concerning acceptance and rejection shall have the same date and shall be mailed via first class mail on that day.
 - 7. When a CHSAC/Designated Entity is handling the RFP process, all documentation shall be forwarded to the Departmental Component responsible for finalizing the Contract for final approval and retention.
 - 8. The Departmental Component shall communicate to the CHSAC/Designated Entity the outcome of any Departmental Component informal review on an CHSAC/Designated Entity RFP and forward a copy of the final award letter.
 - 9. When the RFP is for the privatization of DHS services/programs, the Departmental Components must ensure that:
 - a. Department employees intending to bid on a privatization Contract notify the New Jersey Executive Commission on Ethical Standards (Commission) in writing, with a copy to Departmental Component management, as soon as possible and before the application deadline.
 - b. the Departmental Component director or other designated operations officer shall submit an affidavit to the Commission, stating that the named employee(s) had no substantial involvement in any of the following:
 - 1) the decision to privatize the service/program or the on-going privatization process,

- 2) the preparation of the RFP, and
 - 3) the evaluation of the bids;
 - c. the Privatization Participation Documentation Form, Attachment C, is completed, thus identifying all persons involved with the privatization project and those eligible to respond to the RFP;
 - d. the Departmental Component shall maintain records identifying all individuals involved in the privatization process, including but not limited to, the employee's letter to the Executive Commission on Ethical Standards, the affidavit, and a list of all persons working on the privatization project;
 - e. when the situation warrents, a blind review may be appropriate.
- D. Funding proposal program summary and evaluation data; list of required information

The funding proposal requirements shall apply to all proposals submitted to a Departmental Component or CHSAC/Designated Entity. Each proposal submitted to a Departmental Component or CHSAC/Designated Entity shall contain the following:

- 1. the funding proposal cover sheet, which shall include at minimum:
 - a. incorporated name of the Agency,
 - b. Agency type (i.e., profit, non-profit, hospital-based, public)
 - c. federal ID,
 - d. Charities Registration number (if applicable),
 - e. address,
 - f. contact person - name, title, phone number, fax number and E-mail address (if applicable),
 - g. total dollar amount requested,
 - h. fiscal year end, and,
 - i. an authorization signature of the Chief Executive Officer to submit the proposal.

2. a brief statement on the Applicant's mission and goals - history, purpose, goals and objectives.
3. as requested by the Departmental Component, a need justification - a description of the basis for concluding that each of the proposed service(s) is needed in the community and the factors that make the Applicant the most capable of providing the service(s), which may include:
 - a. nature of the problem;
 - b. existing services;
 - c. current statistics;
 - d. current studies that have been conducted, either within the community or state-wide, relevant to the services being requested in the proposal;
 - e. Applicant's capability to provide the same or similar services as those existing in the community and/or the Applicant's capability to provide a new type of service not currently available in the community; and
 - f. target population and characteristics.
4. geographic areas to be serviced.
5. specific information regarding -
 - a. the service goals and objectives including a description of what is to be gained by the clients or the provision of the service, and
 - b. the manner in which service outcome objectives will be measured.
6. if the client population to be served requires limited English speaking and/or bicultural services, describe how access to the program, the program itself, outreach, and referral are culturally relevant and linguistically appropriate for the population to be served, including the client and family.
7. an indication of those services that will require a subcontract for provision of the services requested including a list of the subcontracts by Provider Agency, if known.
8. a program approach, including the following -

based on the parameters set forth in the RFP, an overview of the total service package including a description of how the services will be implemented and the time frames involved. The narrative shall address client population and geographic areas served; and for each component of the program package, the following information shall be provided as indicated:

- a. a description of the service activities or methods that will be employed to achieve the service objective;
 - b. a description of how the agency will oversee the operation, the procedures utilized for monitoring the performance of the service activities, and how it will measure and evaluate the quality of service;
 - c. as needed, a definition of each service component to be provided, including the purpose and goal of each;
 - d. if applicable, an indication of the number, skills and qualifications of the staff that will perform the above service activities, as well as the use of any volunteers. A table of organization for administration and personnel position titles, and job descriptions for each position shall be included;
 - e. if there are fees, a description of fees for service, sliding fee schedules and waivers of fees; and
 - f. as appropriate, a description of client data to be recorded, the use of this data by the Applicant, the means of maintaining confidentiality of client records and data, and the retention schedule of client records and schedule for destruction.
9. information on the accessibility of services, when specified by the Departmental Component, such as -
- a. the hours and days that each service will be available to clients, including how emergencies are handled; for example, closings, client crisis, after-hours contacts;
 - b. a list and description of the location(s) where each service will be provided to clients

- (including in-home services, if that is an option);
- c. a description of transportation options for clients in obtaining each service; and
 - d. a description of handicapped accessibility accommodations.
10. as needed, the eligibility requirements and referral processes, such as -
- a. a description of the priorities for accepting clients into the program and the procedures to be followed to ensure that all clients meet the eligibility requirements for admission;
 - b. an explanation of intake procedures;
 - c. an explanation of referral mechanisms and processes (formal and informal) and community outreach procedures. Describe the accommodations made for non-English speaking individuals; and
 - d. as appropriate, termination procedures, including a list of the various reasons for termination, a description of the termination procedures (client- and program-initiated), the appeals process, and follow-up services; as well as how non-English speaking persons are accommodated in this process, shall be included.
11. dependent upon the service requested, an indication of the level of service anticipated throughout the contract period; for example, the number of clients to be served, number of meals served, round trips for transportation, hours.
12. when requested by the Departmental Component in the RFP, information on service coordination, specify ancillary agencies that will be frequently utilized in combination with the service being proposed for funding, including any already existing relationships and agencies which will be referral sources for these services, including how formal coordination and referral agreements will be accomplished. A commitment letter and/or an affiliation agreement should also be requested.
13. when requested by the Departmental Component in the RFP, information on current programs managed by the Applicant and the funding sources;

14. a completed budget proposal, Annex B, B-2 or a budget appropriate to the service(s) being requested and a statement indicating the anticipated startup costs for the service;
15. a signed debarment certification statement (Attachment D) that the applicant is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from federally funded contracts.

In addition, if awarded the Contract, the Applicant must have a signed copy of Attachment D on file for all subcontracted funds.

16. a checklist shall be maintained by the responsible unit or the review panel chairperson regarding receipt of the following information. This information need only be reviewed by the responsible unit or the chairperson for receipt and completeness and then maintained in the RFP file. A copy of the checklist may be distributed to the review panel to assure them the proposal is complete.
 - a. a copy of the Applicant's present organizational chart;
 - b. a copy of the most recent organization-wide audit report;
 - c. a copy of the Applicant's code of ethics and/or conflict of interest policy;
 - d. a list of the board of directors, officers and terms of office of each;
 - e. documentation of the Applicant's charitable registration status;
 - f. a copy of the Applicant's certificate of incorporation;
 - g. original and/or copies of letters of commitment from the collaborators; and
 - h. a list of the name(s) and address(es) of those entities providing support and/or money to help fund the program for which the proposal is being made.

E. Composition of the review panel

1. The unit responsible for RFP coordination shall convene a review panel of at least three persons to assess, rate and rank proposals to recommend an Applicant for funding. The panel shall be broadly representative and culturally diverse. In no case shall any panel convene absent representation of one minority, including that of the CHSAC or the Designated Entity. The responsible unit shall present an objective process to the review panel for the purpose of rating the proposals.
2. A panel member must disqualify himself or herself from the panel when he or she has any interest, financial or otherwise, direct or indirect, in the results of the panel's evaluations (see Conflict of Interest Law, N.J.S.A. 52:13D-12 et seq.)
3. The panel should consist of a diverse group of people having expertise in areas such as contracting, finance, and programs/services. Members may include DHS regional and county representatives, community representatives and clients/consumers; or an allocations review panel under the auspices of the CHSAC/Designated Entity.
4. The rating system to be used in evaluating criteria, such as numeric, will generally be determined by the responsible unit.
5. Recommendations of the panel are regarded as confidential until the awards are publicly announced.

F. Evaluation of the proposal

1. All meetings of the review panel shall have documentation, including a summary of the results of the meeting.
2. The evaluation of Applicants' proposals shall be in writing using a pre-established evaluation form that explains the rating system used for the evaluation.
3. Proposals shall be evaluated by a review panel to ensure satisfactory documentation, capability, clarity, reasonableness and consistency with the needs and requirements of the RFP.

G. Evaluation of the Applicant

The Applicant shall be evaluated to determine the following, an on-site evaluation may be conducted by the Departmental Component or CHSAC/Designated Entity, if deemed necessary. The CHSAC/Designated Entity shall evaluate the Applicant on

only those factors with which they are familiar or about which they have accurate information. The Departmental Component is responsible for evaluation of all information presented by the Applicant as specified in the RFP. The following should be included in the presentation:

1. ability to comply with all terms and conditions of the Standard Language Document and its associated annexes and the Department's Contract Reimbursement Manual and Contract Policy and Information Manual;
2. prior history in the delivery of the same or similar services;
3. qualifications of staff;
4. adequacy of facilities;
5. ability to manage the fiscal aspects of the Contract, including a satisfactory past history (a pre-award survey may be necessary prior to the signing of the Contract);
6. ability of the program and management initiatives to ensure accountability of the staff, for example, supervision and training of staff, planned levels of service, and contingency plans to ensure attainment of objectives;
7. evidence of ability (including satisfactory past performance and evaluation) to provide the proposed services to the target population, including limited English proficient and bicultural populations;
8. evidence of the existence of adequate resources, facilities, and equipment to operate the proposed program;
9. review of required documents; and
10. opinions of references or other agencies that contract with the Applicant.

H. Notification of Decision

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 Departmental Component shall notify all Applicants in writing of its selection within the time frames specified in the request for proposal, not to exceed 90 Days from publication in the

New Jersey Register. The informal review process must be completed in a time frame appropriate to the Departmental Component's policies which are referenced in the RFP, and the total RFP process may not exceed 120 days from publication in the *New Jersey Register*.

2. Acceptance letters shall indicate that:

- a. the award is contingent on Contract negotiation and that if, anytime before or during the Contract negotiations, it is found that the Applicant awarded the Contract is incapable of providing the necessary services or has misrepresented any material fact or its ability to handle the funding or provide the solicited services, the award may be rescinded. The rescission shall be made in writing, specifying why the award has been withdrawn.
- b. the Contract is not binding until funding has been verified and the Department's Standard Language Document and the Contract confirmation letter are signed by both parties.

I. Retention of Documentation

Awarded Contracts, signed 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, the Applicant's proposals, all evaluation sheets, documentation from review panel meetings, all privatization documentation, and any other documentation which details why the agency was selected or not selected.

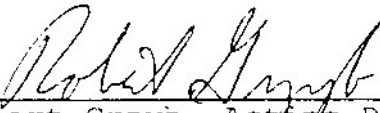
J. Contract Negotiations

At the time an award is made to the Applicant, negotiations shall proceed with the process of preparing and submitting a formal Contract proposal package to the Department in accordance with Department of Human Services Policy Circular P1.01, Contract Proposal. The initial proposal as modified and agreed to by both parties may serve as the initial Annex A, program description (see the Contract Reimbursement Manual and Contract Policy and Information Manual) for the Contract.

K. Exceptions to Procedures

1. The 120 day limitation may be adjusted accordingly by the Departmental Component if:
 - a. the announcement of the availability of funds limits the Department to less than 90 Days for allocation, obligation, and/or expenditure of funds, or
 - b. the process requires an extension because of the services being requested or unforeseen circumstances.
2. When there is an emergent danger and/or risk to the health and welfare of clients as a result of strict adherence to this policy circular, an exemption from the full RFP process may be granted and signed by the person in charge of the Departmental Component.

Issued by:



Robert Grzyb, Acting Director
Office of Accounting and Finance
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

**ADDENDUM TO REQUEST FOR PROPOSAL
FOR SOCIAL SERVICE AND TRAINING CONTRACTS**

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 which 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.

As used in this document "provider agency" or "provider" means any person, firm, corporation, or other entity or representative or employee thereof which offers or proposes to provide goods or services to or performs any contract for the Department of Human Services.

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.

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.

**Department of Human Services
Statement of Assurances**

As the duly authorized Chief Executive Officer/Administrator, I am aware that submission to the Department of Human Services of the accompanying application constitutes the creation of a public document and as such may be made available upon request at the completion of the RFP process. This may include the application, budget, and list of applicants (bidder's list). In addition, I certify that the applicant:

- Has legal authority to apply for the funds made available under the requirements of the RFP, and has the institutional, managerial and financial capacity (including funds sufficient to pay the non Federal/State share of project costs, as appropriate) to ensure proper planning, management and completion of the project described in this application.
- Will give the New Jersey Department of Human Services, or its authorized representatives, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with Generally Accepted Accounting Principles (GAAP). Will give proper notice to the independent auditor that DHS will rely upon the fiscal year end audit report to demonstrate compliance with the terms of the contract.
- Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain. This means that the applicant did not have any involvement in the preparation of the RFP, including development of specifications, requirements, statement of works, or the evaluation of the RFP applications/bids.
- Will comply with all federal and State statutes and regulations relating to non-discrimination. These include but are not limited to: 1.) Title VI of the Civil Rights Act of 1964 (P.L. 88-352; 34 CFR Part 100) which prohibits discrimination on the basis of race, color or national origin; 2.) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794; 34 CFR Part 104), which prohibits discrimination on the basis of handicaps and the Americans with Disabilities Act (ADA), 42 U.S.C. 12101 et. seq.; 3.) Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et. seq.; 45 CFR part 90), which prohibits discrimination on the basis of age; 4.) P.L. 2975, 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 non-discrimination on public contracts; 5.) federal Equal Employment Opportunities Act; and 6.) Affirmative Action Requirements of PL 1975 c. 127 (NJAC 17:27).
- Will comply with all applicable federal and State laws and regulations.
- Will comply with the Davis-Bacon Act, 40 U.S.C. 276a-276a-5 (29 CFR 5.5) and the New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.27 et. seq. and all regulations pertaining thereto.
- Is in compliance, for all contracts in excess of \$100,000, with the Byrd Anti-Lobbying amendment, incorporated at Title 31 U.S.C. 1352. This certification extends to all lower tier subcontracts as well.
- Has included a statement of explanation regarding any and all involvement in any litigation, criminal or civil.
- Has signed the certification in compliance with federal Executive Orders 12549 and 12689 and State Executive Order 34 and is not presently debarred, proposed for debarment, declared ineligible, or voluntarily excluded. Will have on file signed certifications for all subcontracted funds.
- Understands that this provider agency is an independent, private employer with all the rights and obligations of such, and is not a political subdivision of the Department of Human Services.
- Understands that unresolved monies owed the Department and/or the State of New Jersey may preclude the receipt of this award.

Applicant Organization

Signature: Chief Executive Officer or Equivalent

Date

Typed Name and Title

Privatization Participation Documentation Form

Departmental Component: _____ Section/Unit: _____

Program/Service: _____ Privatization Decision Date: _____

List all Persons:	Involved in the Decision to Privatize	Involved in the Preparation of the RFP	Involved in the Evaluation of the Bids	For Whom an Affidavit was submitted to the Ethical Commission
Name: Position:				
Name: Position:				
Name: Position:				
Name: Position:				
Name: Position:				
Name: Position:				
Name: Position:				

Prepared by: _____
(PRINT)

Date: _____

Title: _____

Telephone #: _____

READ THE ATTACHED INSTRUCTIONS BEFORE SIGNING THIS CERTIFICATION.
THE INSTRUCTIONS ARE AN INTEGRAL PART OF THE CERTIFICATION.

Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion
Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by an Federal department or agency.
2. 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 and Title of Authorized Representative

Signature

Date

This certification is required by the regulations implementing
Executive order 12549, Debarment and Suspension, 29 CFR Part 98,
Section 98.510

Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion
Lower Tier Covered Transactions

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 Nonprocurement 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.

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Concurrent Contract Term and Provider Agency
Fiscal Year

EFFECTIVE: This policy circular shall become effective on
July 1, 1988, and shall be implemented
immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular P1.05, promulgated September 15,
1984.

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

I. SCOPE

This policy circular applies to all Cost-related
Contracts.

II. 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.

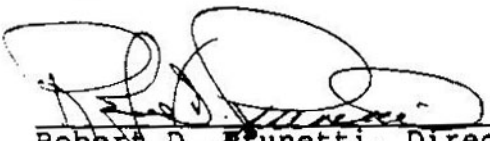

III. PROCEDURES

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
2. modify the term of the current Contract, in accordance with Policy Circular 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.

Issued by:


Robert D. Prunetti, Director
Office of Planning and Policy
Samuel F. Penza
Assistant Commissioner
Department of Human Services

State of New Jersey
Department of Human Services

SUBJECT: Standardized Board Resolution Form

EFFECTIVE: This policy shall become effective August 1, 2009.

PROMULGATED: July 20, 2009

SUPERCEDES: Standardized Board Resolution Form, promulgated
November 21, 2007

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

I. SCOPE

This policy circular applies to all DHS Third Party incorporated contracted Provider Agencies, Universities/Colleges and for-profit organizations.

II. POLICY

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

A. Requirements for completion, updating and submission

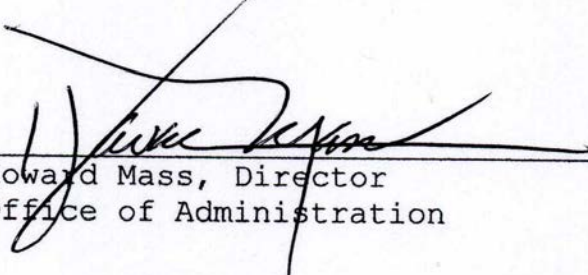
The Attachment I, Page 1 is to be completed by the Agency and the same for Attachment II.

When any changes occur which would affect the contents of the form, the Board is to convene and complete a new Board

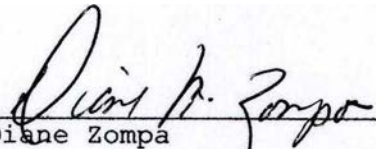
Resolution and submit it to the Departmental Component within 10 business days of the change unless otherwise specified in the DHS policy.

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 Circular P1.01, Documents and Conditions Required for Processing, Executing and Documenting a DHS Third Party Contract.)

Issued by:



Howard Mass, Director
Office of Administration



Diane Zompa
Chief of Staff
Department of Human Services

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 DHS 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 Human Services does not and will not provide legal advice regarding the contract or about any facet of the relationship between the Department of Human Services 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 Human Services.

DEPARTMENT OF HUMAN SERVICES (DHS)

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)(add additional pages, if needed)

Name

Title

Name

Title

Name

Title

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

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

EFFECTIVE: September 1, 1997

PROMULGATED: September 1, 1997

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

I. SCOPE

This policy circular applies to all Provider Agency Contracts that are affected by an Acquisition, Affiliation, Consolidation, Merger, etc. Other synergies and corporate takeovers, although not defined in this circular, do not preclude this circular from applying to those situations.

II. DEFINITIONS

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

Acquiring Organization means 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 their legal existence after the transaction.

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

Consolidation occurs 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 those passing out of existence.

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

Merger occurs where one corporation absorbs another of relatively equal size and importance and remains in existence while the other is dissolved.

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 means an affiliation among two or more business entities whereby each remains distinct, but join 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.

III. 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 with, consolidated with, 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 Circular 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.

3. Terminate the current Contract based on an evaluation of the criteria and documentation submitted in accordance with Section IV. of this circular and issue a Request for Proposal (RFP) according to Department Policy Circular 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 IV. of this circular will result in a delay in the Departmental Component rendering a final decision on Contract continuation.

IV. 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 Board minutes indicating that the Board has discussed 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, as a minimum, a written statement, signed by the Provider Agency Chief Executive Officer, that establishes the name of the Acquiring Organization and the exact date of the intended Acquisition, Affiliation, Consolidation, Merger, etc.

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 Human Services Contract. The Board shall also submit, at the same time, correspondence on company letterhead indicating the authorized signatories for Contracts, invoices and checks. In addition, the Acquiring Organization shall 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. Required Acquiring Organization documents shall be current and attested to regarding their validity, in writing, by the Board of the Acquiring Organization. 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 Chief Operating Officers
 - 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
 - i. Chief Executive Officer (CEO) statement certifying that the Acquiring Organization is in compliance with all State, federal laws and regulations
2. The name and address of the Acquiring Organization, including the address(es) of all program sites(s) 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) present at the Acquiring Organization. In addition, 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, if appropriate, of all federal, state, local government or private agency contracts and grants awarded to the Acquiring Organization that overlaps the term of the Department Contract. The list shall include as a minimum: the awarding agency and address, amount of the award, period of performance, 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.

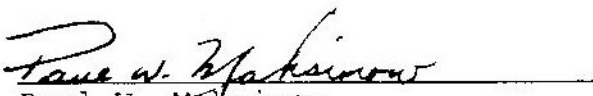
45 Days

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 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, where appropriate, 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 Human Services 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 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.

Issued By:


Paul W. Maksimow
Assistant Commissioner
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICE

SUBJECT: Contract Modification

EFFECTIVE: This policy circular shall become effective on July 1, 2004 and shall be implemented as new contracts commence or existing contracts are renewed thereafter.

PROMULGATED: February 24, 2005

SUPERSEDES: Policy Circular P1.10, promulgated September 13, 2002.

PURPOSE: The purpose of this policy circular 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 use of the Contract Modification process.

I. SCOPE

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

II. DEFINITIONS

In addition to the terms defined in the DHS Contract Policy and Information Manual, the DHS Contract Reimbursement Manual, or the Standard Language Document (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.

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 by which the Department of Human Services determines that all applicable administrative actions and all required work of the Contract have been completed by the Department and the Provider Agency.

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.

Contract Modification means the formal procedures entailing the Department's written approval on the P1.10 Contract Modification Form (Attachment A) 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 division, bureau, commission, office, or other unit within the Department responsible for the negotiation, administrative review, approval, and monitoring of certain social service or training contracts.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than two years and an Acquisition Cost of \$5,000 or more per unit.

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 approval pending submission and approval of a P1.10 Contract Modification Form (Attachment A).

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 of applicable documents.

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

Program means a specific service. A Program 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, excluding profit, but including the cost of approved equipment.

III. 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 which exceeds the Flexible Limits as stated in this policy under Section III. E.
 5. Transfer of budgeted cost across DHS Contracts, or Clusters as identified in the Contract.
 6. Transfer of federal and/or other revenue across DHS Contracts, or Clusters as identified in the Contract.
 7. Change to the method of allocating General and Administrative costs.
 - a) This includes any changes in an approved indirect cost rate, its application, or increases/decreases to the indirect cost amount allocated to the contract.
 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 P2.01, section 5.02)

B. Authority and Exceptions

1. This Policy shall not supercede existing State of New Jersey or Department of Human Services policies including but not limited to those on Procurement, Revenue Sharing, Clusters, Reporting, Closeout, Audit Policies, the DHS Contract Policy and Information Manual, the DHS Contract Reimbursement Manual, or the Standard Language Document (P2.01) except that:
 - a. 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 Provider Agencies to submit a detailed Annex B Budget and supporting documentation, indicating all adjustments to Budget Categories as an accompaniment to a Contract Modification, and including, but not limited to, the following conditions:
 - 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 deemed necessary.

- C. Procedures for Requesting a Contract Modification or a Pre-Approval
1. A Contract Modification may be requested by the Provider Agency or the Department, and must be completed by the Provider Agency.
 2. For Pre-Approval requests, which are at the option of the Provider Agency, the Provider Agency may telephone or mail the Departmental Component requesting approval to proceed with a Contract Modification. An approved request shall be followed-up in writing by the Provider Agency and responded to in writing via a Letter of Approval pending standard Contract Modification procedures.
 3. When a Contract Modification for cost-related services is initiated, the Provider Agency shall submit a revised Annex B Budget, the applicable P1.10 Contract Modification Form, Attachment A and any other Contract documents affected.
 4. When a Contract Modification entails any change in rate information, the appropriate Departmental Component will complete a revised Annex B-2: Contract Rate Information Summary.
 5. The Departmental Component shall forward copies of the approved P1.10 Contract Modification Form and attachments to the Provider Agency and other offices as necessary for inclusion as part of 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 Circular 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;

- d. When the Department must do so in order to meet specific administration and/or operational responsibilities or to promote contract efficiencies; or
- e. For all Contracts executed and entered into as of July 1, 2004 through and including the Promulgation date of this Policy.

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 Closeout process. (Refer to P7.01 Contract Closeout).
- 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 from the date of receipt of a Contract Modification Request, the Department shall approve or reject the Contract Modification. If the request is still under consideration at the end of 10 business days, the Department will inform the Provider Agency in writing as to the reasons, and provide a date when a decision may be expected, such date not to exceed 30 calendar days from the date of receipt of fully completed materials. A Contract Modification shall be deemed to be approved, if within 30 calendar days from the date of receipt of fully completed materials, there is no written Departmental response.

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 which 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.
2. A Provider Agency shall be allowed 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 III.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 III.E.8:
 - a. Within a Cluster.
 - b. For Direct Costs (All costs which are not classified as General and Administrative).
 - 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).
 - 1) A Cumulative Increase in total salaries, excluding Fringe Benefits, of more than five percent (5%) from the approved Annex B Budget.
 - 2) A Cumulative Increase in Fringe Benefit costs of more than fifteen percent (15%) from the approved Annex B Budget.
 - 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).
 - 1) 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
 - 1) All changes below the approved Annex B Budget require a modification.
 - 2) A Cumulative Increase of more than fifteen percent (15%) from the Approved Annex B Budget requires a Contract Modification.

d. Equipment, Category I

1. An item of equipment not included in the approved Annex B Budget of over \$5,000 per item requires a Contract Modification.
 2. 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 III.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.
- 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 which have no budget impact require Attachment "A" the P1.10 Contract Modification Form.
2. Contract Modifications which have a budget impact require Attachment "A", the P1.10 Contract Modification Form, and an Annex B Budget.

3. Contract Modifications which 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 (attached) 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.

Issued by:

Gretchen Jacobs, Director
Office of Contract Policy and Management

Jacob Eapen, Assistant Commissioner
Budget, Finance, Administration, Real
Estate and Information Technology

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
P1.10 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 DHS Contracts or Clusters.
- 6) _____ Transfer of federal and/or other revenue across DHS 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)

(Type name)

Title _____

Provider
Agency: _____

Date: _____

BY: _____
(Signature)

(Type name)

Title _____

Departmental
Component: _____

Date: _____

DATE EFFECTIVE: _____

SAMPLE WORKSHEET

NOT 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	Allow able 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)			\$ 750,000	15%	\$ 862,500	\$ 112,500		\$ 862,500
Other Than Personnel (B,C,D & F)			\$ 150,000	10%	\$ 165,000	\$ 15,000		\$ 165,000
Specific Assistance to Clients (E)			\$ 50,000	15%	\$ 57,500	\$ 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%	\$ 270,000	5%	\$ 283,500	\$ 13,500		\$ 283,500
Fringes (A)	\$ 500,000	27%	\$ 135,000	15%	\$ 155,250	\$ 20,250		\$ 155,250
Other Than Personnel (B,C,D & F)	\$ 100,000	27%	\$ 27,000	10%	\$ 29,700	\$ 2,700		\$ 29,700
Total for G&A Only	\$ 1,600,000		\$ 432,000			\$ 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 regardless of Division or Program. The calculation of allow able 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.

*** Allow able costs only

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

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Significant Events

EFFECTIVE: This policy shall become effective on October 1, 2005 and shall then be implemented immediately.

PROMULGATED: August 11, 2005

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

I. SCOPE

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

II. 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).

III. POLICY

A. Criteria For Notification

Notification by the Provider Agency to a DHS 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 (such as: the elimination or addition of DHS funded positions would be 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 DHS 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:
 - o suspension or revocation of license;
 - o loss of lease;
 - o union strike/action;
 - o child abuse investigation;
 - o changes in corporate by laws;
 - o loss of Insurance;
 - o loss of funding associated with the contract;
 - o significant facility damage; and
 - o client or other law suits
4. Changes, additions to or loss of any funding sources (other than DHS) supporting the contract; and
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.

Policy Circular P1.11

C. Department's Responsibilities regarding Significant Events

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

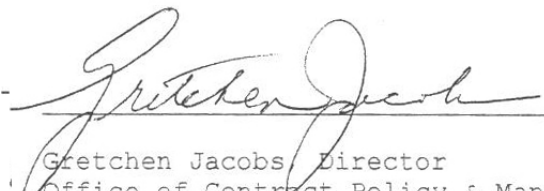
In circumstances where the provider is not timely in notifying the Departmental Component about a Significant Event, regardless of the reason, the Department reserves the right to take reasonable action to assess the matter and, pending the assessment, also may provide a notice of termination, per the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

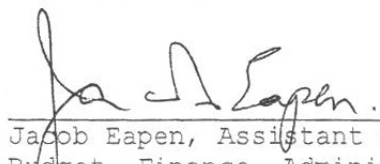
IV. PROCEDURES

Person responsible, time frames for notification and response

1. The Provider Agency's contract signatory is required to initially notify the DHS 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 DHS 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.

Issued by:


Gretchen Jacobs, Director
Office of Contract Policy & Management
Department of Human Services


Jacob Eapen, Assistant Commissioner
Budget, Finance, Administration, Real
Estate and Information Technology

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

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 - o suspension or revocation of license;
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 - o changes in corporate by laws;
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4. Changes, additions to or loss of any funding sources (other than DHS) supporting the contract; and
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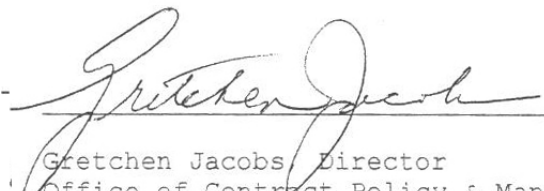
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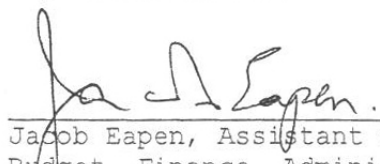
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2. Upon written notification by a Provider Agency of a Significant Event, Departmental personnel shall respond within 20 working days.

Issued by:


Gretchen Jacobs, Director
Office of Contract Policy & Management
Department of Human Services


Jacob Eapen, Assistant Commissioner
Budget, Finance, Administration, Real
Estate and Information Technology

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Clusters

EFFECTIVE: This revised Policy Circular shall become effective on July 1, 2013.

PROMULGATED: June 14, 2013

SUPERCEDES: Policy Circular P1.12, dated August 11, 2005.

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

I. SCOPE

This Policy Circular applies to DHS Third Party Social Services and Training Contracts administered by the; 1) Division of Developmental Disabilities; 2) Division of Mental Health and Addiction Services; and 3) Division of Family Development.

II. DEFINITIONS

In addition to the terms defined in the DHS Contract Policy and Information Manual, and the DHS 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.

III. POLICY

The following three Departmental Components have identified service-related programs that may be combined to form Clusters:

- 1) Division of Developmental Disabilities (see criteria; DDD Attachment 1);
- 2) Division of Mental Health and Addiction Services (see criteria; DMHAS Attachment 2); and
- 3) Division of Family Development (see criteria; DFD Attachment 3).

For contracting purposes, service-related program components identified within a Cluster category will enable Provider Agencies to

move funds between these service-related programs to offset a deficit identified in one program with a surplus in another service-related program within the same Cluster category. However, it is important to note that Provider Agencies are precluded from moving funds between Cluster categories to offset a deficit identified in one Cluster category with a surplus in another Cluster category without an approved contract modification as required by Policy Circular P1.10.

A form is attached to this policy, DHS Attachment 4, which is required to be completed annually and updated as necessary by all provider agencies that have designated clusters. When Clusters are added or deleted within a Contract term, a Contract Modification is required.

1. 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.

2. 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.

- a. Single funding source
- b. Multiple funding sources for the same service
- c. State funds
- d. Federal funds

Service program components that are funded by a federal grant will generally not be Clustered with services funded by other funding sources. However, where two or more service components are solely funded by the same federal grant, the services may be Clustered unless otherwise restricted by the grant language.

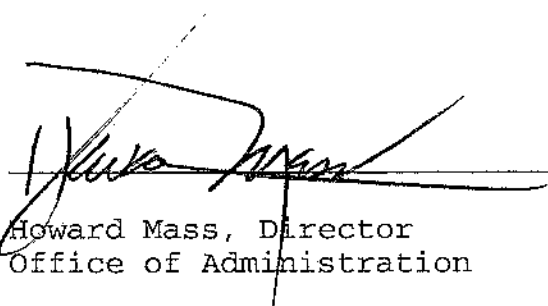
3. Fixed-Unit Rate Service Programs

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

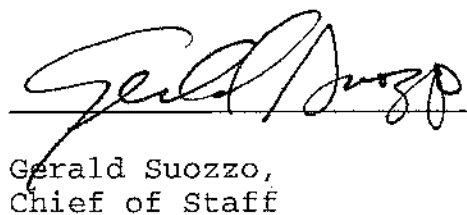
4. Required Form

The authorized Provider Agency signatory shall sign a Cluster Designation Form, Attachment 4, if any clusters are designated.

Issued By:



Howard Mass, Director
Office of Administration



Gerald Suozzo,
Chief of Staff

DIVISION OF DEVELOPMENTAL DISABILITIES

CLUSTER CATEGORIES

1. **Community Care Cluster:** Cost Reimbursement programs only, including:

- a. Group Homes
- b. Supervised Apartments
- c. Supportive Living Arrangements
- d. All Other Direct Residential Services
- e. Community Care Residences (Skill)
- f. Day Habilitation (including Special Needs)
- g. Supported Employment
- h. All Direct Support Services (Family Support, Respite, Case Management, etc.)

** Important Note:* A Fixed Rate program within the Community Care Cluster must remain independent of any Cost Reimbursement program. Reporting of Fixed Rate program elements (budgets/expenditures) must remain separate and may not be combined with any Cost Reimbursement program information.

2. **Emergency Capacity:** Any Emergency Capacity program must remain its own and separate budget and reporting cluster.

3. **New Initiative/Expansion Cluster:** Resources and costs related to new programs in their first year of operation must be maintained and reported in the New Initiatives/Expansion Cluster for the initial year of operation separate and distinct from the "Community Care Cluster". Preservation of resources and costs related to new program is necessary to ensure any surplus resulting from a delay in start-up of the program is not used to offset costs in other clusters. Further, confining cost reporting in this cluster will assist the Division in analyzing how actual placements and costs line up against budgeted projections.

While the typical preservation of funds in this cluster is for the initial year of operation, the Office of Contract Administration retains the prerogative to require an agency to preserve resources and costs in this cluster for a period of longer than one year, if necessary.

4. **Cognizant or Pass-thru Cluster:** This cluster will be utilized for any occurrence where DDD is the contracting entity but placement is being funded from a non-DDD source. This cluster may include, but is not limited to, placements funded within DDD contracts by the Division of Mental Health and Addiction Services or the Department of Children and Families.

5. **Non-Direct Service/Special Program Cluster:** This cluster will be utilized for any non-direct care program. Such programs may include, but are not limited to:

- a. Support Coordination
- b. Fiscal Intermediary Services
- c. Special Non-Direct Care Programs

6. **Purchase of Care Cluster:** This cluster will be utilized for any purchase of care, fee for service based contracts (non-cost reimbursement).

**DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES
CLUSTER CATEGORIES**

DMHS recognizes three distinct program Clusters:

(1) Community Care cost-reimbursement programs, including:

Designated Screening
Emergency Services
Outpatient Services
Partial Care
Residential Services
P.A.T.H.- Programs for Assistance in the Transition from
Homelessness
I.C.M.S.- Integrated Case Management Services
Systems Advocacy
I.F.S.S.- Intensive Family Support Services
Self-Help Centers
Supported Employment
P.A.C.T.-Program for Assertive Community Treatment
Criminal Justice Programs

(2) Special Revenues: Programs which utilize special revenues and which require separate accountability by DMHAS. Examples are: Child Residential programs for which DMHAS establishes final Medicaid rates; and Welfare to Work programs via Division of Family Development (DFD) which are federally funded.

(3) New Initiatives:

- a) New Community Care program awards will be treated as Clusters during the initial service phase-in, or until the program budget is stable. This will typically result in the new program treated as a Cluster during the first two years, with an additional year possible if necessary.
- b) New Revenue Initiatives, such as the Adult Mental Health Rehabilitation Medicaid revenue initiative for PACT and Adult Residential, will require the targeted revenue to be restricted or clustered during the two year phase-in period(a third year to be added if necessary), with program expenditures and other revenue not restricted by Cluster.

DIVISION OF FAMILY DEVELOPMENT

CLUSTER CATEGORIES

The Division of Family Development will recognize the following categories of Clustered Services. In the contracts for clustered services, it may be required to separate federal or state funded components. If this is the case, it will be so designated on the Annex B Summary Sheet.

1. Child Care Resource and Referral (CCRR) Agency contracts
 - Subsidy support for federally and state funded programs
 - Non-voucher Quality programs
2. WFNJ (Work First New Jersey) Transportation Services
3. Family Worker Outreach
4. SSH (Social Services for the Homeless)
5. SSBG (Social Services Block Grant) Homeless Assistance
6. SAIF (Supportive Assistance for Individuals and Families)
Intensive Case Management
7. Refugee Resettlement Programs
8. New Initiatives, Special Projects or Expansion programs will
have Clusters designated on Annex B.

DEPARTMENT OF HUMAN SERVICES

Cluster Designation Form

The Department of Human Services has defined the term "Cluster" in DHS Policy Circular P1.10 (Contract Modification) and this policy, as one or more service-related Programs designated by the Departmental Component, and identified in the Contract. For contracting purposes, the applicable Cluster determines the extent to which a Provider Agency can offset deficits in one program with surpluses in another program, without penalty, subject to other provision in this policy. Note: The contract settlement process will be performed on a cluster-by-cluster basis.

PROVIDER AGENCY: _____

CONTRACT #: _____ **CONTRACT TERM:** _____

CONTRACT CLUSTER (complete one sheet for each cluster):

Program Name

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

SIGNATURES:

Provider Agency

Date

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
DIVISION OF YOUTH AND FAMILY SERVICES**

SUBJECT: Two-year Contracting

EFFECTIVE: This policy circular shall become effective on July 1, 1988, and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular DYFS 1.50, promulgated November 5, 1986.

The purpose of this policy circular is to establish the policy and procedures for implementing two-year Contracts in the Division of Youth and Family Services (DYFS).

I. SCOPE

This policy circular applies to all DYFS Contracts designated by the Division as eligible for two-year terms.

II. POLICY

- A. Except in those circumstances outlined in Section B below, social services Contract in DYFS may be executed for two-year terms.

The implementation of two-year Contract terms have the advantage of:

1. increase administrative simplicity for the Division 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 two-year Contracts terms with specific Contract will be made by the DYFS Regional Offices. In making such decisions, the factors listed below will be considered.

1. Public agencies will not be given Contract with two-year terms because of restriction in the New Jersey Local Public Contracts Law which prohibits local public

agencies from executing Contract with longer than 12-month terms.

2. Contracts which are funded by an unstable funding source, such as the Refugee Resettlement Program, will not be given two-year terms.
 3. New Contract Provider Agencies will not be given two-year terms in their first year of funding.
 4. Provider Agencies with identified contracting/management problems will not be given two-year Contract terms. Contracting/management problems may be identified by a Contract audit report, Pre-Award Survey, or by a Division monitoring report.
- C. Provider Agencies which have two-year Contract terms will receive equitable treatment from the Division with regard to all funding increases available or decreases required. The fact that a Provider Agency has a two-year Contract will not penalize that Provider Agency if additional funding available for Contract services. Similarly, in the case of a reduction in funding, a Provider Agency with a two-year term will be as vulnerable to any necessary Contract reductions as a Provider Agency with a one-year term.
- D. The process for receiving and considering recommendations from the county planning bodies will be the same for two-year Contracts as for one-year Contracts.

III. PROCEDURES

A. Contract Document for Two-Year Contracts

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

1. Standard Language Document- A two-year Contract will have a single Standard Language Document for the two-year term. On the signature page of the Standard Language Document, the Contract effective date and the Contract expiration date will indicate the two-year Contract term.
2. Programmatic Annex- A single programmatic annex (Annex A) will be prepared and will include information which applicable to the full two-year Contract term. Specifically, items in the Annex A which shall be written to include two-year data are: Contract term,

Contract level of service delivery, service days, number of clients to be served, and goals and objectives.

3. Fiscal Annex- The fiscal annex (Annex B, and/or Annex B-2) of a two-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

- (1) Annex B (Budgets)

In accordance with the policies and procedures of the Contract Reimbursement Manual, there will be at least two budgets for a two-year Contract. 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 two-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 III.D.2 of this circular and in accordance with Policy Circular P1.10 Contract Modification.

- (2) Cover Page for Annex B

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

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

(3) 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 two-year Contract term unless revised by a Contract Modification. If the Contract has a maximum funding amount, this amount will be included for the two-year 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.

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 two-year Contract term, such documents may be submitted to the Division during the Contract term, as permitted by the Division. Specifically, with regard to execution and submission of donor agreements during the Contract term, refer to Policy Circular P6.01, Match Requirements for Social Services Block Grant Service Contracts.

B. Division Documents

The following Contract documents used by the Division shall be completed as indicated, for a two-year Contract.

1. Transmittal Letter

At the beginning of a two-year Contract, the Regional Office shall issue a transmittal letter to the Provider Agency which states:

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

2. Contract Information Form (CIF)

The Regional Office will complete a single CIF for the full two years of the Contract term, using the aggregate Contract Reimbursable Ceiling to identify the Division's funding obligation.

C. Advance Payment

The amount of the advance payment available under a two-year Contract will be the Contract's first two months' estimated claim. (See Policy Circular P410, Advance Payments, for additional information.) Advances will be issued at the beginning of the two-year Contract terms and recouped, according to Division procedures, throughout the Contract term.

D. Budget Flexibility for Cost-Related Contracts

In a two-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

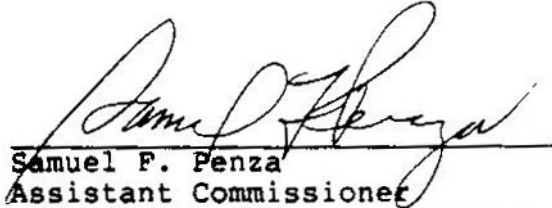
If a Provider Agency underspends a budget in the Contract, the unspent amount, with Division approval, may be carried forward from the expiring budget to a succeeding budget within the current Contract. In order to carry forward unspent funds, the Provider Agency must submit a request for a Contract Modification.

Approval for the Contract Modification will be granted by the DYFS Regional Office 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.

Issued by:



William Waldman, Director
Division of Youth and Family
Services



Samuel F. Penza
Assistant Commissioner
Department of Human Services

Policy Circular P2.01

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Department of Human Services' Standard Language Document for Social Service and Training Contracts

EFFECTIVE: This policy circular shall become effective on July 1, 2010 and shall be implemented as new Contracts commence or existing Contracts are renewed thereafter.

PROMULGATED: June 30, 2010

SUPERSEDES: Policy Circular P2.01, Department of Human Services' Standard Language Document for Social Service and Training Contracts promulgated July 20, 2009.

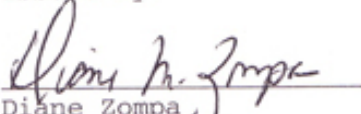
I. SCOPE

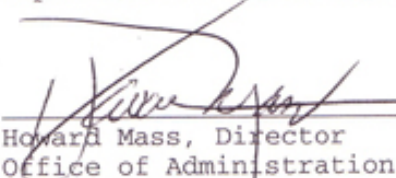
This policy circular applies to all Contracts.

II. POLICY

- A. 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).
- B. Contracts with effective dates on or after July 1, 2010, shall use this document.

Issued by:


Diane Zompa
Chief of Staff
Department of Human Services

 6/29/10
Howard Mass, Director
Office of Administration

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

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 Human Services (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 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.

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

Consumer means an individual receiving services from or funded in whole or in part by DHS or one of its departmental components.

Contract means this document, the Annex (es), any additional appendices or attachments (including any approved assignments, subcontracts or modifications) and all supporting documents. The Contract constitutes the entire agreement between the parties.

Contractor means the person or entity entering into this contract with DHS or one of its departmental components.

Department means the New Jersey Department of Human Services. It means, where appropriate from the context, the division, commission, bureau, office, unit or other designated component of the Department of Human Services responsible for the administration of particular Contract programs.

Departmental Component means the divisions, bureau, commissions, office or other unit within the Department responsible for the negotiation, administration review, approval, and monitoring of certain social service or training Contracts.

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 means the person or entity entering into this contract with DHS or one of its departmental components.

Subcontractee means the legal entity that enters into a Contractual arrangement with a Contractee (Contracted Provider Agency) or another Subcontractee, no matter how many interceding administrative Tiers (levels) separate the parties.

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. 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.

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: State and local laws relating to licensure; federal and State laws relating to safeguarding of client information; the federal Civil Rights Act of 1964 (as amended); 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; the federal Equal Employment Opportunity Act; Section 504 of the federal Rehabilitation Act of 1973 pertaining to non-discrimination on the basis of handicap, and regulations thereunder; the Americans With Disabilities Act (ADA), 42 U.S.C. 12101 et seq. 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. DHS is a covered entity pursuant to the Health Insurance Portability and Accountability 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 Human Services Business Associate Agreement (BAA). A Provider Agency, whose work under this Contract does not involve PHI is not required to execute a BAA. DHS 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.

Provider Agencies that enter any subcontract where the work for the subcontract involves a Consumer'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 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 consumer and shall not disclose these records except where disclosure is consistent with applicable DHS regulations, the BAA, if any, and is:

1. to the consumer, or his or her legal guardian, if any, or if the consumer is a minor , to the consumer's parent; or
2. necessary to carry out the work of this Contract;
3. in response to a proper inquiry for information, but not Records, as to the consumer's current medical condition to any relative, friend, or to the consumer's personal physician or attorney, if it appears that the information is to be used directly or indirectly for the benefit of the consumer; or
4. relevant to a consumer's current treatment and is being disclosed to the staff of another community agency, screening service, short-term care or psychiatric facility.

Section 3.05 Business Registration. According to P.L. 2001, c. 134 (N.J.S.A. 52:32-44 et seq.) all profit and non-profit corporations (domestic and foreign), as well as, all limited partnerships, limited liability companies, and limited liability partnerships must submit annual reports and associated processing fees (annual business registration) to the Division of Revenue, Department of the Treasury commencing with the year after they file for their Certificate of Incorporation with the State of New Jersey. No State agency (the Department) 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 or its annual business registration is current. Failure to comply with this paragraph or the citation referenced above shall be grounds for the Department to Terminate this Contract for cause.

Section 3.06 Set-Off for State Tax and Child Support. Pursuant to N.J.S.A. 54:49-19, if the Contractor 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 an portion thereof, will be subcontracted and where any subcontracted services will be performed.

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 Service 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 deemed to be in breach of contract which would be subject to termination by the Department.

Section 3.08 Contractor Certification and Disclosure of Political Contributions. N.J.S.A. 19:44A-20.13-20.25 that codified Public Law 2005, Chapter 51 and Executive Order 134, and Executive Order 117 require 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 Contractor/Bidder 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 Contractor/Bidder for a period of up to five years.

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

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 contractor 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 Affirmative Action. During the performance of this Contract, the contractor (Provider Agency) agrees as follows:

The Provider Agency and its subcontractor, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender or disability.

The Provider Agency will also take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender or disability. Such action shall include, but not be limited to the following: employment; promotion; demotion; or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and, selection for training, including apprenticeship. The Provider Agency agrees to post in conspicuous places that are readily available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this non-discrimination clause.

The Provider Agency or subcontractor shall state, in all solicitations or advertisements for employees placed by or on behalf of the contractor, 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 or disability.

The Provider Agency or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this Act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The Provider Agency or subcontractor agrees to comply with the regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the Americans with Disabilities Act.

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.

The Provider Agency or subcontractor agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender or disability, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

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 Federal law and applicable Federal court decisions.

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, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender or disability, and conform with the applicable employment goals, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The Provider Agency and its subcontractors shall furnish such reports or other documents to the Division of Contract Compliance & EEO as may be requested by the Office from time to time in order to carry

out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Contract Compliance & EEO for conducting a compliance investigation pursuant to Subchapter 10 (N.J.A.C. 17:27).

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;
- (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 Department policies and procedures for determining the reasonableness, allowability and allocability of costs under this Contract.

Section 3.13 Audit. The Department requires timely submission of the Provider Agency's annual organization-wide audit. Non-compliance will be grounds for termination.

Audits shall be conducted in accordance with Policy Circular P7.06, Audit Requirements, Generally Accepted Auditing Standards as specified in the Statements on Auditing Standards issued by the American Institute of Certified Public Accountants; Government Auditing Standards issued by the Comptroller General of the United States and the Single Audit Act Amendments of 1996 (The Single Audit Act); Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and New Jersey OMB Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

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 by the Department, by any other appropriate 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 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.

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 contractor 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.

In addition, any State funds in excess of \$2,000 utilized through a subsequent Provider Agency contract or subcontract for any public work in which the Department is a party, or for public work to be done on property or premises leased or to be leased by the Department shall comply with the NJ 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 Policy Circular P7.01, Contract Closeout, including the timely 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, Non-renewal or Termination.

IV. Expiration, Non-Renewal and/or Termination

The Department may in accordance with the sections below allow a Contract to expire and or not be renewed.

Section 4.01. The Department or Provider Agency may let this Contract expire at the end of the contract term upon 60 Days' advance written Notice to the other party for any reason whatsoever, including lack of funding by the Department. In the case of contract awards that are made on a time limit basis (i.e. Federal Grant, Special Appropriation; one time funding to support a program), the 60 day notice is not required.

Section 4.02 Contract Settlement. When a Contract has expired under any section of Article IV of this Contract or Policy Circular P9.05, Contract Default, the Provider Agency shall be prohibited from incurring any additional obligations of Contract funds. The Department may allow costs that the Provider Agency could not reasonably avoid during the Expiration 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.

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

Section 4.03 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 Circular P9.05, Contract Default. Notice shall follow the procedures established in the Policy Circular.

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 4.04 Termination by the Department or Provider Agency. The Department or Provider Agency may terminate this Contract upon 60 Days' advance written Notice to the other party for any reason whatsoever, including lack of funding by the Department.

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 4.05 Termination Settlement. When a Contract is terminated under any section of Article IV of this Contract or Policy Circular P9.05, Contract Default, the Provider Agency shall be prohibited from incurring additional obligations of Contract funds. The Department may allow costs that 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.).

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: (1) approve the assignment and continue the Contract to term; (2) approve the assignment conditioned upon the willingness of the assignee to accept all contractual modifications deemed necessary by the Department; or (3) 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 Human Services from taking any other actions available to them under any other provisions of this Contract or otherwise in law.

The Provider's liability under this agreement shall continue after the termination of this agreement with respect to any liability, loss,

expense or damage resulting from the acts occurring prior to termination.

Section 5.05 Insurance. The Provider Agency shall maintain adequate insurance coverage. The State of New Jersey, Department of Human Services and the Departmental Component shall be included as an Additional 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 pay the premium and, upon Notice to the Provider Agency, reduce payment to the Provider Agency by the amount of the premium payment. The Provider Agency is responsible for forwarding a copy of its insurance policy declaration page to the Contracting Departmental Component for its contract files.

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 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 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 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 the

opportunity to experience any and all available social services irrespective of their ethnic or cultural heritage.

Section 5.10 Copyrights. The State of New Jersey 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 close-out 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 deems appropriate to any other Contract entered into between the Department and the Provider Agency.

Section 5.12 Sufficiency of Funds. The Provider Agency shall recognize and agree 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 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 allow 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 Human Services 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 Human Services.

As such, the Provider Agency acknowledges that it is an independent contractor, providing services to the Department of Human Services, typically through a contract-for-services agreement. As independent contractors, Provider Agencies are responsible for the organization's overall functions which includes 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.

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 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.

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.

Section 5.16 Salary Compensation Limitation (Excludes Physician and Advanced Practice Nurses). The amounts paid under this contract to the Provider Agency for employee compensation are subject to the following conditions:

(i) Full-time Salary Compensation Limitation. No monies under the contract shall be paid to the Provider Agency for costs of any individual salary (including bonuses) to be paid to any of the Provider Agency's full-time employees (excluding Physician and Advanced Practice Nurses) in excess of the schedule set forth below:

Full-time Salary Compensation Limitation Schedule

Full-time Salary Compensation Limitations vary as follows: Only one Full-time Salary Compensation Limitation shall be applicable to each Provider Agency. This includes the aggregate of all contracts held with: 1) the Department of Human Services and 2) the Department of Children and Families.

For Provider Agencies with gross revenue (based on the last annual audit report) for the entire organization of:

- a) Over \$20 million, the limitation shall be \$141,000 (Benchmark Salary),
- b) Over \$10 million, but less than or equal to \$20 million the limitation shall equal 90% of the Benchmark Salary (\$126,900),
- c) Over \$5 million, but less than or equal to \$10 million the limitation shall equal 85% of the Benchmark Salary (\$119,850),
- d) Less than \$5 million, the limitation shall equal 75% of the Benchmark Salary (\$105,750).

(ii) Part-time Salary Compensation Limitation. The salary compensation limitation for a part-time employee, or for an employee whose time is only partly spent on activities compensated under this contract, shall be calculated by prorating the compensation for the position as prescribed under the Full-time Salary Compensation Limitation Schedule. The prorated percentage shall be specified in the Annex B and shall be determined by the regular number of work hours for that Part-time title or that the employee is scheduled to work on matters compensated under this contract;

(iii) Any salary paid to any employee in excess of these limitations must be paid out of funds received from sources other than this Contract, or funds other than those received from other contracts held within the Department of Human Services or Department of Children and Families;

(iv) The Full - or Part-time Salary Compensation Limitation will apply to cost reimbursement contracts at the time of contract renewal;

(v) Any fixed/fee for service rate contracts set prior to the adoption of this amendment is not subject to the salary compensation limitations prescribed in Section 5.16(i) or (ii), however, any fixed/fee for service rate contract set prior to the adoption of this amendment that is subsequently renewed at a higher rate are subject to the Salary Compensation Limitation Schedule prescribed in Section 5.16 (i) or (ii);

(vi) Any fixed/fee for service rate developed for a new program or service in an existing contract are subject to the Salary Compensation Limitation Schedule prescribed in Section 5.16(i) or (ii);

(vii) Any new contracts entered into after the date of the adoption of this amendment are subject to the Salary Compensation Limitation Schedule prescribed in Section 5.16 (i) or (ii).

Section 5.17 Salary Compensation Limitation for Physician and Advanced Practice Nurses. The amounts paid under this contract to the Provider Agency to compensate Physicians and Advanced Practice Nurses are subject to the following conditions:

(i) A maximum compensation of \$212,000 per annum, regardless of the amount of gross revenues of the entire organization;

(ii) Part-time Physicians and Advanced Practice Nurse's compensation will be calculated pursuant to Section 5.16 (ii).

Section 5.18 Compensation Limitation for Fringe Benefits. This section is being reserved for future consideration.

Section 5.19 Compensation Limitation for Employee Severance Agreement. Unless an exception has been approved by the Departmental Component for a specific circumstance, the amounts paid under this contract to the Provider Agency for an employee severance agreement are subject to the following conditions:

(i) The Provider Agency has an established written uniform severance agreement for all employees covered under the contract;

(a) No monies shall be paid to the Provider Agency for a severance payment to any employee in excess of the equivalent of two (2) weeks compensation (salary and fringe benefits);

(b) No monies shall be paid to the Provider Agency for a severance payment to any employee that has been employed by the Provider Agency for less than one (1) year of continuous employment; and

(c) No monies shall be paid to the Provider Agency for a severance payment to any employee that was discharged for cause (as cause is determined by the Provider Agency's policies).

(ii) If the Provider Agency does not have an established written uniform severance agreement, no monies shall be paid to the Provider Agency for a severance payment for any employee covered under the contract.

Section 5.20 Compensation Limitation for Employee Travel Expenses. The amounts paid under this contract to the Provider Agency for staff travel including; conference and registration fees, mileage reimbursement, meals and incidental expenses (M&IE), parking, and

overnight lodging accommodations for employees who are compensated in whole or in part under this contract are subject to the following conditions:

(i) **General Provisions:**

(a) In- and out-of-state travel must be directly related to the employee's duties as set forth in the contract and/or be required for accreditation and/or licensure of the contracted program;

(b) For in-state travel and for out-of-state travel that is within 50 miles of the border of the State where the Provider Agency is located, no monies provided under the contract shall be used for employee lodging expenses unless previously approved by the Departmental Component;

(c) Travel costs may be charged on an actual basis and may include a mileage reimbursement rate, as well as meals and incidental expenses (M&IE) up to, but not to exceed the Federal reimbursement rates (refer to the Federal internet web site, <http://www.gsa.gov>. for current rates) in effect at the time the employee traveled.

(ii) **In-State Provisions:** The Provider Agency may not approve any in-state travel reimbursement in excess of two-hundred and fifty dollars (\$250.00) per employee, per event, unless written approval is obtained from the departmental component's contracting authority prior to such travel;

(iii) **Out-of-State-Provisions:**

(a) The Provider Agency must obtain prior-approval from the departmental component's contracting authority for an employee's out-of-state travel, regardless of travel costs, unless such travel is no further than 50 miles from the border of the state where the Provider Agency is located, and travel costs per employee are less than two-hundred and fifty dollars (\$250.00); and

(b) Out-of-state travel (excluding travel no further than 50 miles from the border of the State where the Provider Agency is located) or travel costs in excess of the two-hundred and fifty dollar (\$250.00) limit by the employee, that was not pre-approved by the departmental component's contracting authority shall not be eligible for reimbursement under the contract.

Section 5.21 Compensation Limitation for Employee Tuition Reimbursement. The amounts paid under this contract to the Provider

Agency for tuition reimbursement and related expenses are subject to the following conditions:

(i) No monies paid to the Provider Agency under the contract shall be used for any costs incurred by the Provider Agency's employees to attend any educational courses including tuition, textbooks, supplies, etc. unless such courses are required by the contract or for program licensure, certification, and/or Medicaid standards; or;

(ii) No monies paid to the Provider Agency under the contract shall be used for any costs incurred by the Provider Agency's employees to attend educational courses including tuition, textbooks supplies, etc. unless such courses are towards a field of service related to the Provider Agency's contract and the allocated contract monies do not exceed the lesser of \$5000 or 1% of the Provider Agency's total annual operating budget; and

(iii) There are monies allocated in the Provider Agency's approved contract budget for the specific educational expenses consistent with Section 5.21(i) and (ii).

Section 5.22 Compensation Restriction for Provider Agency Sponsored Meetings, Conferences, Training, or Special Events. The amounts paid under this contract to the Provider Agency for the cost of administrative meetings, conferences, or special events are subject to the following condition:

(i) No such monies under the contract shall be paid to the Provider Agency for costs associated with meetings, conferences, or special events where agency staff is the beneficiary of the event. Unallowable costs include, but are not limited to the following: meals and refreshments, entertainment, overnight lodging, receptions or other social functions held for honoring all staff;

(ii) The Provider Agency may use monies under the contract to cover training-related costs such as modest facility costs and nominal refreshments, e.g. coffee, tea, water, soda, donuts, pastries, cookies, and bagels.

Section 5.23 Criteria for and Processing a Vehicle Request. The Provider Agency may request a new or replacement vehicle to be paid from monies under the contract only under the following conditions:

(i) The Provider Agency must request written approval from the departmental component's contracting authority 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 the same year, make, model, and option package;

(e) If the vehicle is a replacement vehicle, documentation consistent with Section 5.23 (ii) below;

(f) Any exceptions to the criteria and purchasing requirements (Section 5.23 (i) (a)-(e)), will be dealt with on a case by case basis with the departmental component's contracting authority; and

(g) If the request is approved, the Provider Agency shall be required to purchase the vehicle from the lowest-priced vendor consistent with Section 5.23 (i) (d).

(ii) 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; and

(f) upon written request supported by sufficient documentation, the Departmental component's contracting authority determines that the vehicle is no longer road worthy and unsafe to drive.

(iii) 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 \$25,000 per vehicle. This limitation excludes passenger vans, or specialized and adaptive vehicles for handicapped consumers.

(iv) When a Provider Agency has a fleet management program that includes leased vehicles, the Provider Agency may obtain approval on a program basis so that the Provider Agency does not require approval on a vehicle basis.

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 name)

(type name)

TITLE: _____
(type)

TITLE: _____
(type)

PROVIDER
AGENCY: _____
(type)

DEPARTMENTAL
COMPONENT: _____
(type)

DATE: _____

DATE: _____

Contract Effective Date: _____

Contract Expiration Date: _____

Contract Number: _____

Contract Ceiling: _____

Federal ID#: _____

Provider Contact Individual: _____
(Print Name)

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Bilingual and Bicultural Diversity in Contracts

EFFECTIVE: This policy circular shall be implemented August 1, 1996.

PROMULGATED: June 14, 1996

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

I. SCOPE

This policy applies to all Contracts.

II. DEFINITIONS

Minority means a person who is:

African-American, having origins in any of the black racial groups in Africa;

Hispanic, having Spanish culture, with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;

Asian-American, having origins in and of the original peoples of the Far East, Southeast Asia, Indian sub-continent, Hawaii, or the Pacific Islands;

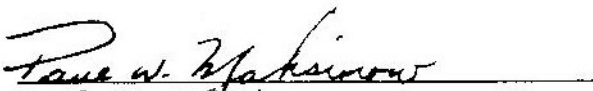
American Indian or Alaskan native (Native American), having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliations or community recognition.

III. POLICY

- A. All Provider Agencies must be responsive to the needs of the minority populations. Programs funded by DHS must be linguistically appropriate and culturally relevant to the populations being served in the community.

- B. In accordance with Policy Circular P2.01, Department of Human Services' Standard Language Document for Social Service and Training Contracts, Departmental Components must ensure that appropriate accommodations be developed and maintained for those minority individuals who are deprived of reasonable access to services because of language or ethnic and cultural differences.
- C. Departmental Components must ensure that Provider Agencies address bilingual/bicultural issues in the Annex A, Program Description, of the Standard Language Document for Social Service and Training Contracts. The issues should include, but not be limited to, the following:
1. indicating the percentage of minority and limited English speaking and bicultural persons utilizing the services provided by the Provider Agency, denoting the source of the information;
 2. indicating how the needs of the limited English speaking and bicultural populations are being met, including but not limited to, staffing and processes to mitigate language barriers, such as bilingual agency publications, answering machine messages and affiliation agreements with bilingual and bicultural provider agencies;
 3. listing changes necessary to ensure access to programs and how the Provider Agency plans to accommodate those changes; and
 4. describing the outreach and referral procedures to ensure that all limited English speaking and bicultural persons have access to the services needed.

Issued by:


Paul W. Maksimow
Assistant Commissioner
Department of Human Services

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF YOUTH AND FAMILY SERVICES**

SUBJECT: Annex A to Standard Language Title XX Purchase of
Service Contract, DYFS Form 7-33a

EFFECTIVE DATE: 5-10-82

REPLACES: 10-25-78

PURPOSE AND USE

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

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.

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 Identification No. Enter the Federal identification 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, DYFS 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.

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 DYFS 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.

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 DYFS 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.

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 DYFS 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.

DISTRIBUTION

Original and 2 copies - DYFS Regional Office
Copy - Provider Agency File

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 DYFS 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, DYFS 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	-	DYFS Regional Office
Copy	-	Provider Agency File

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, DYFS 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	-	DYFS Regional Office
Copy	-	Provider Agency File

State of New Jersey
DEPARTMENT OF HUMAN SERVICES
Division of Youth and Family Services

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 # () _____

Program Director _____

Title XX Service Definition _____

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.*

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

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:

OCCASION

DATE(S)

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, DYFS 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

Contract I.D. # _____

PART II - PROGRAM OPERATIONS

SECTION II - UNIT OF SERVICE

Unit of Service Definition(s) _____

COMPONENTS	TYPE OF UNITS	TOTAL NUMBER OF UNITS	NUMBER OF CONTRACT UNITS	NUMBER OF UNDUPLICATED CLIENTS*	NUMBER OF OPTIONAL ENROLLEES**

- where applicable
- ** for child care center services only (this figure represents a maximum number of overenrolled spaces; the actual figure may fluctuate below this throughout the year).

ANNEX A - STANDARD LANGUAGE TITLE XX PURCHASE OF SERVICE CONTRACT

Contract I.D. # _____

PART II - PROGRAM OPERATIONS**SECTION III. - MONTHLY CONTRACTING LEVEL OF SERVICE**

 Component

MONTH	POSSIBLE SERVICE DAYS	NON <u>SERVICE DAYS</u>		NON- FUNDED DAYS	MONTHLY SERV. DAYS	# SP UNDER CONT.	MONTHLY CONTRACT LOS
		HOL.	TRNG.				
1 ST							
2 ND							
3 RD							
4 TH							
5 TH							
6 TH							
7 TH							
8 TH							
9 TH							
10 TH							
11 TH							
12 TH							
ANNUAL TOTALS							

Note: Contracts for which level of service is not computed by multiplying days by spaces need complete columns 1 and 8 only.

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 HUMAN SERVICES

SUBJECT: Lobbying

EFFECTIVE: This policy circular shall become effective February 1, 1985, and shall be implemented immediately.

PROMULGATED: February 1, 1985

The purpose of this circular is to identify those lobbying activities which are unallowable costs. The contents of this circular 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. This policy does not limit a Provider Agency's ability to engage in any lobbying activities. Rather, the circular specifies which activities the Department will fund. A Provider Agency may engage in other lobbying activities and fund these activities from another source.

I. SCOPE

This policy circular applies to all Provider Agencies with Cost-Related social services and training Contracts.

II. POLICY

- A. Costs associated with the following lobbying activities 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;
 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 enrolled 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
 5. Legislative liaison activities, including 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.
- B. Costs associated with the following lobbying activities are allowable:
1. Providing technical and factual information to the United States Congress or the State legislature on a topic directly related to the performance of a Contract if:
 - a) the information is given in response to a documented request;
 - b) the information is readily obtainable and can be readily put in deliverable form; and
 - c) costs for travel, lodging or meals are incurred to offer testimony at a regularly scheduled Congressional hearing in response to a written request from the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting the hearing.
 2. Any attempt to influence State legislation in order to directly reduce the cost or to avoid material impairment of the Provider Agency's authority to perform the Contract.
 3. Any activity specifically authorized by statute to be undertaken with funds from the Contract.

III. PROCEDURES

- A. Unallowable lobbying costs, as identified in Section A, must be treated as other unallowable activity costs in accordance with the Contract_Reimbursement Manual.
- B. Time logs, calendars or similar records documenting the portion of an employee's time that is treated as an indirect cost shall not be required for the purposes of complying with this circular, unless:
 - 1. during any calendar month, the employee engages in allowable and unallowable lobbying activities which together total more than 25% of his/her compensated hours of employment;
 - 2. during the previous five-year period, the Provider Agency has at any time materially misstated allowable or unallowable costs.

Issued by:

Robert D. Prunetti, Director
Office of Planning and Policy

Samuel F. Penza
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Equipment

EFFECTIVE: This policy circular shall become effective on January 21, 2005 and shall be implemented immediately.

PROMULGATED: January 21, 2005

SUPERSEDES: Policy Circular P4.05, promulgated July 1, 1988.

The purpose of this circular is to advise Department personnel and Provider Agencies of policies and procedures to be followed in regard to Equipment.

I. SCOPE

This policy circular applies to all Provider Agencies.

II. DEFINITIONS

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

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

III. POLICY AND PROCEDURES

A. Purchase of Equipment

Department funding of Equipment is allowable, if prior approval is granted by the Department and is in accordance with the July 1986 Contract Reimbursement Manual, Section 2.3, Procurement Standards.

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 III.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 or sale proceeds from 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 additional outlay in accordance with the procedures explained in III.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

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 circular 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 or sale is \$500 or less.
3. Replacement Equipment may be acquired through Trade-In or sale of the original Equipment and application of the Trade-In or sale proceeds 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 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 or sale proceeds included).

E. 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 \$5000 -

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

- b. Equipment with an Acquisition Cost of \$5000 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 Days of closing the sale.

F. 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.
 - 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.

Issued by:

Jacob Eapen
Assistant Commissioner
Department of Human Services

Gretchen Jacobs, Director
Office of Contract Policy and
and Management

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Collapsing Direct Care Positions for Budgetary Purposes

EFFECTIVE: This policy circular shall become effective on August 1, 2000, and shall be implemented as new Contracts commence or existing Contracts are renewed thereafter.

PROMULGATED: August 1, 2000

SUPERSEDES: Information Memorandum DDD P98-1, Collapsing Direct Care Positions for Budgetary Purposes, Division of Developmental Disabilities' Pilot Project dated May 15, 1998.

I. SCOPE

This policy circular applies to Division of Developmental Disabilities' Contracts that have more than one group home or adult training program.

II. POLICY

Division of Developmental Disabilities (DDD) Provider Agencies will be allowed, with division approval, to collapse budgeted direct care supervisory and non-supervisory staff positions into similar groupings to facilitate budget monitoring and reconciliations. The direct care supervisory and direct care non-supervisory staff shall be the only positions permitted personnel budget groupings. This procedure will be permitted only if the conditions as listed in the policy section of this circular are met. The conditions required are:

- A. The Provider Agency shall exhibit a strong financial position, an effective accounting system, and a satisfactory level of service as evidenced by the most recent audit report and program monitoring reports.
- B. The Provider Agency must meet the staffing requirements of current licensing standards.

III. PROCEDURES

A. Approval Process

- 1. If a Provider Agency wishes to collapse supervisory and/or non-supervisory direct care staff in the

Contract budget, they must petition the division, in writing, at least 4 months before the start date of the Contract, requesting an approval for the grouping of eligible positions.

2. The DDD shall contact the Provider Agency at least 3½ months prior to the Contract start date through written correspondence or e-mail of its approval/disapproval of the Provider Agency "collapsing" request.
3. Once an approval is granted by the division, it is not necessary to seek approval for any subsequent renewal Contract unless conditions at the Provider Agency have changed, making the Provider Agency fall outside the scope of this circular or below the eligibility standards as outlined in the policy section of this circular.

B. Budget Requirements

1. Direct care supervisory and direct care non-supervisory staff are the only allowable groupings and shall be listed by program site with the associated number of positions and total hours per week worked.
2. Each of the direct care supervisory and non-supervisory groupings shall be subject to the greater than 5% line item requirement of Policy Circular P1.10, Contract Modification, Section III.D.2.d.1.
3. Personnel positions other than supervisory and/or non-supervisory direct care staff shall be listed in the Annex B Budget as required in the Contract Reimbursement Manual, specifically by position title/name, position number, hours per week and total reimbursable cost.


C. General Requirements

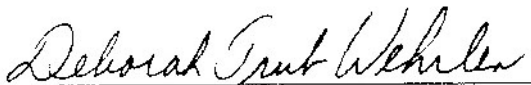
1. The Annex A staffing schedule shall correspond to the respective reimbursable costs listed in the Annex B.
2. If a direct care supervisory or non-supervisory position remains vacant for longer than one month, this information, along with the respective grouping, program site and related budgeted costs shall be reported to the Division no later than the end of the second vacant month. This

requirement shall be valid even if a position is filled by a part-time or substitute individual.

3. The Provider Agency must be able to correct any deficiency discovered as a result of any monitoring or required report that jeopardizes the Provider's eligibility for the collapsing accommodation. The correction must be accomplished within any reasonable time frame negotiated by the Provider Agency and DDD.
4. If DDD is part of a cognizant Contract, DDD shall notify the other cognizant Departmental Component(s) prior to the Contract start date regarding the grouping of any supervisory or non-supervisory direct care positions.

Issued by:


Brent Andrews, Asst. Commissioner
Budget, Finance & Administration
Department of Human Services


Deborah Trub Wehrlen, Director
Division of Developmental
Disabilities

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Advance Payments

EFFECTIVE: This policy circular shall become effective on June 1, 1997, and shall be implemented as new Contracts commence or existing Contracts are renewed thereafter.

PROMULGATED: June 1, 1997

SUPERSEDES: Policy Circular P4.10, promulgated July 1, 1988.

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

I. SCOPE

This circular applies to all Contracts.

II. DEFINITION

Initial Advance Payment means 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.

III. POLICY

- A. The Department shall not issue Initial Advance Payments prior to the Contract effective date. An Initial Advance Payment shall also not be issued before the Contract has been signed by both parties.
- B. If an Initial Advance Payment is issued, it shall be based on one month's estimated expenditures. The payment will be made as soon as possible after the start of the Contract term. The Department reserves the right not to authorize an Initial Advance Payment.
- C. The Departmental Component may issue an Initial Advance Payment greater than one month, when it is determined, via the procedures section of this circular, that a larger advance amount is necessary to prevent a Provider Agency from incurring cash flow problems.
- D. Each Departmental Component shall develop internal criteria based on its operational functions and funding source(s) that will be used to evaluate any Provider Agency request for an Initial Advance Payment greater than one month. Provider

Agencies may contact the appropriate Departmental Component for the criteria.

IV. PROCEDURES

- A. Whenever a Provider Agency requests an Initial Advance Payment greater than one month in accordance with criteria developed by each Departmental Component, it shall request the advance, in writing, with sufficient justification. The Initial Advance Payment may equal 2 months of the Contract's estimated expenditures provided that the Departmental Component chief executive or his/her designee authorizes the request.
- 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 IV.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 or utilized within the contracted program(s) at the discretion of the Departmental Component.

Issued by:

Paul W. Maksimow
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

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

EFFECTIVE: This policy circular shall become effective on September 1, 1993, and shall be implemented immediately.

PROMULGATED: September 1, 1993.

The purpose of this circular is to establish Department policy with regard to the federal Interim Final Rule promulgated by the Federal Office of Management and Budget. The policy circular 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.

I. SCOPE

This policy circular 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.

II. DEFINITIONS

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

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 that enters into a contractual arrangement with a Contractee or another Subcontractee, no matter how many interceding administrative Tiers (levels) separate the parties.

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

III. 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 A) 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 B) 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.
- 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 III.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.
- 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 Human Services may pursue all available remedies, including those listed in Attachment C of this circular, as authorized by section 1352, Title 31, of the United States Code.

IV. 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.

- 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.

Issued by:

Paul W. Maksimow
Acting Assistant Commissioner
Budget, Finance and Administration

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: _____
Name of Grantee Contract Number _____

Title of Grant Program Contract Term _____

DISCLOSURE OF LOBBYING ACTIVITIES

(See reverse for public burden disclosure)

Federal Use Only:	Authorized for Local Reproduction Standard Form-LLL
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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 USC 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. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. 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 followup 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 entity 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. Enter the amount of compensation paid or reasonably to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just spent in actual contact with federal officials. Identify the federal official(s) or employee(s) contacted or the officer(s), employee(s), or member(s) of Congress that ere contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 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, D C 20503.

DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET

Approved by OMB
0348-0046

Reporting Entity: _____ Page _____ of _____

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 HUMAN SERVICES

SUBJECT: Client Eligibility - Minimal Department Standards

EFFECTIVE: This policy shall become effective July 1, 1988, and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular P5.01, promulgated June 22, 1984.

The purpose of this circular is to set forth the basic criteria to be used in determining and redetermining client eligibility. Contracting Departmental Components have developed additional eligibility and admission standards in order to ensure that services are delivered to those individuals most in need. These additional eligibility and admission standards may not be inconsistent with applicable federal and State laws or with the criteria contained in this circular. These standards are included in the Manual as follows:

- P5.10 - Commission for the Blind and Visually Impaired
- P5.20 - Division of Mental Health and Hospitals
- P5.30 - Division of Developmental Disabilities
- P5.45 - Division of Youth and Family Services
- P5.46 - Exception to Policy Circular P5.45, Client Eligibility, Division of Youth and Family Services

The standards outlined below and the eligibility standards of the contracting Departmental Component must be met for the applicant/recipient to receive/continue to receive service.

I. SCOPE

This policy circular applies to all social service Contracts regardless of the contracting Departmental Component. This circular does not apply to controlled research projects where client participation is determined by the research specifications rather than by these principles.

II. POLICY

A. GENERAL ELIGIBILITY PRINCIPLES

1. The Department is responsible for ensuring that services are delivered to those most in need; therefore, target populations have been established.

Priority for all Department services are listed below. The priorities are not in any significant order.

- a. Persons at risk of abuse, neglect, or abandonment;
- b. Victims of abuse, neglect, or abandonment;
- c. Persons experiencing emotional disorders;
- d. Persons at risk of institutionalization;
- e. Persons inappropriately institutionalized;
- f. Persons physically handicapped, visually or hearing impaired;
- g. Persons developmentally disabled;
- h. Underserved minority populations; and
- i. Low income persons.

2. Rights and Responsibilities of Individuals Applying for Services

At the time of application for service, applicants shall be informed of eligibility requirements and of their rights and responsibilities under the social service program. These rights and responsibilities are outlined below.

a. Citizenship and Residency

Any individual who resides in New Jersey may qualify to receive service regardless of citizenship or duration of residency.

b. Nondiscrimination

Applicants for or recipients of service shall not be discriminated against due to race, color, creed, religion, ethnic background, national origin, marital status, handicap, age, or sex, and may be subject only to conditions and limitations applicable alike to all persons.

c. Right to Administrative Hearing/Administrative Review

Applicants for or recipients of service or individuals acting on their behalf may appeal the denial, reduction, termination of service, the failure to act upon a request for service with reasonable promptness, or the level of quality of service. The individual shall be informed of the procedure for requesting an administrative hearing/administrative review at the time a

request is made for service or prior to a reduction or termination of service.

d. Confidential Nature of Client Information

The applicant for or recipient of service has a right to confidentiality regarding any information collected in determining or redetermining eligibility for service. If the documentation of eligibility requires contacting outside sources, (including employers) and the applicant or recipient wished to keep the nature of the service confidential, the applicant is entitled to request that such contacts be made by the Departmental Component administering the Contract.

e. Provision of Information

Applicants for or recipients of service or individuals acting on their behalf are obligated to provide or to obtain all information necessary to establish eligibility.

f. Reporting Changes

Applicants for or recipients of service or individuals acting on their behalf are obligated to report promptly any changes which may affect eligibility.

3. Application for Service

This section outlines minimum requirements that must be met in processing applications.

a. Timeliness

Individuals wishing to apply for service must be given the opportunity to do so without undue delay.

b. Decision/Notification

A decision must be made on each completed application and written notice given to the applicant within 30 Days from the date all necessary documents have been received.

c. Denial of Service

If a decision is made to deny service, the applicant must be notified in writing of the decision, the reason(s) why service is being denied and his/her right to and the procedure for requesting an administrative hearing/administrative review. (For exceptions to this requirement, see paragraph 7 below.)

4. Minimum Client Information Requirements

The Provider Agency will maintain written individual records, containing at least the following information for all applicants and recipients. This information will not be used as a basis for determining if service or what kind of service will be provided. It will be used for statistical purposes only.

- a. Name
- b. Address
- c. Social security number
- d. County of residence
- e. Age
- f. Race
- g. Date of eligibility determination or redetermination

5. Exceptions to Minimum Client Information Requirements

In the cases of two services - crisis intervention, and information and referral - exceptions to collecting the minimum information are allowable. This is due to either the emergency nature of the service (crisis intervention) or the duration of the service and the limited client contact (information and referral), which may make it impossible to obtain all the client information required. In these two services, an attempt should be made by the Provider Agency to obtain all client information as specified in paragraph 4 above. However, if all information cannot be obtained, the Provider Agency shall include as much information as possible. At minimum, a count of clients who receive services must be maintained. Exceptions to collecting minimal client information for other services is allowable only with prior written approval of the Department's Contract Policy and Management Unit.


6. Reduction or Termination

A recipient whose service is being reduced or terminated must be notified in writing at least 10 Days prior to such action by the Provider Agency. At this time the individual must be informed of his/her rights to an administrative hearing/administrative review.


7. Exception to Written Notice

In protective services cases, when the applicant/recipient's confidentiality and/or safety might be jeopardized, written notice need not be sent. Documentation of the circumstances which prohibit notifying the applicant/recipient in writing must be entered in the individual's case record. Documentation of how the applicant/recipient was notified, e.g., interview or telephone call, shall be noted in the case record.

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy



Samuel F. Penza
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Client Eligibility - Commission for the Blind and Visually Impaired

EFFECTIVE: This policy circular shall become effective July 1, 1984, and shall be implemented immediately.

PROMULGATED: June 22, 1984

SUPERSEDES: Policy Circular P5.01, promulgated June 27, 1983, and P5.02 and P5.03, promulgated November 28, 1983.

The purpose of this policy circular is to outline specific client eligibility requirements for the Commission for the Blind and Visually Impaired - funded social services. This policy circular supplements Department client eligibility requirements included in Policy Circular P5.01, Client Eligibility.

I. SCOPE

This policy circular applies to all contracted social services funded by the Commission for the Blind and Visually Impaired.

II. POLICY AND PROCEDURES

A. Eligibility Criteria

One of the following eligibility criteria must be met in order for an individual to be eligible to receive services. The individual must be:

1. Visually Impaired. An individual is considered visually impaired if his/her vision is 20/70 or less in the better eye with proper corrections, (20/70 means that the person sees at 20 feet what a normally sighted person would see at 70 feet); or
2. Legally Blind. An individual is legally blind if his/her vision is 20/200 or less in the better eye with proper corrections or if there is a field restriction of vision limited to 20 degrees or less, (20/200 means that person sees at 20 feet what a normally sighted person would see at 200 feet); or
3. Multiply Handicapped. An individual is considered multiply handicapped if, in addition to being blind or visually impaired, he/she has at least one additional handicapping condition which interacts and results in

problems so complex that restorative/rehabilitative efforts designed for either handicapping condition will not result in achieving the goal of maximum independent living.

B. Application Procedures

Application for social services provided by the Commission for the Blind and Visually Impaired shall be made at the Provider Agency.

C. Eligibility Redetermination

Redetermination of eligibility is not required. Once an individual is determined eligible, the service is provided until it is no longer needed.

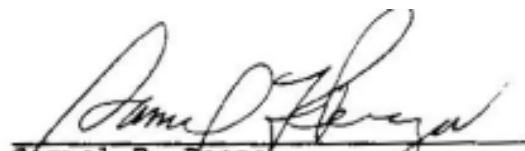
D. Fees

No fees are charged by the Provider Agency to clients receiving services.

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy



Samuel P. Penza
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Client Eligibility - Division of Mental Health and Hospitals

EFFECTIVE: This policy circular shall become effective July 1, 1984, and shall be implemented immediately.

PROMULGATED: June 22, 1984

SUPERSEDES: Policy Circular P5.01, promulgated June 27, 1983, and P5.02 and P5.03, promulgated November 28, 1983.

The purpose of this circular is to outline specific client eligibility requirements for Division of Mental Health and Hospitals - funded social services. This policy circular supplements Department client eligibility requirements included in Policy Circular P5.01, Client Eligibility.

I. SCOPE

This policy circular applies to all contracted social services, funded by the Division of Mental Health and Hospitals.

II. POLICY AND PROCEDURES

A. Eligibility Criteria

1. The goal of the mental health system is to provide comprehensive services to everyone in need; however, target populations have been established to ensure that those who are in the greatest need and/or those who have been traditionally underserved receive services. The priorities are not intended to be exclusionary.
2. The target populations for admission into mental health services are listed below. Target Group I is a higher priority than Target Group II; however, the order of listed populations within each of these target groups is not significant.

Target Group I

- Adults and children currently in a State/county/local psychiatric hospital who could live in the community with appropriate services.
- Adults and children in the community, with a history of State/county/local psychiatric hospitalization, who are in serious risk of re-hospitalization.

Target Group II

- Children (17 or younger) who are mentally, emotionally and functionally impaired.
- Elderly (65 or older) who are mentally, emotionally and functionally impaired.
- Minorities (Black and/or Hispanic or other minority groups identified in the county plan) who are mentally, emotionally and functionally impaired.
- Rural poor who are mentally, emotionally and functionally impaired.
- Urban poor who are mentally, emotionally and functionally impaired.

B. Application Procedures

Application for community mental health services can be made at the local community mental health agency (the Provider Agency). The Provider Agency will make a clinical assessment of each applicant to determine the need for services.

C. Eligibility Redetermination

Redetermination of client eligibility is an ongoing process which includes an assessment of the client's needs and abilities.

D. Client Fees


Client fees are charged for the following services on the basis of a client's ability to pay:

- outpatient;
- partial care (adults only); and
- emergency.

Client fee schedules for services are approved by the Division of Mental Health and Hospitals. Copies of fee schedules are on file with the Provider Agency and the Division of Mental Health Services and Hospitals.

Issued by:


Robert D. Prunetti, Director
Office of Planning and Policy


Samuel P. Penza
Assistant Commissioner
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Client Eligibility - Division of Mental Retardation

EFFECTIVE: This policy circular shall become effective July 1, 1984, and shall be implemented immediately.

PROMULGATED: June 22, 1984

SUPERSEDES: Policy Circular P5.01, promulgated June 27, 1983, and P5.02 and P.503, promulgated November 28, 1983.

The purpose of this policy circular is to outline specific client eligibility requirements for functional services through the Division of Mental Retardation. This policy circular supplements Department client eligibility requirements included in Policy Circular P5.01, Client Eligibility.

I. SCOPE

This policy circular applies to all contracted social services funded by the Division of Mental Retardation

II. DEFINITION

Mentally Retarded means a state of significant subnormal intellectual development with reduction of social competence in a minor or adult person; this state of subnormal intellectual development shall have existed prior to adolescence and is expected to be of life duration (N.J.S.A. 30:4-23).

Mentally Deficiency shall mean the state of mental retardation in which reduction of social competence is so marked that persistent social dependency requiring guardianship of the person shall have been demonstrated or be anticipated (N.J.S.A. 30:4-23).

Functional Services shall mean those services and programs in the Department available to provide the mentally retarded with education, training, rehabilitation, adjustment, treatment, care and protection (N.J.S.A. 30:4-23).

III. POLICY AND PROCEDURES

- A. In the Division of Mental Retardation, there are four separate processes for determining eligibility depending on the service to be delivered. The first process for Community Services includes the following services: Purchase of Care, Group Homes, Supervised Apartments, Family Care,

Foster Grandparents, Skill Development Homes, Supportive Living Apartments, Case Management, Adult Activities, and Home Assistance. The second process is for Day Training Services; the third for Infant Stimulation and Pre-School Services; and the fourth is for Citizen Advocacy Services.

B. COMMUNITY SERVICES

This includes Purchase of Care, Group Homes, Supervised Apartments, Family Care, Foster Grandparents, Skill Development Homes, Unsupervised Apartments, Case Management, Adult Activities, and Home Assistance.

1. Eligibility Criteria

The following eligibility criteria must be met in order for an individual to be eligible to receive Community Services.

- a. The individual must be a Mentally Retarded person. To be classified as Mentally Retarded, the following criteria must be met:
 1. the person must meet the established psychometric criteria for Mental Retardation;
 2. there must be a demonstrated reduction in social competence;
 3. the retardation must have existed prior to the age of eighteen; and
 4. the retardation can reasonably be expected to be of life duration.
- b. The individual must be in need of Community Services at the time of application.
- c. For Home Assistance, which includes Personal Care and Intervention Care, and Assistive Devices only, in addition to the above eligibility criteria, persons whose annual income does not exceed established limits, as indicated on the Income Schedule in Attachment 2, are eligible to receive services.

2. Application Procedures

- a. Application for services of the Division of Mental Retardation shall be made by the individual in need of service or person(s) authorized to do so.

Persons authorized to apply on a minor's behalf include parents, guardians, juvenile courts and/or appropriate agencies having care of the minor. In the case of an adult who is believed to be Mentally Deficient, a court of competent jurisdiction may apply. For an adult declared Mentally Deficient, the court-appointed guardian is authorized to make applications for Functional Services.

- b. Application shall be made to the regional office of the Division of Mental Retardation serving the county in which the individual resides. If the individual is in a facility out of State, the New Jersey address of the applicant shall be used to determine county of residence. A list of regional offices and the counties they serve is included in Attachment 1.
- c. For those services that require an income screening (Personal Care and Intervention, Respite Care, and Assistive Devices provided under Home Assistance), the process for determining eligibility is included, for informational purposes only, in Attachment 2.

3. Redetermination of Eligibility

- a. For all services provided in Community Services redetermination of client eligibility is an ongoing process which includes an assessment of the client's needs and abilities. Further, as stipulated in law, the Division of Mental Retardation shall evaluate each Mentally Retarded minor admitted to community service as he or she approaches adulthood to determine if, by reason of Mental Deficiency, the person will continue to require protection and supervision of his/her own interest, being incapable of managing oneself or affairs as an adult (N.J.S.A. 30:4-165.5). By implication, other individuals who are already adults at the time of their admission into Functional Services will be evaluated for the same purpose. Moreover, the status of every adult client previously determined either Mentally Deficient or non-deficient shall be reviewed no less than annually.
- b. For those services that require an income screening (Personal Care and Intervention, Respite Care, and Assistive Devices provided under Home Assistance) income eligibility will be

redetermined every 12 months. However, if the client situation changes in any way which would affect his/her eligibility, redetermination must be completed within 30 Days of the change.

4. Fees

- a. No fees are charged by the Provider Agency to clients receiving services.
- b. Clients receiving residential services may be assessed a fee for service by the appropriate county adjuster. The Provider Agency has no responsibility for this process nor may it charge clients any additional fees.

C. DAY TRAINING PROGRAMS

1. Eligibility Criteria

To be eligible to receive Day Training the individual must be between the ages of three and twenty-one. To receive service the following eligibility criteria must be met.

- a. Children from three to five must be classified as "preschool handicapped in need of a Day Training program.
- b. Individuals age five to twenty one must be classified as "eligible for Day Training".

Classification for both categories of Day Training Services is made by the Local Educational Authority (LEA).

2. Application Procedures

Individuals are determined eligible for Day Training services by their LEA, i.e., the local public school. Once the individual is classified as either "eligible for Day Training" or "pre-school handicapped in need of a Day Training program, referral is made by the LEA to the appropriate regional office of the Division of Mental Retardation. Once the individual is classified by the LEA, services must begin within 30 Days.

3. Redetermination of Eligibility

Redetermination of eligibility for Day Training Services is required at least every three years. However, the client's parent(s) may request it be done annually.

4. Fees

No fees are charged to clients receiving services.

D. INFANT STIMULATION AND PRE-SCHOOL PROGRAMS

1. Eligibility Criteria

The following eligibility criteria must be met in order for an individual to receive services:

- a. there must be severe chronic disability(ies) attributable to mental or physical impairment, or a combination of mental and physical impairments;
- b. the disability is likely to continue indefinitely;
- c. the disability results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency.
- d. the disability reflects the person's need for a combination and sequence of special, interdisciplinary or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; and
- e. the individual must be in need of the service at the time of application.

2. Application Procedures

To receive service, application is made by the individual or his/her parent or legal guardian directly to the Provider Agency. The Provider Agency is responsible for determining whether the individual meets the eligibility criteria. Generally this determination is done on the basis of a medical report completed by a physician or psychologist or, in the absence of a medical report, the assessment is done by trained Provider Agency staff.

3. Redetermination of Eligibility

Redetermination of client eligibility is an ongoing process which includes as assessment of the client's needs and abilities.

4. Fees

No fees are charged to clients receiving services.

E. CITIZEN ADVOCACY PROGRAMS

1. Eligibility Criteria

All past, current or future clients of the Division of Mental Retardation are eligible to receive service. This includes meeting any of the three processes outlined above.

2. Application Procedures

To receive service, application is made directly to the Provider Agency which is responsible for determining whether the individual meets the eligibility criteria.

3. Redetermination of Eligibility


Redetermination of clients eligibility is an ongoing process which includes as assessment of the client's needs and abilities.

4. Fees

No fees are charges to clients receiving services.

Issued by:


Robert D. Prunetti, Director
Office of Planning and Policy


Samuel P. Penza
Assistant Commissioner
Department of Human Services

Regional Offices - DMR

<u>Regional Office</u>	<u>Counties Served</u>
Central Regional Office 3rd Street, Building #5 Bordentown, NJ 08505 (609) 298-5981	Burlington Mercer Middlesex Monmouth Ocean
Metropolitan Regional Office 35 North Fullerton Avenue Montclair, NJ 07042	Bergen Essex Hudson Passaic Union
Northern Regional Office Seber Road Doctor's Park, Building #3 Hackettstown, NJ 07840 (201) 852-1214	Hunterdon Morris Somerset Sussex Warren
Southern Regional Office Route 30 and Elvins Avenue Hammonton, NJ 08037 (609) 561-5070	Atlantic Camden Cape May Cumberland Gloucester Salem

This attachment outlines how the appropriate regional office of the Division of Mental Retardation will determine income eligibility. Income eligibility is applicable to Personal Care and Intervention, Respite Care, and Assistive Devices provided under Home Assistance only. Since the Provider Agency is not responsible for determining income eligibility, this attachment is provided for informational purposes only.

Family income will be determined according to the following steps:

- family size is determined according to the guidelines included in Attachment 2-A, Family Size;
- gross income, is determined according to the guidelines in Attachment 2-B, Income Resources and Exclusions; and
- the family size and gross income numbers already established, used with Attachment 2-C, Income Schedule, will determine if the applicant is eligible for services.

FAMILY SIZE

Computation of family size, which depends on the definition of "family" below, is important because the income eligibility schedule varies according to family size.

A. Definition of Family

For eligibility purposes, a family is either a multi-person or a one-person family.

1. Multi-Person Families are:

- A married couple residing together.
- One or more children (other than emancipated minors) residing with one or both of their parents or another person related by blood or law.
- A child who resides with a person unrelated by blood or law and whose legal relationship with his/her biological parents has not been terminated by court order.

Such a child (e.g., foster child), for the purposes of eligibility, continues to be considered a member of the natural family (except for Indochinese, Cuban, or Haitian Unaccompanied Minors, who are considered one-person families). The Provider Agency should consult with the foster care placement agency for eligibility status.

2. One-Person Families are:

- An adult residing alone or with another adult(s) (other than a spouse).
- An adult residing with children unrelated by blood or law.
- A child who resides alone or with a person unrelated by blood or law and whose legal relationship with his/her biological parents has been terminated by court order.
- An Indochinese, Cuban, or Haitian Unaccompanied Minor.

An emancipated minor, defined as a person under 18 years of age who is self-supporting or living independently or whose behavior and whose request for social services is not effectively under parental control.

Note on Emancipated Minors: An emancipated minor is never counted with his/her parents. If a child in the household is emancipated in the sense of being self-supporting, the child shall be considered an adult for eligibility purposes. This means that the child is considered a one-person family. While there may be other circumstances besides economic self-support that would properly characterize a person under 18 years of age as emancipated (for example, a girl under 18 years of age living with the family and caring for her child), these additional circumstances are difficult to set forth in advance, and each circumstance, other than economic self-support, suggesting emancipation shall be dealt with on a ad hoc basis.

B. Rules for Computing Family Size

Note: Family size must be determined for the same period over which gross income is computed.

As a general rule, to compute family size for eligibility purposes, count each married parent and natural and/or adoptive child residing as a family in the same household.

A child is a person (1) under 18 years of age, (2) between the ages of 18 and 21 who continues in a paid foster or residential care placement, who is regularly attending a school or training program below the college level, and/or has an emotional, cognitive, or physical disability or (3) any person age 18 who resides with his/her parent(s) and is a full-time student in a secondary school or in the equivalent level of vocational or technical training.

An emancipated minor, as previously defined, shall be considered as an adult.

Married adults residing in the same household shall be counted as members of the same family (multi-person family).

Unmarried adults residing in the same household shall each be considered as a one-person family, unless an adult resides also with his/her own child(ren) related by blood

or law. Then that adult is part of a multi-person family which includes his/her child(ren) and/or child(ren) related by blood or law.

For child(ren) residing with unmarried parents who live together, the father is counted in family size with only those child(ren) for whom paternity has been legally established. If both unmarried parents are included in family size, only the income of the parent earning the greater gross income is used to determine financial eligibility.

A stepparent living with a spouse and the spouses's child is considered part of a multi-person family, if the stepparent is not legally responsible for the child.

INCOME RESOURCES AND EXCLUSIONS

NOTE: In computing income, only the earned income of family members 14 years of age or older is considered. However, unearned income of family members of all ages is considered.

Allowable/Mandated Resources

Gross income means the sum of income received by an individual from the following sources that are identified by the U.S. Census Bureau in computing the median income.

A. Earned Income

- Money wages or salary means total money earnings received for work performed as an employee, including wages, salary, Armed Forces pay, commissions, tips, piece-rate payments, and cash bonuses earned before deductions are made for taxes, bonds, pensions, union dues, and similar purposes.
- Net income from non-farm self-employment means gross receipts minus expenses from one's own non-farm business, professional enterprise, or partnership. Gross receipts include the value of all goods sold and services rendered. Expenses include costs of goods purchased, rent, heat, light, power, depreciation charges, wages and salaries paid, business taxes (not personal income taxes), and similar costs. The value of salable merchandise consumed by the proprietors of retail stores is not included as part of net income.
- Net income from farm self-employment means gross receipts minus operating expenses from the operation of a farm by a person on his/her own account, as an owner, renter, or sharecropper. Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, and similar items. Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farmhands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not State and federal income taxes), and similar expenses. The value of fuel, food, or other farm products used for family living is not included as part of net income.

B. Unearned Income

- Social Security includes Social Security pensions and survivor's benefits, and permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance and railroad retirement insurance checks from the U.S. Government.
- Dividends, interest (on savings or bonds), income from estates or trusts, net rental income or royalties include dividends from stockholdings or membership in associations, interest on savings or bonds, periodic receipts from estates or trust funds, net income from rental of a house, store, or other property to others, receipts from boarders or lodgers, and net royalties.
- Public assistance or welfare payments include public assistance payments such as AFDC, SSI, State supplemental payments to SSI recipients, and general assistance (i.e., municipal welfare).
- Pensions and annuities include pensions or retirement benefits paid to a retired person or his/her survivors by a former employer or by a union, either directly or through an insurance company, and periodic receipts from annuities or insurance.
- Unemployment compensation means compensation received from government unemployment insurance agencies or private companies during periods of unemployment and any strike benefits received from union funds.
- Worker's compensation means compensation received periodically from private or public insurance companies for injuries incurred at work. The cost of this insurance must have been paid by the employer and not by the worker.
- Alimony.
- Child support.
- Veteran's pensions means money paid periodically by the Veterans Administration to disabled members of the Armed Forces or to survivors of deceased veterans, subsistence allowances paid to veterans for education and on-the-job training, as well as so-called "refunds" paid to ex-service personnel as GI insurance premiums.

- Exclusions

Excluded from computation of gross income are the following:

- Per capita payments of or funds held in trust for any individual in satisfaction of a judgment of the Indian Claims Commission of the Court of Claims.
- Payments made pursuant to the Alaska Native Claims Settlement Act to the extent such payments are exempt from taxation under section 21(a) of the Act.
- Money received from sale of property, such as stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property, in which case the net proceeds would be counted as income from non-farm self-employment).
- Withdrawals of bank deposits.
- Money borrowed.
- Tax refunds or rebates.
- Gifts.
- Lump sum payments, (e.g., inheritances, insurance payments, energy assistance, HUD settlements).
- Capital gains.
- The value of the coupon allotment under the Food Stamp Act of 1977, as amended.
- The value of supplemental food assistance under the Child Nutrition Act of 1966 and the special food service program for children under the National School Lunch Act, as amended.
- Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- Earned income of a child under 14 years of age (no inquiry shall be made).

- Loans and grants, such as scholarships, obtained and used under conditions that preclude their use for current living costs.
- Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the Commissioner of Education under the Higher Education Act.
- Home produce utilized for household consumption.
- Payments to VISTA volunteers pursuant to Section 404 (g) of the Domestic Assistance Act of 1973.

INCOME SCHEDULE

FAMILY SIZE	GROSS INCOME PER YEAR
1	16,037
2	20,972
3	25,907
4	30,841
5	35,775
6	40,709
7	41,635
add for each additional member	925

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Client Eligibility - Division of Youth and Family Services

EFFECTIVE: This policy circular shall become effective April 1, 1986, and shall be implemented immediately.

PROMULGATED: March 24, 1986

SUPERSEDES: Policy Circular P5.45, promulgated June 17, 1985.

The purpose of this policy circular is to outline specific client eligibility requirements for Division of Youth and Family Services funded social services. This policy circular supplements Department client eligibility requirements included in Policy Circular P5.01, Client Eligibility.

I. SCOPE

This policy circular applies to all contracted social services funded by the Division of Youth and Family Services.

II. POLICY AND PROCEDURES

A. Eligibility for social services may be determined according to one of three distinct sets of criteria and procedures outlined below:

1. Without Regard to Income

a. Protective Services (PRS)

(1) Eligibility Criteria

Persons classified as "in need of protective services" are eligible for services. This classification is determined by the following authorities:

- a district office of DYFS (for children only);
- a county welfare agency (CWA) (for adults only);
- the Provider Agency (for adults - domestic violence only).

In determining eligibility, income is not considered for persons in any of the above categories.

(2) Application Procedures

In order for an applicant to be eligible without regard to income by reason of his/her classification as "in need of protective services," one of the above agencies is required to document, in writing, in the respective client case record, the circumstances which support the determination that the applicant is subject to or at risk of abuse, neglect, or exploitation.

In addition, the Provider Agency records must stipulate that the applicant is eligible for services without regard to income due to his/her being "in need of protective services."

If the determination of eligibility has been completed by a DYFS district office or CWA, DYFS Form 26-19 is completed to document eligibility. A copy of this form is forwarded to any other provider of service when the applicant requests a DYFS funded social service from that Provider Agency.

- (3) If the client has been determined by DYFS or a CWA as eligible due to the "in need of protective services," it is their respective responsibility to complete the redetermination every-6-months. Anytime there is a change in eligibility, DYFS or the CWA will advise the Provider Agency by forwarding the determination form.

b. Juvenile-Family Court Services

1) Eligibility Criteria

Individuals determined by the Family Part-Superior Court (the Family Court) or its Crisis Intervention Unit as "in need of juvenile-family court services" are eligible to receive services. This determination is verified by the Provider Agency. Public Law 1982, Chapter 80, which establishes juvenile-family court services does not provide for income screening. These clients

should be served without regard to income.

(2) Application Procedures

In order for an applicant to be eligible without regard to income by reason of their classification as "in need of juvenile-family court services," the Provider Agency is required to document, in writing, in the respective client case record, that the client is receiving juvenile-family court services.

(3) Redetermination

Once the juvenile-family is eligible to receive juvenile-family court services, the service continues until it is no longer needed.

2. Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI)

a. Eligibility Criteria

Persons receiving AFDC (including those persons whose needs were taken into account in determining the needs of AFDC recipients) or persons receiving SSI are eligible for services.

b. Application Procedures

If an applicant meets the AFDC or SSI status condition, the Provider Agency's client record must include the applicant's AFDC or SSI number and must indicate the applicable status as the condition for eligibility.

For day care or homemaker services, verification of the applicant's AFDC or SSI status must be provided by the AFDC or SSI program or by the applicant's submission of appropriate documentation.

Examples of items an applicant may use to document his/her status as an AFDC or SSI recipient include:

- a current Medicaid card;
- a recent SSI award letter;
- a copy of a recent SSI check; or
- a recent AFDC check stub.

c. Redetermination

In general, the Provider Agency must redetermine eligibility of a client every 12 months. However, if the client's situation changes in any way which would affect his/her eligibility, redetermination must be completed within 30 Days of the change.

3. Gross Monthly/Annual Family Income

NOTE: Gross monthly/annual family income is used to establish eligibility for services only when the applicant does not meet the criteria of (1) Without Regard to Income PRS or "in need of juvenile-family court services" or (2) AFDC or SSI.

a. Eligibility Criteria

Persons whose gross monthly/annual family income does not exceed established limits, as indicated on the Income Schedule in Attachment 1, are eligible for services.

b. Application Procedures

The Provider Agency is responsible for determining eligibility for services based on gross monthly/annual family income.

(1) Process for Determining Eligibility

Determine gross monthly/family income, according to the following steps:

determine the family size, according to the guidelines included in Attachment 2, Family Size;

determine gross income, according to guidelines regarding allowable resources and excludable resources in Attachment 3, Income Resources and Exclusions; and

using the family size and gross income numbers already established, refer to Attachment 1, Income Schedule, to determine if the applicant is eligible for services.

(2) Verification of Eligibility

One of two methods will be used to verify an applicant's eligibility:

(a) Declaration of Amount and Source of Income

Declaration is the applicant's verbal statement that indicates income maintenance status (AFDC or SSI) or amount of income for the applicant and/or family members. The amount and source of the income need not be documented. With the exception of day care and homemaker services, eligibility for services can be verified based on the applicant's declaration.

(b) Documentation of Amount and Source of Income for Day Care and Homemaker Services Only

Documentation is actual evidence verifying the applicant's eligibility. Such documentation may be (1) a copy of the source document, (2) written statement of the Provider Agency concerning the contents of the source document, or (3) the Provider Agency's written statement on the basis of verbal communication with agencies or employers verifying the applicant's and/or family members' income.

Examples of source documents of gross income include:

- pay stubs, W-2, or 1040 forms;
- business records;
- pension statements;
- correspondence from employers or agencies (e.g., Social Security Administration, Veterans Administration, State employment agencies) that indicate the specific amount of the applicant's and/or family members' income.

If an applicant alleges that income is received as cash without a receipt, documentation requires contacting the employer for confirmation of the amount.

Documentation must be retained or written in the individual applicant's case file.

(c) Redetermination


The Provider Agency must redetermine eligibility of a client every 12 months. However, if the client's situation changes in any way which would affect his/her

eligibility, redetermination must be completed within 30 calendar days of the change.


B. Fees

Client fees are only charged for Day Care services.

Client fee schedules for Day Care services are on file with the Provider Agency and the Division.



Robert D. Prunetti, Director
Office of Planning and Policy



Samuel P. Penza
Assistant Commissioner
Department of Human Services

INCOME SCHEDULE

(Represents 80% of 1983 N.J. Median Income)

<u>Family Size</u>	<u>Maximum Allowable Gross Income</u> <u>Per Month</u>	<u>Per Year</u>
1	\$1,264	\$15,162
2	1,652	19,827
3	2,041	24,493
4	2,430	29,158
5	2,819	33,823
6	3,207	38,489
7	3,280	39,362
8	3,353	40,238
9	3,426	41,112
10	3,499	41,987
11	3,572	42,862
12	3,645	43,737

For each family member over 12, add \$73 to the maximum allowable gross income per month.

FAMILY SIZE

Computation of family size, which depends on the definition of "family" below, is important because the income eligibility schedule varies according to family size.

A. Definition of Family

For eligibility purposes, a family is either a multi-person or a one-person family.

1. Multi-Person Families are:

- A married couple residing together.
- One or more children (other than emancipated minors) residing with one or both of their parents or another person related by blood or law.
- A child who resides with a person unrelated by blood or law and whose legal relationship with his/her biological parents has not been terminated by court order.

Such a child (e.g., foster child), for the purposes of eligibility, continues to be considered a member of the natural family (except for Indochinese, Cuban, or Haitian Unaccompanied Minors, who are considered one-person families). The Provider Agency should consult with the foster care placement agency for eligibility status.

2. One-Person Families are:

- An adult residing alone or with another adult(s) (other than a spouse).
- An adult residing with children unrelated by blood or law.
- A child who resides alone or with a person unrelated by blood or law and whose legal relationship with his/her biological parents has been terminated by court order.
- An Indochinese, Cuban, or Haitian Unaccompanied Minor.
- An emancipated minor, defined as a person under 18 years of age who is self-supporting or living independently or whose behavior and whose request for social services is not effectively under parental control.

Note on Emancipated Minors: An emancipated minor is never counted with his/her parents. If a child in the household is emancipated in the sense of being self-supporting, the child

shall be considered an adult for eligibility purposes. This means that the child is considered a one-person family. While there may be other circumstances besides economic self-support that would properly characterize a person under 18 years of age living as emancipated (for example, a girl under 18 years of age living with the family and caring for her child), these additional circumstances are difficult to set forth in advance, and each circumstance, other than economic self-support, suggesting emancipation shall be dealt with on an ad hoc basis.

B. Rules for Computing Family Size

Note: Family size must be determined for the same period over which gross income is computed.

As a general rule, to compute family size for eligibility purposes, count each married parent and natural and/or adoptive child residing as a family in the same household.

- A child is a person (1) under 18 years of age, (2) between the ages of 18 and 21 who continues in a paid foster or residential care placement, who is regularly attending a school or training program below the college level, and/or has an emotional, cognitive, or physical disability or (3) any person age 18 who resides with his/her parent(s) and is a full-time student in a secondary school or in the equivalent level of vocational or technical training.
- An emancipated minor, as previously defined, shall be considered as an adult.
- Married adults residing in the same household shall be counted as members of the same family (multi-person family).
- Unmarried adults residing in the same household shall each be considered as a one-person family, unless an adult resides also with his/her own child(ren) related by blood or law; then that adult is part of a multi-person family which includes his/her child(ren) and/or child(ren) related by blood or law.
- For a child(ren) residing with unmarried parents who live together, the father is counted in family size with only that child(ren) for whom paternity has been legally established. If both unmarried parents are included in family size, only the income of the parent earning the greater gross income is used to determine financial eligibility.
- A stepparent living with a spouse and the spouse's child is considered part of a multi-person family when the stepparents is not legally responsible for the child.

INCOME RESOURCES AND EXCLUSIONS

NOTE: In computing income, only the earned income of family members 14 years of age or older is considered. However, unearned income of family members of all ages is considered.

Allowable/Mandated Resources

Gross income means the sum of income received by an individual from the following sources that are identified by the U.S. Census Bureau in computing the median income.

A. Earned Income

- Wages or salary means total earnings received for work performed as an employee, including wages, salary, Armed Forces pay, commissions, tips, piece-rate payments, and cash bonuses earned before deductions are made for taxes, bonds, pensions, union dues, and similar purposes.
- Net income from non-farm self-employment means gross receipts minus expenses from one's own non-farm business, professional enterprise, or partnership. Gross receipts include the value of all goods sold and services rendered. Expenses include cost of goods purchased, rent, heat, light, power, depreciation charges, wages and salaries paid, business taxes (not personal income taxes), and similar costs. The value of salable merchandise consumed by the proprietors of retail stores is not included as part of net income.
- Net income from farm self-employment means gross receipts minus operating expenses from the operation of a farm by a person on his/her own account, as an owner, renter, or sharecropper. Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, and similar items. Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farmhands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not State and federal income taxes), and similar expenses. The value of fuel, food, or other farm products used for family living is not included as part of net income.

B. Unearned Income

- Social Security includes Social Security pensions and survivor's benefits, and permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance and railroad retirement insurance checks from the U.S. Government.

- Dividends, interest (on savings or bonds), income from estates or trusts, net rental income or royalties include dividends from stockholdings or membership in associations, interest on savings or bonds, periodic receipts from estates or trust funds, net income from rental of a house, store, or other property to others, receipts from boarders or lodgers, and net royalties.
- Public assistance or welfare payments include public assistance payments such as AFDC, SSI, State supplemental payments to SSI recipients, and general assistance (i.e., municipal welfare).
- Pensions and annuities include pensions or retirement benefits paid to a retired person or his/her survivors by a former employer or by a union, either directly or through an insurance company, and periodic receipts from annuities or insurance.
- Unemployment Compensation means compensation received from government unemployment insurance agencies or private companies during periods of unemployment and any strike benefits received from union funds.
- Worker's compensation means compensation received periodically from private or public insurance companies for injuries incurred at work. The cost of this insurance must have been paid by the employer and not the worker.
- Alimony.
- Child Support
- Veteran's pensions means money paid periodically by the Veterans Administration to disabled members of the Armed Forces or to survivors of deceased veterans, subsistence allowance paid to veterans for education and on-the-job training, as well as so-called "refunds" paid to ex-service personnel as GI insurance premiums.

Exclusions

Excluded from computation of gross income are the following:

- Per capita payments of or funds held in trust for any individual in satisfaction of a judgment of the Indian Claims Commission of the Court of Claims.
- Payments made pursuant to the Alaska Native Claims Settlement Act to the extent such payments are exempt from taxation under Section 21(a) of the Act.

- Money received from sale of property, such as stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property, in which case the net proceeds would be counted as income from non-farm self-employment).
- Withdrawals of bank deposits.
- Money borrowed.
- Tax refunds or rebates.
- Gifts.
- Lump sum payments, (e.g., inheritances, insurance payments, energy assistance, HUD settlements).
- Capital gains.
- The value of the coupon allotment under the Food Stamp Act of 1977, as amended.
- The value of supplemental food assistance under the Child Nutrition Act of 1966 and the special food service program for children under the National School Lunch Act, as amended.
- Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- Earned income of a child under 14 years of age (no inquiry shall be made).
- Loans and grants, such as scholarships, obtained and used under conditions that preclude their use for current living costs.
- Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the Commissioner of Education under the Higher Education Act.
- Home produce utilized for household consumption.
- Payments to VISTA volunteers pursuant to Section 404(g) of the Domestic Assistance Act of 1973.

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Match Requirements for Social Services Block Grant Service Contracts

EFFECTIVE: This policy circular shall become effective on July 1, 1983, and shall be implemented as new Contracts commence or existing Contracts are renewed thereafter.

PROMULGATED: June 1, 1983

SUPERCEDES: Policy Circular P6.01, promulgated July 1, 1982

The purpose of this circular is to advise State and Provider Agencies of match requirements for Social Services Block Grant Service Contracts. These requirements have been established by the New Jersey Department of Human Services; they are not requirements of the federal Department of Health and Human Services.

I. SCOPE

This policy circular 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.

II. DEFINITIONS

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

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

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. Included as In-Kind Contributions are public contributions formerly designated as CCE (Certified Cash Expenditures).

III. POLICY

- A. Match is required by the Department for all SSBG service Contracts. The amount of match required is 25 percent of a base amount. This base amount is calculated by adding to the Total Operating Budget the amount of any State Agency-approved In-Kind Contributions and subtracting from this sum any Cost Sharing not to be used as match.
- 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 below may be contributed by a public entity either to a public Provider Agency (including itself) or to a private Provider Agency.

- a. Cash donations include budget appropriations from the State government and from local government entities, e.g., freeholders, municipal governments, school boards, housing authorities. With the exception of budget appropriations from the State government, cash donations from public entities must be transferred to the Provider Agency and placed under its administrative control.
- b. In-Kind Contributions must be 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.

The basis for determining the value of In-Kind Contributions must be documented. (See Attachment 2 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 United Ways, 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 case must be transferred to the

Provider Agency and placed under its administrative control.

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

- D. Unallowable sources of match for SSBG service Contracts are as follows:
 - 1. Client Fees
 - 2. Federal Funds, unless authorized by federal law to be used to match other federal funds.
- E. Match is to be used in the provision of the Contract services described 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 State Agency. Any change in the type(s), source(s), or amount(s) of match shall be reported to the State Agency. (See Policy Circular P1.10, Contract Modification.)
- G. In cases 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 State Agency 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 another program.
- I. Provider Agency records of receipt and utilization of match for SSBG service Contracts are subject to any audit performed in compliance with the Contract's Standard Language Document.

IV. 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). A sample completed form is Attachment 1 to this circular.

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 State Agency'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 copy(ies) of a fully-executed Donor Agreement(s) (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 longer-than-one-year Contract, must be submitted to the State Agency prior to the finalization of the SSBG service Contract.

In the case of a longer-than-one-year Contract, when documentation of match has been provided for the first twelve months of the Contract only, a copy(ies) of the Provider Agency's governing board

resolution and/or Donor Agreement(s) (Public or Private) for the remainder the Contract term must be submitted to the State Agency prior to the 12th month of the Contract term.

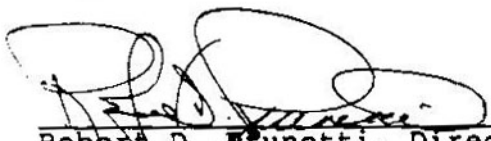
3. Inclusion of Match in the Official Contract Budget


In accordance with guidelines and instructions in 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 circular to review and approve the type(s), source(s), and amount(s) of donation(s) to be used as match for a SSBG service Contract.
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 Donor of match. Sample copies of the standard Donor Agreements (Public and Private) are Attachments 3 and 4 to this policy circular.
3. The State Agency shall keep 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.

Issued by:


Robert D. Prunetti, Director
Office of Planning and Policy


Samuel F. Penza
Assistant Commissioner
Department of Human Services

MATCH INFORMATION FORM

Sample

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

Contract Term: July 1, 1983 to June 30, 1984

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 amount of all Cost Sharing other than Match. <div style="margin-left: 40px;"><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></div> 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>

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>	<i>3,000</i>
		TOTAL MATCH	<u>\$22,500</u>

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.

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:

1. 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.
2. Term - This Agreement shall begin on _____, 20__ and shall terminate on _____, 20__, barring any outstanding obligations to either party.
3. Donated Resources - The Donor agrees to provide Donated Resources in an amount totaling \$_____ to the Provider Agency.

4. 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 3A for In-Kind Contributions.

5. 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.
6. Donor's Restrictions - The Donor restricts the use of Donated Resources as follows:

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

7. 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.

8. 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 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.

BY: _____
Signature of Donor's
Authorized Representative

BY: _____
Signature of the Provider
Agency's Authorized
Representative

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DONOR: _____

PROVIDER
AGENCY: _____

DONOR
ADDRESS: _____

PROVIDER
ADDRESS: _____

PHONE
NUMBER: _____

PHONE
NUMBER: _____

DATED: _____

DATED: _____

Donor Agreement # _____

ATTACHMENT 3A

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		\$_____

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:

PAYMENT(S)

DATE DUE

AMOUNT

TOTAL

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.

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 HUMAN SERVICES**

SUBJECT: Contract Closeout

EFFECTIVE: This policy circular shall become effective on July 15, 2001, and shall be implemented immediately.

PROMULGATED: July 15, 2001

SUPERSEDES: Policy Circular P7.01, promulgated July 1, 1988.

The purpose of this circular is to establish Department of Human Services policy for Contract closeout.

I. SCOPE

This policy circular applies to all Contracts.

II. DEFINITIONS

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

Days means calendar days

Disallowed Costs means those charges to a Contract that the Departmental Component determines to be unallowable in accordance with applicable cost principles, Departmental Component policies or other conditions contained in the Contract.

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

Final Contract Closeout means the process by which the Departmental Component determines that all applicable administrative actions and all required work of the Contract have been completed by the Provider Agency and the Departmental Component.

Preliminary Contract Closeout means the process whereby a 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 Expenditure (ROE) submitted by the Provider Agency to the Departmental Component.

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

III. POLICY

- A. Contract closeout shall be accomplished through a combination of a Preliminary Contract Closeout and a Final Contract Closeout, or solely by Final Contract Closeout.
- B. Preliminary Contract Closeout shall occur upon receipt of the FROE; or, if applicable, any Contract performance report(s) which is due at the Departmental Component within 120 Days of Contract Expiration or Termination. If the required report(s) has not been received within the 120 Days, the Departmental Component may utilize the last Report of Expenditures (ROE) and performance report(s) received as the basis for Preliminary Contract Closeout.
- C. Final Contract Closeout shall occur as promptly as feasible after Contract Expiration or Termination. This includes, but is not limited to, recognition of performance incentives or sanctions; review of the services delivered during the Contract; disposition of Department of Human Services Policy Circular P1.10 violations, if any; and settlement of any findings or review associated with the Provider's audited financial statements or a Department of Human Services audit.
- D. Preliminary Contract Closeout or Final Contract Closeout shall not affect or in any way restrict the application of the Contract's provisions with regard to the retention period for, or Department rights of access to, Contract records.
- E. At the time of Contract closeout, the Provider Agency shall ensure that, when applicable, all expenditures reported represent costs and services, which are allocable to the Contract, and that the costs and services are not attributable to a predecessor or successor Contract.

- F. Division-specific policy circulars may be promulgated by Departmental Components to provide division specific procedure(s) to augment this policy circular, but the procedures may not limit, contradict, replace or amend the conditions or intent of this policy circular.

IV. PROCEDURES

A. Preliminary Contract Closeout

The Provider Agency shall submit to the Departmental Component within 120 Days of the end of the final Contract quarter the latest performance reports, FROE/ROE or other reports required by the terms and conditions of the Contract.

B. Final Contract Closeout

The Provider Agency shall submit to the Department of Human Services, within 120 Days after Contract Expiration or Termination, all financial, audit, performance, and/or other reports required by the terms and conditions of the Contract.

C. General Requirements

1. After the required reports are received, the Departmental Component shall make a financial settlement including any payment adjustment(s) as may be authorized by the terms and conditions of the Contract. The Departmental Component may consider audited financial statements, reconciliation schedules, DHS policy P1.10 compliance reviews, level of service (LOS) reports and receipt verification of donor matching funds in completing Contract closeout.
2. The Departmental Component shall promptly pay the Provider Agency for any amount due, but as yet unpaid for the provision of Contract services.
3. The Provider Agency shall promptly refund to the Departmental Component any amount determined to be an overpayment, which the Departmental Component has not authorized for retention by the Provider Agency in the current Contract or in a successor Contract.
4. Upon Contract Termination or Expiration without renewal, the Provider Agency shall account for any

Equipment acquired with Contract funds, in accordance with Policy Circular P4.05, Equipment.

5. Upon Contract Termination or Expiration without renewal, the Provider Agency shall determine if there is a residual inventory of materials and supplies exceeding \$1000 in total aggregate Fair Market Value. If the materials and supplies are not needed in any other project or program currently or previously funded by the federal or State government, the Provider Agency may retain or sell the materials and supplies. In either case, the Provider Agency shall compensate the Departmental Component for its share in the value of the materials and supplies, which is calculated as the percentage of the DHS award to the total program expenses. If the Provider Agency chooses to sell the materials, the Provider Agency may reduce the Departmental Component's share of the sale proceeds by 10% for selling and handling expenses.

Issued by:

A handwritten signature in dark ink, appearing to read "Brent Andrews", is written over a horizontal line.

Brent Andrews, Asst. Commissioner
Budget, Finance & Administration
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Pre-Award Survey

EFFECTIVE: This policy circular shall become effective July 1, 1988, and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular P7.05, promulgated July 1, 1985.

The purpose of this circular is to inform Department personnel and Provider Agencies of the policies and procedures concerning a Pre-Award Survey.

I. SCOPE

This policy circular applies to all Provider Agencies.

II. 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 a review to determine the adequacy of the financial management system of a potential or current Provider Agency, prior to the issuance of a new or successor Contract with that Provider Agency.

III. 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 A of this circular.
- B. In general, a Pre-Award Survey will be conducted if:
 - 1. the Department of Human Services 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

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.

IV. 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 Human Services. If yes, request the Contract Policy and Management Unit 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 Paragraph III.B of this circular 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.
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 Contract Policy and Management Unit.

Issued by:


Robert D. Prunetti, Director
Office of Planning and Policy


Samuel F. Penza
Assistant Commissioner
Department of Human Services

DEPARTMENT OF HUMAN SERVICES
PRE-AWARD SURVEY

1. Agency _____ Proposed _____
2. Address _____ Contract Period _____
_____ Contract Funding \$ _____
3. Telephone Number _____ Contract Number(s) _____
(if applicable) _____
4. Director _____ Federal I.D. # _____
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.

 - 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: _____

	<u>Yes</u>	<u>No</u>	<u>Not Applicable</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	_____	_____	_____

Yes No Not
Applicable

11. Does the Provider Agency have an approved operating license as required? If not, please explain.

12. Has the Provider Agency undergone annual audits for the past three years?

If so, by whom? and when?
Obtain and analyze a copy of latest audit report.

13. Are all employees who handle cash, securities, and other valuables bonded? If yes, what is amount of bond.

\$ _____

14. Has a determination been made by the N.J. Department of Law and Public Safety regarding the Provider Agency's requirement to file charities registration data with the N.J. Attorney 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 N.J. 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>Not Applicable</u>
15. Does the Provider Agency have formal procedures for:			
a. Cash receipts	_____	_____	_____
b. Petty Cash	_____	_____	_____
c. Fixed asset records (Policy Circular <u>P4.05</u>)	_____	_____	_____
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 meetings 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 <u>Contract Policy and Information Manual</u> addressing:			
a. Nepotism (Policy Circular <u>P8.05</u>)	_____	_____	_____
b. Conflict of Interest (Policy Circular <u>P8.05</u>)	_____	_____	_____
c. Non-discrimination (Policy Circular <u>P8.10</u>)	_____	_____	_____

18. Does the Provider Agency currently have or anticipate any type of litigation or appeal process which might impact upon its financial condition?

YesNoNot
Applicable

19. Have all payroll tax deductions been deposited in a timely manner?

20. Have all payments for employee benefit plans been made in a timely manner?

CONCLUSION:

As a result of our _____ examination of the books and
(date)
records of the _____, it is our opinion that this
(Provider Agency)
agency (is, is not) 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

Date: _____

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Audit Requirements

EFFECTIVE: This policy circular shall become effective immediately for Provider Agencies with fiscal years beginning on or after December 26, 2014.

PROMULGATED: April 11, 2017

SUPERSEDED: Policy Circular P7.06 promulgated June 1, 2001; Information Memoranda P04-1 promulgated February 9, 2004.

The Purpose of this circular is to advise Provider Agencies of the Department of Human Services' (the Department) audit requirements as mandated by the Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance Subpart F) and the New Jersey Department of the Treasury, Office of Management and Budget Circular Letter 15-08-OMB (www.nj.gov/infobank/circular/cir1508_omb.pdf).

I. SCOPE

This policy circular applies to Provider Agencies (both public and private) receiving State and federal financial assistance (Awards) from the Department (including direct and pass-through State and federal funding). This circular also applies to subrecipients performing services for Department Provider Agencies. It does not apply to contractors (vendors) that carry out or administer a program (see NJ OMB Circular 15-08-OMB), or a social services consumer that is a beneficiary of a program.

II. DEFINITIONS

In addition to the defined terms included in the Glossary of the Manual, the following terms, when capitalized, 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 means an auditor that is a public accountant and that 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 the form of contracts, grants, loans, loan guarantees, property, capital funding agreements, interest subsidies insurance, food commodities and other assistance to accomplish a public purpose.

Cognizant is a term used to designate audit responsibilities that this policy utilizes in conjunction with the Departmental component that provides the most federal/State funding.

Corrective Action means action taken by the Provider Agency that a) corrects identified deficiencies, b) produces recommended improvements; or demonstrates that audit findings are either invalid or do not warrant Provider Agency action.

Departmental Component means the division, bureau, office or other unit within the Department responsible for the negotiation, administration approval, closeout, and monitoring of certain social service or training 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 Letter means a written communication from the Auditor to the Provider Agency that provides instances of noncompliance and internal control weaknesses that are not material but warrant the attention of those charged with governance at the Provider Agency.

Management Decision means the evaluation by the cognizant Departmental component of the audit findings and corrective action plan and the issuance of a written decision as to whether or not the audit finding(s) is sustained, the reasons for the decision, and the expected Provider Agency action to repay disallowed costs, make financial adjustments, or take other action.

Pass-Through Entity means 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.

State Grant Compliance Supplement (www.nj.gov/treasury/omb/publications/grant.index.shtml) is a document developed by the New Jersey Department of the 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.

III. **POLICY**

- A. All Provider Agencies that expend \$750,000 or more in federal or State financial assistance within their fiscal year must have annual single audits or program-specific audits performed in accordance with Uniform Guidance Subpart F and State Policy.
- B. All Provider Agencies that expend less than \$750,000 in federal or State financial assistance within their fiscal year, but expend \$100,000 or more in State and/or federal financial assistance within their fiscal year, must have either a financial statement audit performed in accordance with Government Auditing Standards (Yellow Book) or a program-specific audit performed in accordance with Uniform Guidance Subpart F and State policy.
- C. Program-specific audits in accordance with Uniform Guidance Subpart F can be elected with the approval of the cognizant Departmental component when a Provider Agency expends Federal or State awards under only one federal or State program (includes Policy Circular P1.12, Clusters) and the federal or State program's statutes, regulations, or terms and conditions of the contract award do not require a Uniform Guidance Subpart F audit.

- D. Auditors must use the risk based approach described in Uniform Guidance Subpart F, Audit Requirements, Section 200.518 to determine which federal/State programs are major programs. Auditors also must use the criteria outlined in Sections 200.519 and 200.520 when making risk determinations for Federal/State programs.
- E. Provider Agency audit reports must include a supplementary schedule of the Provider Agency's federal/State awards/expenditures. This schedule entitled Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance must show for each award:
 - 1. Federal/State Grantor Department
 - 2. Pass-Through Grantor for Federal/State Awards
 - 3. Program Title/name
 - 4. Federal/State CFDA/Grant Award Number or Account Number
 - 5. Award Period
 - 6. Fiscal Year Expenditures
- F. The Provider Agency must determine that services performed by subrecipients expending \$100,000 or more in federal and/or State awards are audited according to this policy. A copy of this policy must be made part of the agreement with the subrecipient and the Provider Agency may be required to assume the full requirements of a Pass-Through Entity as detailed in Uniform Guidance Subpart F, Section 200.331.
- G. When executing a contract, Provider Agencies must submit an audit report in accordance with the requirements of Policy Circular P1.01, Documents and Conditions required for Processing, Executing and Documenting a DHS Third Party Contract.
- H. A Provider Agency that receives any amount of funding from the Department, including those that expend less than \$100,000 in combined federal and State awards within their fiscal year, are subject to audit by the Department or its representatives at their discretion. Any additional audits must be planned and performed in such a way to build upon the work performed in accordance with this policy.
- I. The reasonable cost of an audit is an allowable contract cost when conducted in accordance with this policy. Failure to comply with this policy is grounds for termination proceedings among other remedies under Policy Circular P9.05, Contract Default.

IV. PROCEDURES

A. Provider Agencies

- 1. The Provider Agency must submit one copy of the audit report to the Department's Office of Auditing (dhsauditing@dhs.state.nj.us) within **120 days** after the Provider Agency's fiscal year end unless a formal extension request has been approved by the cognizant Departmental component.

2. The Provider Agency must include a corrective action plan to address each audit finding in the current year's audit report if applicable. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. The Provider Agency must initiate and proceed with corrective action as rapidly as possible and corrective action should begin no later than upon receipt of the audit report.
3. The audit report submission must also include the Auditor's latest external peer review performed in accordance with Government Auditing Standards. ***NOTE: The Department of Human Services reserves the right at its discretion to conduct or arrange for quality control reviews of selected Provider Agency audits and accompanying workpapers.***
4. When expenditures of federal Awards totaling \$750,000 or more are incurred by the Provider Agency during the fiscal year, it must 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 (FAC) (<https://harvester.census.gov/facides>). The reporting package as described in the Uniform Guidance Subpart F, Section 200.512(b) must also be forwarded. Both the data collection form and the reporting package must be sent electronically to the Federal Audit Clearinghouse, within nine months of the audit fiscal year end or within 30 days of the issuance of the audit report, whichever is sooner.
5. In accordance with Section 6.3 of the Department's Contract Reimbursement Manual, the Provider Agency must submit to the Cognizant Departmental Component (and other appropriate Departmental Components when requested) copies of its worksheets used to reconcile the Department's final report of expenditures to the audited financial statements.
6. When advised of deficiencies in the audit by the Office of Auditing, the Provider Agency should, as necessary, work with its Auditor to address the deficiencies.
7. In procuring audit services, the Provider Agency must follow the Procurement Standards in the Uniform Guidance Subpart D – Post Federal Award Requirements of the FAR (48 C.F.R. Part 42), as applicable. The Provider Agency must also include this policy circular in its contract with the auditing firm. Whenever possible, the Provider Agency must make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises. The Department's Office of Contract Policy and Management website contains "[Choosing an External Auditor: A Guide to Making An Sound Decision](#)" to assist agencies in the Auditor procurement process.
8. The Provider Agency must prepare a Schedule of Expenditure of Federal/State Awards for the period covered by the agency's financial statements which must include the total federal/State awards expended as determined in accordance with Section 200.502 of the Uniform Guidance Subpart F. (See also Section III. Policy)
9. Management letters issued by the Auditor to the Provider Agency must be submitted to the Department's Office of Auditing as part of the audit report submission when provided as part of the engagement.
10. If the audit uncovers fraud, irregularities or illegal acts, knowledge of these acts must be communicated immediately to the Audit Director, DHS Office of Auditing, PO Box 700, Trenton, NJ 08625-0700 or (609) 292-9752.

B. Department of Human Services

1. The Cognizant Departmental Component must:

- a. Monitor each Provider Agency to determine compliance with this policy;
- b. Follow-up on audit findings to ensure that the Provider Agency takes appropriate and timely corrective action. As part of audit follow-up, the Cognizant Departmental Component must:
 - 1) Issue a management decision as prescribed in Section 200.521, Management Decision of the Uniform Guidance Subpart F;
 - 2) Monitor the Provider Agency taking appropriate and timely corrective action.
- c. Perform the duties of a pass-through entity for federal pass-through funds under the Uniform Guidance Subpart F, (Section 200.331) and State Policy;
- d. Work with the Department's Office of Auditing to provide annual updates to the State Grant Compliance Supplement and ensure that the compliance supplement focuses the Auditor to test the compliance requirements most likely to cause improper payments, fraud, waste, abuse or generate audit findings.

2. The Department's Office of Auditing must:

- a. Provide technical audit advice and assistance to Provider Agencies and their Auditors;
- b. Obtain or conduct quality control reviews from agency Auditors and provide the results to other interested organizations including the New Jersey Office of Management and Budget;
- c. Perform desk reviews of audits conducted in accordance with this policy and advise the Auditor, Cognizant Departmental Component and where appropriate, the Provider Agency of any deficiencies found in the audits when the deficiencies require corrective action by the Auditor;
- d. Coordinate, to the extent practical, audits performed by or for other federal/State agencies that may be required in addition to this policy so that those additional audits build upon rather than duplicate audits performed in accordance with this policy;
- e. Complete periodic reviews and update the Department's section of the State Grant Compliance Supplement; and
- f. Request corrective action plans from recipients where applicable and ensure that audit exceptions are resolved.

V. PROCEDURAL HISTORY

Policy Circular P7.06 as first promulgated April 1, 1991, and superseded on June 1, 2001.

Issued By:

Mark E. Talbot, CPA
Director, Office of Auditing

Bonny E. Fraser, Esq.
Assistant Commissioner for Legal Affairs
Office of Legal Affairs
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

TO: The Provider Agency's Licensed Public Accountant

SUBJECT: DEPARTMENT OF HUMAN SERVICES' REQUIREMENTS FOR COMPLETION OF PROVIDER AGENCY AUDIT

The purpose of this memo is to communicate the Department of Human Services' (the Department) audit requirement for conducting Single Audits and Yellow Book audits of organizations or agencies which contract with the Department to provide social or training services to the Department's clients.

- A. All Provider Agencies which expend either \$300,000 or more in federal Awards or \$300,000 or more in State Awards, within their fiscal year, in which the Department is the largest funding source (Cognizant), must have an annual single audit performed in accordance with federal OMB Circular A-133 and Department policy. The reporting requirements are outlined in Attachment A, Sections F and G. These Provider Agencies must also complete a Notification of Licensed Public Accountant (NLPA) form (Attachment B).
- B. All Provider Agencies which expend \$100,000 or more in combined federal and State Awards but less than either \$300,000 in federal Awards or \$300,000 in State Awards, within their fiscal year, in which the Department is Cognizant, must have an annual organization-wide financial statement audit performed in accordance with generally accepted auditing standards and Government Auditing Standards (Yellow Book audit).

This audit report shall be in accordance with Attachment A, Section F, which includes a supplemental Schedule of Expenditures of Federal Awards and/or a supplemental Schedule of Expenditures of State Awards. A combined supplemental Schedule of Expenditures of Federal and State Awards is acceptable. The Independent Auditor's Report shall contain an opinion on each Schedule of Expenditures of Federal and State Awards that is presented in the audit report.

These Provider Agencies shall also complete Attachment B (NLPA form).

- C. Provider Agencies that either expend less than \$100,000 in combined federal and State Awards or have another New Jersey State department as the Cognizant department should not complete the NLPA form. Organization-wide audits are not required by the Department under these circumstances. If another Cognizant department requires an organization-wide audit of a Provider Agency, that audit report shall be forwarded to the Department of Human Services when requested.
- D. Provider Agencies that receive any amount of funding from the Department, including those that expend less than \$100,000 in combined federal and State Awards, within their fiscal year, are subject to audit by the Department or its representatives at their discretion. It does not matter whether the Department is Cognizant. Records must be made available on request, which adequately identify the source and application of funds awarded. As in all audits, accounting records must be supported by source documentation.
- E. The audit of a Provider Agency must be conducted:
 - 1. by individual(s) with the following credentials -
 - a. a licensed certified public accountant or person working for a licensed certified public accounting firm; or
 - b. a public accountant licensed on or before December 31, 1970, or persons working for a public accounting firm licensed on or before December 31, 1970, sufficiently independent as defined by GAO standards, to produce unbiased opinions, conclusions, or judgments;
 - 2. annually on the Provider Agency's fiscal year;
 - 3. on an organization-wide basis to ascertain that the financial statements fairly present the financial position and results of operations, or changes in net assets, and where appropriate, cash flows;
 - 4. and completed within 120 days of the Provider Agency's fiscal year end; and
 - 5. in accordance with (as currently amended) -
 - a. Generally accepted auditing standards established by the American Institute of Certified Public Accountants (AICPA).

- b. Government Auditing Standards established by the Comptroller General of the United States and issued by the U.S. General Accounting Office.
 - c. The AICPA audit and accounting guides Audits of States, Local Governments and Nonprofit Organizations and, as applicable, AICPA industry audit guides and Statements of Position.
 - d. Federal Single Audit Act of 1984 (P.L. 98-502) and the Single Audit Act Amendments of 1996 (P.L. 104-156) if expenditures of federal or State Awards are \$300,000 or more.
 - e. Federal OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations" if expenditures of federal or State Awards are \$300,000 or more.
 - f. Federal OMB Circular A-133 Compliance Supplement.
 - g. Applicable Federal OMB Circulars A-87 "Cost Principles for State and Local Governments" or A-122 "Costs Principles for Nonprofit Organizations."
 - h. New Jersey Department of the Treasury, OMB Circular 98-07 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments."
 - i. New Jersey Department of the Treasury, OMB "State Grant Compliance Supplement."
 - j. New Jersey Department of Human Services' Contract Policy and Information Manual and Contract Reimbursement Manual.
- F. The Yellow Book audit report must include the following -
- 1. an opinion or disclaimer of opinion on the financial statements taken as a whole.
 - 2. presentation of financial statements in accordance with the following applicable AICPA audit and accounting guides - Audits of States, Local Governments and Nonprofit Organizations, and as applicable, industry audit guides, and Statements of Position.
 - 3. a supplementary schedule and opinion thereon of the Provider Agency's expenditures of State and federal Awards, showing expenditures by program (see the AICPA's audit guides,

Audits of States and Local Governments, and Audits of Not-for-Profit Organizations.

4. a Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
5. disclosure in the notes to the financial statements if penalty and interest are incurred for late payment or filing of payroll taxes during the year of audit.
6. presentation of each reportable condition and material compliance finding to include the condition, criteria, cause, effect, recommendation and management's response regarding corrective action.
7. a copy of the management advisory letter when provided as a routine part of the audit engagement.
8. a report on irregularities or illegal acts, or indications of such acts when discovered (a separate written report is required).

G. The Single Audit report must include the following:

1. all the components of Attachment A, Paragraphs F.1 through F.8 as noted above;
2. a Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133;
3. a Summary Schedule of Prior Audit Findings in accordance with Section 315(b) of federal OMB Circular A-133;
4. a Schedule of Findings and Questioned Costs in accordance with Section 505(d) of federal OMB Circular A-133; and
5. a data collection form if federal expenditures are \$300,000 or more. Both the data collection form (A-133, Section 320(b)) and the reporting package (A-133, Section 320(c)) must be forwarded to the federal clearinghouse within 9 months of the audit fiscal year end.

H. Additional Requirements

1. If the audit uncovers or suggests any irregularities or illegal acts, knowledge of these acts must be communicated immediately by the independent public accountant to the

Audit Director, DHS Office of Auditing, PO Box 700, Trenton,
New Jersey 08625-0700.

2. The audit workpapers and reports must be retained by the independent public accountant for a minimum of seven years from the date of the audit report unless the accountant is notified in writing by the Department for the need to extend the retention period. The audit workpapers and reports shall be made available upon request to the Department or its designee(s).
3. The independent accountant is subject to an external quality control review in accordance with Government Auditing Standards at least once every three years.
4. Individuals who audit federal and State funds and are responsible for planning or directing an audit, or conducting substantial portions of the fieldwork or reporting on the audit, are required to obtain 80 Continuing Professional Education credits every two years, including 24 in government related subjects.

Issued by:

William M. Cutti, Director
Office of Auditing
Department of Human Services

**NJ DEPARTMENT OF HUMAN SERVICES
NOTIFICATION OF LICENSED PUBLIC ACCOUNTANT*
(Supersedes prior P7.06 Attachment B dated 1/00)**

Provider Agency Name: _____

Address: _____

Contact Individual and Title: _____

Telephone No.: _____ Agency Fiscal Year
To be Audited: _____

Federal ID No.: _____ Charities Registration No.: _____

List All State and Federal Financial Assistance During the Fiscal Year Under Audit

<u>Department</u>	<u>Division</u>	<u>Contract No.</u>	<u>Contract Period</u>	<u>Contract Amount</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Use back of form to list additional state and federal assistance.

Licensed Public Accountant (attach photocopy of firm's license to practice)

Firm Name: _____

Address: _____

Telephone No. _____ Firm License No.: _____

E-Mail Address (optional): _____

Currently Licensed to practice in the State(s) of: _____ Expiration Date(s): _____

Anticipated Completion Date of Audit: _____

Contact Individual and Title: _____

Certification:

I certify that we are aware of the requirements in P7.06 and that the audit will comply with this policy.

Signature _____ Title _____

Audit Report Deficiencies – Does your firm have any outstanding audit reports with deficiencies with any provider agency contracting with the Department of Human Services? _____ Yes
_____ No

I certify that the above information is accurate. Any inaccurate information may result in termination of your contract with the provider listed above.

Signature: _____ Title: _____

*This notification (NLPA) is to be sent to the Department of Human Services' Office of Auditing with the completed audit report. Although the NLPA form and the audit report shall be submitted together, all of the information in the NLPA form should relate to the subsequent year of the completed audit report. The anticipated audit completion date should not be more than 120 days after the end of the fiscal year. The Provider Agency and the licensed public accountant should fill out this form to this point in its entirety.

For Use By DHS Office of Auditing

Date Received: _____

Date Verified: _____ By _____

Division: _____

Audit Control No.: _____

Licensed: _____

Approved: _____ **Not approved:** _____

Pass-Through Entity Responsibilities

A Pass-Through Entity shall perform the following for the federal/State Awards it makes:

- (1) Identify federal/State Awards made by informing each subcontractor of CFDA title and number, Award name and number, Award year, if the Award is Research & Development, and name of federal/State agency. When some of this information is not available, the Pass-Through Entity shall provide the best information available to describe the federal/State Award.
- (2) Advise subcontractors of requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the Pass-Through Entity.
- (3) Monitor the activities of subcontractors as necessary to ensure that federal/State Awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- (4) Ensure that subcontractors expending \$300,000 or more in either federal/State Awards during the subcontractor's fiscal year have met the audit requirements of this part for that fiscal year.
- (5) Issue a Management Decision on audit findings within six months after receipt of the subcontractor's audit report and ensure that the subcontractor takes appropriate and timely corrective action.
- (6) Consider whether subcontractor audits necessitate adjustment of the Pass-Through Entity's own records.
- (7) Require each subcontractor to permit the Pass-Through Entity and auditors to have access to the records and financial statements as necessary for the Pass-Through Entity to comply with this part.

**State of New Jersey
Department of Human Services
Division of Mental Health Services**

SUBJECT: *Operational Incentives Pilot*

EFFECTIVE: This policy circular shall become effective retroactively for Division of Mental Health Services (DMHS) contracts to July 1, 2005 and shall be implemented as new contracts commence or existing contracts are renewed thereafter.

PROMULGATED: January 24, 2006

SUPERCEDES: *This policy circular supercedes the DMHS Revenue Incentive policy memoranda dated 2/11/91, 8/16/93, 10/24/95, 5/22/96, and 6/26/96.*

PURPOSE:

The purpose of this policy circular is to establish guidelines for the DMHS pilot program of Operational Incentives. Often, DMHS non-profit contracted providers do not have sufficient reserves or fund balances to pay for infrastructure upgrades and replacements, or cover short-term liabilities with operating funds or reserves, and therefore must rely on the availability of one-time awards from DMHS, or their own ability to raise funds or borrow funds. A policy for Operational Incentives, made available with certain limitations, would enable providers to build a fund balance, from which emergency expenditures can be made; equipment can be replaced; properties can be repaired; savings can be accrued; and the provider's financial viability improved. Contracted DMHS providers can receive incentives that result from efficient and effective management and that promote improved services to DMHS clients.

I. SCOPE

This policy applies to all Division of Mental Health Services (DMHS) non-profit, non-hospital and non-governmental agencies with cost-reimbursement contracts that have Annex B and B-1 budgets. Fixed price and fixed rate contracts are not affected by this policy. Also contracts with hospital-based organizations, and governmental organizations, are not affected by this policy. This is a pilot program for the Division of Mental Health Services only.

II. DEFINITIONS

The following definition only pertains to this policy circular:

Operational Incentives: the net dollar savings realized from contracting efficiencies, after performing the required level of service and satisfying the fiscal obligations. The Operational Incentives amount is to be used as a saving reserve for cash flow needs (working capital) and for expenditures consistent with the mission of the contracted provider agency.

III. POLICY

A. EARNED INCENTIVE:

A DMHS Operational Incentives fund shall be earned by the contract provider when approved by DMHS as part of the contract settlement process, in recognition of the following:

- The provider's final contract expenditure report indicates a net contract surplus exists, defined as contract expenses less revenues;

Note: Final expenditure reports are always subject to DHS contract audit and/or DMHS contract closeout reviews.

- The amount of the net contract surplus is equal to or less than the maximum amounts allowed per this policy (refer to section B below);
- Contract surplus funds that are otherwise restricted by DHS, such as federal funds which must be returned or reissued for program services, cannot be included in the Operational Incentive Reserve;
- The DMHS contract provider has settled all outstanding debts, if any, owed to DMHS;
- The contract provider has not been placed in "contract default" status by any DHS Departmental Component in the past three years; and
- All major contract performance commitments for the recently concluded contract have been satisfactorily addressed, as evaluated by DMHS.

B. ANNUAL CAP

Providers will be allowed to retain 100% of the current contract's net savings (accruals) identified from contract efficiencies (identified as contract expenses less revenues) and approved by DMHS during the DMHS contract settlement process for the Operational Incentive reserve. The maximum amount of funds approved as an Operational Incentives reserve for any single contract period is limited to three and a third percent (3.33%) of the total contracted operating budget, up to the maximum of \$400,000 per contract year up to three years and shall not exceed \$1,200,000 in total.

C. SEPARATE AUDITED ACCOUNT

The accumulated incentive funds shall be retained in a restricted reserve account, known as “DMHS Operational Incentives Reserve”, and listed clearly and separately on the Provider’s audited financial statements.

D. UTILIZATION

The DMHS Operations Incentive Reserve is intended to be a savings reserve, available to meet cash-flow needs as working capital, and for assisting the provider agency in meeting its mission. The Operational Incentives Reserve as permitted by this policy is a time limited opportunity, and prudent management would require that some amount of Operations Incentives Reserve funds be retained for future needs.

Provider agencies are prohibited from utilizing Operations Incentive Reserve funds to expand programming which requires ongoing funding, thereby creating obligations for future budget cycles. Provider agencies are also prohibited from utilizing Operations Incentive funds for Executive Management staff bonuses. However, direct care and administrative/support services staff may be granted a bonus.

Provider agencies that reach the maximum Operational Incentives Reserve of \$1.2 million may spend these funds in the current contract period, and also add to the Reserve at the end of the contract period, but cannot exceed the maximum amount of the Reserve at the end of the contract period.

E. DHS RECOUPMENT

Upon termination of the contractual relationship with the DMHS Departmental Component, or upon dissolution of the original provider’s corporation or related corporation, the contract provider shall refund to the DMHS all remaining dollars in the DMHS Operational Incentives Reserve account as of the date of contract termination corporation dissolution.

Issued By:

Jacob Eapen, Assistant Commissioner
Budget, Finance, Administration,
Real Estate, & Information Technology
Department of Human Services

Kevin Martone, Assistant Commissioner
Division of Mental Health Services
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Access to Records and Facilities; Retention of Contract Records; Confidentiality

EFFECTIVE: This policy circular shall become effective July 1, 1988, and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular P8.01, promulgated March 24, 1986.

The purpose of this circular is to advise Department personnel and Provider Agencies of requirements for access to Provider Agency records and facilities, retention of Contract records, and confidentiality of client records.

I. SCOPE

This policy circular applies to all Contracts, as well as to all approved assignments and subcontracts.

II. POLICY

A. Public Access

The policy delineated below reflects many of the provisions of N.J.S.A. 47:1A-1 et seq., popularly called 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".

1. Certain Contract documents are considered public records and 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 are made with the State or Provider Agency. Citizens shall also have the right, under the supervision of an appropriate State or Provider Agency official, to copy such records by hand

and also to have such records machine copied by the State or Provider Agency upon payment of a reasonable fee. Original records may not be removed from the State or Provider Agency premises.

3. Client records of any kind, including, but not limited to, case records, social histories, and eligibility, medical, and psychological records, are not considered to be 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 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 C below) but lasts as long as the records are retained.

C. Retention of Records

1. The Provider Agency and its subcontractors must keep adequate books and records, supporting documents, statistical records, client records, and all other records pertinent to the Contract, and with the following qualifications, shall retain all such books and records for four years after submission of the final report.

- 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 three 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 which 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 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 which is 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 as to the information to be released or disclosed and the person(s) and/or agency(ies) 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 rerelease or redisclosure of the information.

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy



Samuel P. Penza
Assistant Commissioner
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Conflict of Interest

EFFECTIVE: This policy circular shall become effective on July 1, 1988, and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES Policy Circular P8.05, promulgated June 1, 1983.

The purpose of this circular is to establish minimum standards for use by Provider Agencies in the development and implementation of a Conflict of Interest policy.

I. SCOPE

This policy circular applies to all Contracts.

II. 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 Provider Agency Staff Members, officers or Governing Board members.

Governing Board (also Board) means the Provider Agency board, commission, council or other organizational body which 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.

III. POLICY

Each Provider Agency must have written policies and procedures on Conflict of Interest.

- 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 on the part of such persons at the expense of the Provider Agency's and/or clients' interest.
- B. The policy must, at minimum, include provisions for disclosure of situations when:
1. a member of the Governing Board is related to 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 another Staff Member he/she supervises;
 5. a member of the Governing Board or a Staff Member receives payment from the Provider Agency for any sub-contracts, goods or services, such as consultant, laundry, maintenance, construction or remodeling; and
 6. a member of the Governing Board or a Staff Member is a member of the governing body of a contributor to the Provider Agency.
- C. The policy must specify what procedures must be followed in the event situations specified in B above occur. Possible procedures include:
1. procedures 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 conforming to relevant State and federal Conflict of Interest laws, rules and regulations; and
 4. appeal and administrative review of imposed sanctions.
- D. In addition, the policy must contain specific provisions which ensure that any Provider Agency Staff Member, officer, or Governing Board member does not participate in the selection, award or administration of a procurement transaction in which federal or State funds are used, where,


to his/her knowledge, any of the following has a financial interest in that transaction:

1. the Staff Member, officer or Governing Board member;
2. any member of his/her immediate family;
3. his/her partner;
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.


III. PROCEDURES

- A. The Provider Agency must develop a written Conflict of Interest policy in accordance with the minimum guidelines specified in this circular.
- 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 of the Provider Agency's facilities.
- 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.

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy



Samuel P. Penza
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Nondiscrimination/Americans with Disabilities Act

EFFECTIVE: This policy circular shall become effective immediately.

PROMULGATED: November 1, 1994

SUPERSEDES: Policy Circular P8.10, promulgated June 1, 1983

The purpose of this circular is to notify Provider Agencies of prohibitions against discrimination and the need for reasonable accommodation for those persons with disabilities employed by or using the services of the Provider Agency.

I. SCOPE

This policy circular applies to all Contracts.

II. POLICY

Provider Agencies shall not discriminate against any applicant for employment or services, nor against any employee or recipient of service because of race, color, creed, religion, ethnic background, national origin, marital status, disability, age or sex.

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: the federal Civil Rights Act of 1964 (as amended); 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 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.
3. Provider Agencies must publicly display a statement notifying applicants for employment or services that they do not discriminate and must include such a

statement in all publications and related materials referring to Contract services. To this end, Provider Agencies must use either:

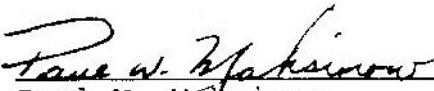
- a. a statement which at minimum includes assurance of nondiscrimination as noted in Section A above; or
- b. the following model statement:

"This agency does not discriminate against any applicant for employment or services, nor against any employee or recipient of service because of race, color, creed, religion, ethnic background, national origin, marital status, handicap, age or sex (subject to conditions and limitations applicable alike to all persons). Any complaint of discrimination regarding 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 non-discrimination on the basis of disability and regulations thereunder; and the Americans With Disabilities Act (A), 42 U.S.C. 12101 et seq..
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, auxiliary aids and services to individuals with vision or hearing impairments, removal of physical barriers or providing the services by an alternate means or location.
3. If there are any questions regarding ADA, please contact the ADA Coordinator in the Departmental Component with which you Contract.

Issued by:


Paul W. Maksimow
Assistant Commissioner
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Copyrights

EFFECTIVE: This policy circular shall become effective on October 31 2007, and shall be implemented immediately.

PROMULGATION: October 31, 2007

SUPERCEDES: P8.13, Copyrights promulgated on March 1, 2002 and became effective on the same date.

The purpose of this policy circular is to inform Department staff and Provider Agencies of the Department's policy regarding copyrights.

I. SCOPE

This policy circular applies to all Contracts.

II. DEFINITION

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.

III. POLICY

- A. The State of New Jersey, Department of Human Services 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, Department of Human Services also reserves the sole 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:

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 Human Services, State of New Jersey under Contract # _____.

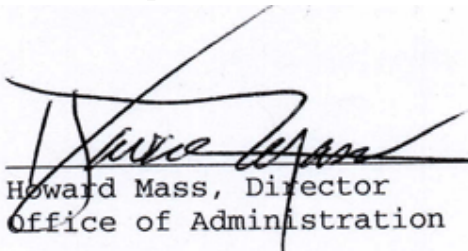
2. Ensure that the following disclaimer appears with the publication:

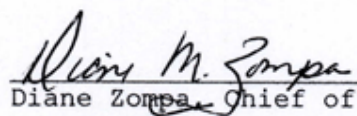
Any opinions and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the official opinion of the State of New Jersey or Department of Human Services.

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, Department of Human Services 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(s).
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. Provider Agencies must have Department approval to keep Program Income earned from license fees and royalties for Copyrighted Material.

Issued by:


Howard Mass, Director
Office of Administration


Diane Zampa, Chief of Staff
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Minimum Standards for Insurance

EFFECTIVE: This policy circular shall become effective on August 1, 2009 and shall be implemented as new Contracts commence or existing Contracts are renewed.

PROMULGATED: July 20, 2009

SUPERSEDES: Policy Circular P8.14, promulgated July 15, 2001.

The purpose of this circular is to establish the minimum standards for insurance coverage.

I. SCOPE

This policy circular applies to Provider Agencies that are covered by the Department of Human Services' 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.

II. 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, Department of Human Services and its Departmental Component against loss in accordance with the terms of the policy. Designating the State of New Jersey, Department of Human Services and its Departmental Component 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.

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.

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.

Insurance Declaration page means a document that lists most of the vital information about the Insurance policy. The declaration page states the name and address of the name insured or insured party; the location of the property insured along with its location and description; the value and replacement value of property insured; the inception and expiration date of the policy period, the premium and any other conditions, terms, exclusions and endorsements.

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.

III. 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 maintain adequate insurance coverage. Such Insurance policies must contain the provision that the insurance provided in the Declaration page shall not be canceled or non-renewed for any reason except after thirty Days written Notice to the Department. The Provider agency is responsible for forwarding a copy of its insurance policy declaration page to the Contracting Departmental Component for its contract files upon purchase or renewal. 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:

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, Department of Human Services and the contracting Departmental Component 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, Department of Human Services and the contracting departmental component 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, Department of Human Services and the contracting departmental component shall be named as an Additional Insured.

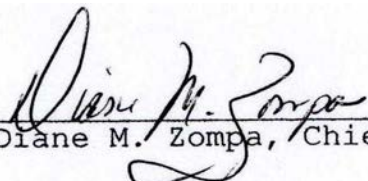
3. Workers' Compensation Insurance without regard to liability, required by State law in case of illness, injury, disability, or death as a result of a job related accident.

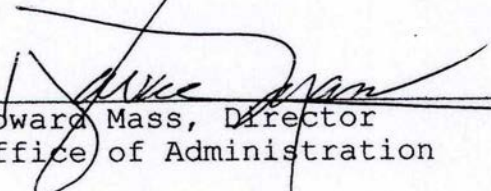
4. Employer's Liability Insurance is to be included with limits of not less than:

\$100,000 Bodily Injury, each occurrence
\$100,000 Disease each employee
\$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.


Diane M. Zompa, Chief of Staff


Howard Mass, Director
Office of Administration

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Department and Provider Agency Monitoring of Level of Service Delivery

EFFECTIVE: This policy circular shall become effective on July 1, 1988 and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular P9.02, promulgated November 5, 1986.

The purpose of this circular is to advise Department personnel and Provider Agencies of policies and procedures for monitoring contracted level of service delivery.

I. SCOPE

This policy circular applies to all Cost-Related and Non-Cost-Related Contracts, with the exception of those Contracts with no contractually agreed-upon upper payment limit.

II. 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:

- (1) it allows comparison of the cost of similar services (through computation of the Unit Cost);
- (2) it represents the Provider Agency's contractual commitment against which actual performance will be measured; and
- (3) 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 which 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.
- c. For new Contracts, the Budgeted Units of Service may be based on Department 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:
 - (1) actual versus Budgeted Units of Service;
 - (2) actual versus projected expenditures; and
 - (3) 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 Circular 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 Circular 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:

- (1) an overpayment by the Department if the Actual Units of Service are higher than the Budgeted Units of Service or;
- (2) unreimbursed 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

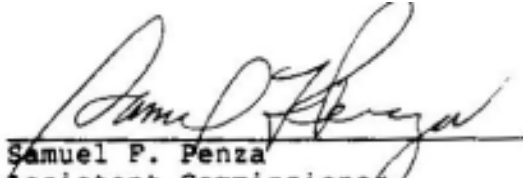
The policies and procedures for monitoring the level of service delivery in Non-Cost-Related Contracts are essentially the same as those established above for Cost-Related Contracts. However, since budgets and expenditure reports are not submitted for Non-Cost-Related Contracts, monitoring is based on 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.

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy



Samuel P. Penza
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Contract Default

EFFECTIVE: This policy circular shall become effective on August 1, 1996, and shall be implemented for all Contracts.

PROMULGATED: June 14, 1996

SUPERSEDES: Policy Circular P9.05, promulgated July 1, 1988.

The purpose of this circular is to advise Department personnel and Provider Agencies of the policies and procedures to be followed in case of Provider Agency Contract Default.

I. SCOPE

This policy circular applies to all Contracts.

II. DEFINITIONS

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

Action means 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 means the Provider Agency has materially failed to fulfill or comply with the terms and conditions of the Contract.

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 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.

III. POLICY

A. The occurrence of, but not limited to, any of the following by the Provider Agency shall be considered areas in which the Provider Agency is in Default of the Contract:

1. failure to provide Contract services as described in the Annex(es) to the Contract;
 2. failure to provide the Contracted Budgeted Units of Service or the level of service agreed to in the Annex(es) to the Contract;
 3. use of Contract funds for purposes other than those approved by the Departmental Component and specified in the Annex(es) to the Contract;
 4. failure to submit timely reports, or submission of reports/documents that are inaccurate or incomplete in any material respect;
 5. failure to comply with the terms and conditions of the Standard Language Document or the policies and procedures outlined in the Contract Policy and Information and Contract Reimbursement Manuals;
 6. conduct or acts, including but not limited to, adjudged criminal activity on the part of the Provider Agency, its officers, board members, or employees, which are detrimental to the Department, Department clients or the Provider Agency; and
 7. 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 further attempts for correction of the 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 Circulars P7.01, Contract Closeout, and P7.06, Audit Requirements.
 - 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 Human Services.
 - 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 receipt of the written Notice of the decision to take Action or Terminate, the Provider Agency shall forfeit all rights of review.

IV. 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 III.B. of this circular, 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.
- 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.

Issued by:


Paul W. Maksimow
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Provider Agency Chief Executive Officer and Contract Program Director

EFFECTIVE: This policy circular shall become effective on July 1, 1988, and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular P-Misc.03, promulgated June 1, 1983.

The purpose of this circular is to clarify the term "Chief Executive Officer" (CEO) and to specify the responsibilities of the CEO and the Contract program director.

I. SCOPE

This policy circular applies to all Contracts.

II. 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 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

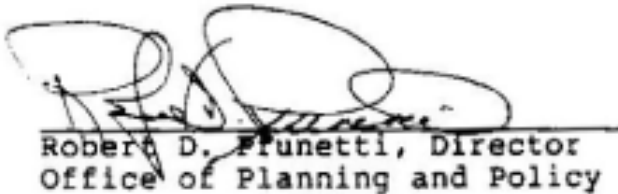
In the case of educational institutions, the CEO shall be either the chairperson of the Agency's governing body or the president of the institution, as designated by resolution of the governing body and consistent with the institution's by-laws.

B. Program Director

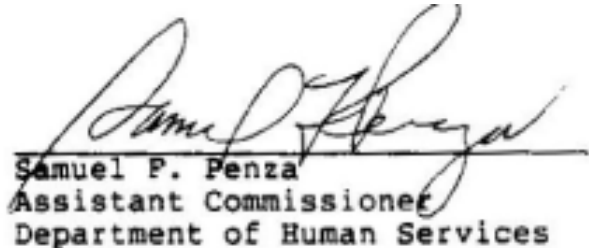
The program director named in the Annex(es) must be directly responsible for Contract services, and unless otherwise specified in the Annex(es), must devote full time to the Provider Agency to carry out that responsibility and to supervise Provider Agency personnel in the administration and/or delivery 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. In addition, when the vacancy is filled, the Department must be notified in writing of the new CEO or program director.

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy



Samuel P. Penza
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Persons Delivering Contract Services

EFFECTIVE: This policy circular shall become effective on July 1, 1988, and shall be implemented immediately.

PROMULGATED: July 1, 1988

SUPERSEDES: Policy Circular P-Misc.04, promulgated November 5, 1986.

The purpose of this circular is to advise Department personnel and Provider Agencies of policy concerning persons delivering Contract services.

I. SCOPE

This policy circular applies to all Contracts.

II. 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.

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 Contract personnel; and
- c. volunteers are not used to replace Contract personnel except when authorized in writing by the Department.

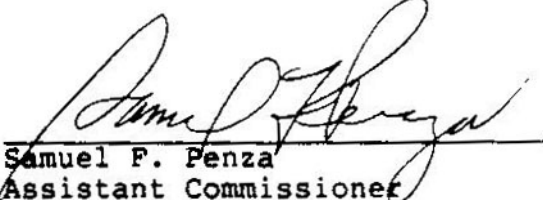
2. Subcontract Personnel

Contract services may be delivered by persons employed under an approved assignment or subcontract.

Issued by:



Robert D. Prinetti, Director
Office of Planning and Policy



Samuel F. Penza
Assistant Commissioner
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Child Abuse or Neglect

EFFECTIVE: This policy circular shall become effective July 1, 1988, and shall be implemented immediately.

PROMULGATED July 1, 1988

SUPERSEDES: Policy Circular P-Misc.06, promulgated March 25, 1986.

The purpose of this policy circular is to advise Department and Provider Agency personnel of Department 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.

I. SCOPE

This policy circular applies to all Provider Agencies.

II. DEFINITION

For the purpose of this circular the following item shall have meaning as stated:

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 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, serious or protracted disfigurement, protracted impairment of physical or emotional health or protracted loss or impairment of the function of any bodily organ;
- B. whose parent, guardian or other person 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, serious or protracted disfigurement or protracted loss or impairment of the function of any bodily organ;
- C. whose parent, guardian or other person 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 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 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 having custody and control.

III. POLICY

- A. It is the responsibility of the Department of Human Services 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 Division of Youth and Family Services (DYFS). This immediate response will help to ensure the safety 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.


IV. 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:
1. the DYFS Institutional Abuse Unit at 1-609-292-0617 (9 a.m. to 5 p.m. - Monday through Friday); or
 2. the DYFS toll-free hotline number at 1-800-792-8610 (after 5 p.m. - Monday through Friday; 24 hours a day on holidays and weekends).
- 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:
1. the local DYFS District Office (9 a.m. to 5 p.m. - Monday through Friday); or
 2. the DYFS toll-free hotline number at 1-800-792-8610 (after 5 p.m. - Monday through Friday; 24 hours a day on holidays and weekends).
- 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 he/she 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.

Issued by:


Robert D. Frunetti, Director
Office of Planning and Policy


Samuel F. Penza
Assistant Commissioner
Department of Human Services

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

SUBJECT: Financial Transactions with Clients, Patients and Residents

EFFECTIVE: This policy circular shall become effective on August 1, 2000, and shall be implemented immediately.

PROMULGATED: August 1, 2000

PURPOSE

The purpose of this circular is to establish minimum standards for use by Provider Agencies in the development and implementation of a Financial Transaction(s) with Clients, Patients and Residents Policy.

I. SCOPE

This policy circular applies to all Provider Agencies.

II. 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:
1. A formal written reprimand;
 2. A short suspension from work without pay; or
 3. Termination.

III. PROCEDURES

- A. The Provider Agency shall develop a written policy in accordance with the minimum guidelines specified in this circular.
- 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.

Issued by:


Brent Andrews, Asst. Commissioner
Budget, Finance & Administration
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Provider Agencies

DATE: October 1, 1984

FROM: Director
Office of Planning and Policy

SUBJECT: MATCH REQUIREMENT FOR FY'85 SOCIAL SERVICES BLOCK GRANT
FUNDING INCREASE

The purpose of this information memorandum is to specify the match requirement for each county's FY'85 Social Services Block Grant Funding increase.

The Department's 25% match requirement is in effect for all counties for the level of funding received in FY'84, the "base" level. For FY '85 only, county Human Services Advisory Councils were given the option to establish either a 10% match rate or a 25% match rate on funding received in FY'85 which is over and above the funding received in FY'84. Attachment 1 to this memorandum is a list showing each county, its Social Services Block Grant increase, and the percentage match requirement the county chose.

All other requirements of Policy Circular P6.01, Match Requirement for Social Services Block Grant Service Contracts must be followed in regard to match, e.g., allowable and unallowable sources, documentation, and responsibilities.

Issued by:



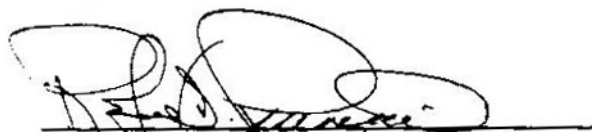
Robert D. Punetti, Director
Office of Planning and Policy

FY'85 SSBG INCREASES (INCLUDING STATE AND FEDERAL FUNDS)

County	Match Option	Amount to be matched
Atlantic	10%	144,122
Bergen	25%	373,019
Burlington	25%	233,401
Camden	10%	333,840
Cape May	25%	80,835
Cumberland	25%	167,559
Essex	10%	769,080
Gloucester	10%	163,755
Hudson	10%	818,528
Hunterdon	25%	22,230
Mercer	25%	182,130
Middlesex	25%	227,678
Monmouth	25%	218,790
Morris	25%	84,240
Ocean	25%	351,287
Passaic	25%	290,160
Salem	25%	59,648
Somerset	25%	51,090
Sussex	25%	39,288
Union	25%	226,200
Warren	25%	63,120
State		\$4,900,000

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Provider Agencies

FROM: Director
Office of Planning and Policy

DATE: July 1, 1985

SUBJECT: MATCH REQUIREMENT FOR FY'86 SOCIAL SERVICES BLOCK GRANT
FUNDING INCREASE

The purpose of this information memorandum is to specify the match requirement for each county's FY'86 Social Services Block Grant funding increase.

The Department's match requirement is in effect for all counties for the level of funding received in FY'84, the "base" level. For FY'85, county Human Services Advisory Councils were given the option to establish either a 10% match rate or 25% match rate on funding received in FY'85 which was over and above the funding received in FY'84 (refer to Information Memorandum P84-2). Those counties which selected the 10% match rate for the FY'85 funding increase may continue the 10% match requirement for those funds. However, the Department encourages, where possible, that a 25% match be required.

For FY'86, county Human Services Advisory Councils were given again the option to establish either a 10% or 25% match rate on funding received in FY'86 which is over and above the funding received in FY'85. Attachment 1 to this memorandum is a list showing each county and the percentage match requirement the county chose.

All other requirements of Policy Circular P6.01, Match Requirement for Social Services Block Grant Service Contracts must be followed in regard to match, e.g., allowable and unallowable sources, documentation, and responsibilities.

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy

<u>County</u>	<u>Percentage Match Requirement</u>
Atlantic	10%
Bergen	25%
Burlington	10%
Camden	10%
Cape May	25%
Cumberland	10%
Essex	10%
Gloucester	10%
Hudson	10%
Hunterdon	10%
Mercer	25%
Middlesex	25%
Monmouth	25%
Morris	25%
Ocean	25%
Passaic	25%
Salem	25%
Somerset	25%
Sussex	25%
Union	25%
Warren	25%

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Manual Holders

FROM: Director
Office of Planning and Policy

DATE: May 1, 1989

SUBJECT: Application of Executive Order No. 189

The purpose of this memorandum is to inform Department and Provider Agency personnel of the prohibitions and requirements of Executive Order No. 189, signed by the Governor on July 20, 1988.

This Executive Order:

1. provides that persons providing goods or services or performing contracts for the State be fully informed of State policies concerning their relationships with State officers and that these policies be uniformly applied by the various State agencies of the Executive Branch;
2. supplements Executive Order No. 34 (1976) which provides the grounds and procedures applicable to the debarment, suspension and disqualification of State vendors; and
3. mandates that all Request for Proposals (RFPs) and contracts include specific language pertaining to the prohibition of vendor activities and such Guidelines as prepared by the Executive Commission on Ethical Standards.

To comply with Executive Order No. 189, an Addendum incorporating the specific language of the Executive Order was developed to use in connection with RFPs and Contracts. Effective immediately, and until such time as Department-wide RFP is developed, the Addendum (Attachment 1) and the Guidelines (Attachment 2) must be included in all Department RFPs.

The Addendum and Guidelines have been added to the Department's Standard Language Documents for Social Service and Training Contracts (P2.01), Individual Provider Agreement (P2.05) and Tuition Agreement (P2.07), effective for contracts beginning July 1, 1989.


Department employees must report the receipt or offer of any gift or thing of value in writing to the Department's Ethics Liaison Officer:

Ray Wolfinger, Esq.
Office of Legal and Regulatory Liaison
Division of Youth and Family Services
BOX 717
Trenton, NJ 08625

Copies of the full text of Executive Order Nos. 189 and 34
(Attachments 3 and 4 respectively) are attached to provide background
information.

Attachments

Issued by:



Robert D. Prunetti, Director
Office of Planning and Policy

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

**ADDENDUM TO REQUEST FOR PROPOSAL
FOR SOCIAL SERVICE AND TRAINING CONTRACTS**

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 which 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.

As used in this document "provider agency" or "provider" means any person, firm, corporation, or other entity or representative or employee thereof which offers or proposes to provide goods or services to or performs any contract for the Department of Human Services.

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.

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
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.

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.

**STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT**

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:

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 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.

(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
EXECUTIVE DEPARTMENT

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.

- (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:

- (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 even if such conduct

has not been or may not be prosecuted as violations of such laws or contracts.

- (1) 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:

- (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.

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 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.

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 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 HUMAN SERVICES

TO: Manual Holders

DATE: December 6, 1991

SUBJECT: Reallocation of Funds - Clarification - P6.01, Match Requirements for Social Services Block Grant Services Contracts

The purpose of this memorandum is to clarify the need for Departmental approval to reallocate Social Services Block Grant Funds and the required percentage of Match for such funds.

A. County Human Services Advisory Council Reallocation Process

Each County Human Services Advisory Council recommends allocations of the SSBG funds for its county. The Departmental Component must give prior written approval in situations where there is a need to reallocate funds to service providers. Furthermore, if funds are to be reallocated, the Department must ensure that there is no loss in service dollars previously generated by Matching funds. Therefore, written approval must also be given to change the percentage of the Match requirement applicable to any funds being reallocated.

B. Policy Circular P6.01, Match Requirements

The Department's Policy Circular P6.01, Match Requirements for Social Services Block Grant Service Contracts, currently requires a 25% Match on all SSBG service contracts. This policy was subsequently modified for FYs '85 and '86 for new funding (see Information Memoranda P84-2 and P85-4) in that each County Human Services Advisory Council was given the option of a 10% or 25% Match requirement. Therefore, some contracted services may contain identified Match dollars governed by both a 25% and a 10% Match requirement.

Funds that initially required a 25% or 10% Match will retain that percentage when reallocated. However, when authorization is received to reallocate funds that include a mix of a 10% and a 25% Match requirement, a blended rate may be developed with the Department. The following formula will be used to develop the blended rate:

Total Current Match Funds Required - Blended Percentage Total
SSBG Funds To Be Allocated.

The blended percentage 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.

Issued by:



Henrietta Small, Manager
Contract Policy and Management Unit

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Department Manual Holders

DATE: July 1, 1994

SUBJECT: Debarments, Suspensions and Disqualification Pursuant
to Executive Order #34-1976


The purpose of this memorandum 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.

The Departmental Component shall notify the Director of the Office of Legal and Regulatory Liaison (OLRL) and the Manager of the Contract Policy and Management Unit (CPMU) of a pending recommended action for debarment, suspension or disqualification. All documentation shall be forwarded to OLRL as soon as possible for review. OLRL 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, OLRL will notify the Departmental Component and CPMU of the final decision. If the person/Provider Agency is to be debarred, suspended or disqualified, OLRL will complete and forward the required form (GSA-40, New Jersey Debarment Transmittal) to Treasury notifying them of the action.

CPMU shall notify all Department Manual holders explaining who has been debarred, suspended or disqualified and the reason for such.

Issued by:


Henrietta Small, Manager
Contract Policy and Management Unit

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Manual Holders

DATE: November 1, 1994

SUBJECT: State of New Jersey Policy on Sexual Harassment

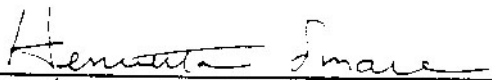
The purpose of this memorandum is to inform manual holders of the Statewide policy on sexual harassment which became effective on September 1, 1993. The policy applies to all State departments, colleges and authorities and covers independent contractors, vendors and all other parties engaged in a business relationship with the State of New Jersey. The intent of the policy is to allow all employees (male or female) to work in an environment free from actions which could be considered harassing or coercive regarding sexual conduct.

The procedure for reporting any allegations of sexual harassment of Department employees by employees outside the purview of the Department shall be to contact the appropriate Departmental Component Affirmative Action Officer. Any incident of sexual harassment of a Provider Agency's employees by a Department employee should be directed to the appropriate Department of Human Services Affirmative Action Officer (see Attachment 1).

The Department recommends that all Provider Agencies develop an internal policy concerning sexual harassment.

A copy of the Governor's policy on sexual harassment is attached to this Information Memorandum.

Issued by:



Henrietta Small, Manager
Contract Policy and Management Unit

**AFFIRMATIVE ACTION OFFICE
TELEPHONE NUMBERS**

DEPARTMENT OF HUMAN SERVICES

Department of Human Services (DHS)	(609)-292-7380
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DEPARTMENTAL COMPONENTS

Division of Developmental Disabilities (DDD)	(609)-984-5350
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Division of Family Development (DFD)	(609)-588-2108
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Division of Mental Health Services (DMHS)	(609)-777-0665
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Division of Youth & Family Services (DYFS)	(609)-984-4330
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Commission f/t Blind and Visually Impaired (CBVI)	(201)-648-3158
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Division of Medical Assistance & Health Services	(609)-588-2605
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All other Departmental Components	(609)-292-7380
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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Manual Holders

DATE: May 1, 1999

SUPERCEDED: Information Memorandum P97-2, promulgated February 1, 1997.

SUBJECT: Applicability of the Federal Davis-Bacon Act and the New Jersey Prevailing Wage Act

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 Human 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 RFPs 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.

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.)

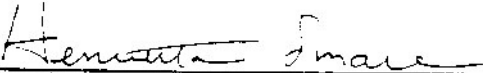
Current law requires that workers who are compensated pursuant to a public works contract must be paid the prevailing wage when a public body is a party to said contract. If the public body is not a signatory party of the contract, the Prevailing Wage Act does not apply. The fact that the source of funds 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 Human Services' 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.

Issued by:



Henrietta Small, Manager
Contract Policy and Management Unit

Davis-Bacon Act Contract Provisions

All Federal and federally assisted contracts subject to the Davis-Bacon and related acts must include the standard contract clauses included in Department of Labor regulations (29 CFR §5.5). These clauses are reprinted below [§5.5(a)(1)- §5.5(c)].

§5.5 Contract provisions and related matters

(a) The agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from federal funds or in accordance with guarantees of a federal agency or financed from funds obtained by pledge of any contract of a federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses (or any modifications thereof to meet the particular needs of the agency, *Provided*, That such modifications are first approved by the Department of Labor):

(1) *Minimum wages.* (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in §5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided*, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) The contracting officer shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) Except with respect to helpers as defined in 29 C.F.R. §5.2(n)(4), the work to be performed by the classification requested is not performed by a classification in the wage determination; and

- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (4) With respect to helpers as defined in 29 C.F.R. §5.2(n)(4), such a classification prevails in the area in which the work is performed.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30- day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the administrator for determination. The administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer within 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided*, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) *Withholding*. The (write in name of federal agency or the loan or grant recipient) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other federal contract with the same prime contractor, or any other federally assisted contract subject to Davis-Bacon prevailing wage requirements, which is held the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, the (agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) *Payrolls and basic records.* (i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis- Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). The payrolls submitted shall set out accurately and completely all of the information required to be maintained under §5.5(a)(3)(i) of regulations, 29 CFR Part 5. This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, D.C. 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors.

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under §5.5(a)(3)(i) of Regulations, 29 CFR Part 5 and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the (write the name of the agency) or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the federal agency may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR §5.12.

(4) *Apprentices and trainees*---(i) *Apprentices*. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a state apprenticeship agency recognized by the bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a state apprenticeship agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wages rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the administrator determine that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training or a state apprenticeship agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) *Trainees*. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less

than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) *Equal employment opportunity.* The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

(iv)*

(5) *Compliance with Copeland Act requirements.* The contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this contract.

(6) *Subcontracts.* The contractor or subcontractors shall insert in any subcontracts the clauses contained in 29 CFR §5.5(a)(1) through (10) and such other clauses as (write in the name of the federal agency). may be appropriate or as instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR §5.5.

(7) *Contract termination: debarment.* A breach of the contract clauses in 29 CFR §5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR §5.12.

(8) *Compliance with Davis-Bacon and Related Act requirements.* All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1,3, and 5 are herein incorporated by reference in this contract.

(9) *Disputes concerning labor standards.* Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5,6,and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(10) *Certification of eligibility.* (i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR §5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR §5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

(b) *Contract Work Hours and Safety Standards Act.* The agency head shall cause or require the contracting officer to insert the following clauses set forth in paragraphs (b)(1),(2),(3), and (4) of this section in full in any contract subject to the overtime provisions of the Contract Work Hours and Safety Standards Act.

*§ 5.5 (a)(4)(iv) removed. See June 26, 1992.
Federal Register.

These clauses shall be inserted in addition to the clauses required by §5.5(a) or §\$4.6 of Part 4 of this title. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) *Overtime requirements.* No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or

mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) *Violation; liability for unpaid wages: liquidated damages.* In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) *Withholding for unpaid wages and liquidated damages.* The (write in the name of the federal agency or the loan or grant recipient) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) *Subcontracts.* The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

(c) In addition to the clauses contained in paragraph (b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in §5.1, the agency head shall cause or require the contracting officer to insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wage paid. Further, the agency head shall cause or require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

TO: Manual Holders

DATE: May 1, 1999

SUBJECT: Subcontracts

This Information Memorandum applies to all Public and Private Provider Agencies that contract with the Department of Human Services and award subcontracts as a means of providing third party social services and training to individuals/families as specified in the Contract. The intent of this information memorandum is to provide subcontracting requirements that must be followed by Provider Agencies to ensure that the Department of Human Services receives quality services as contractually agreed upon by the Provider and Department.

As stated in the Department's Standard Language Document for Social Service and Training Contracts, the Provider Agency may not subcontract any of the services that it has committed to perform or provide pursuant to the Contract without the prior written consent of the Department. Such consent to subcontract shall not relieve the Provider Agency of its full responsibilities under the Contract. Consent to the subcontracting of any part of the services shall not be construed to be an approval of said subcontract or 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 the Contract.

If a Provider Agency chooses to subcontract, it must ensure that subcontractors comply with all applicable federal, State and local laws, rules and regulations, including the Department's Standard Language Document and the Department's Contract Policy and Information Manual and Contract Reimbursement Manual. The subcontract shall not be in conflict or less restrictive than any of the Department of Human Services' policies or procedures. The Provider shall outline in the Annex A of the Department Contract

a description of how the Provider intends to monitor any subcontract it signs to ensure compliance with the Departmental Contract.


The Provider shall also ensure that:

1. the subcontract document shall include, at a minimum:
 - a. terms and conditions written so that they do not contradict or compromise any of the language in the Department/Provider Agency Contract;
 - b. a program (service) description, including level of service; and
 - c. a budget or rate(s).
2. the subcontract contains provision(s) for adequate insurance, and a written assurance that the subcontractor will indemnify, defend and hold harmless the State of New Jersey and its employees from and against all claims, demands, suits, actions recoveries, judgments and costs and any other expenses therewith. The State of New Jersey shall also be named as an additional insured on the subcontractor's insurance coverage.
3. necessary licenses and credentials required by the Departmental component are maintained by the subcontractor(s).
4. the subcontractor maintains the confidentiality of all subcontract client records and reports pertaining to the client(s) served (N.J.S.A. 30:4-24.3); this includes any medical condition(s) of the client(s), or any subject of a personal or intimate nature regarding the client(s).
5. the Department and Provider Agency have access to all subcontract documents applicable to the Departmental Contract.
6. interim service and financial reports necessary to support the contractual conditions and obligations of the Department/Provider Agency Contract are complete and received from the subcontractor(s) in a timely manner.
7. all subcontractors follow the audit requirements specified in Department of Human Services' Audit Requirements, Policy Circular P7.06, as from time to time amended.

8. the fully executed subcontract and any copies required shall be received by the Departmental Components within thirty (30) Days of the subcontract begin date. The thirty (30) Day time frame shall be applicable for any subsequent subcontract amendments or modifications.

Submission of a fully executed subcontract shall be evidence that the Provider has reviewed the subcontract and determined that it complies with all of the requirements of this Information Memorandum.

Issued by:



Henrietta Small, Manager
Contract Policy and Management Unit

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

To: Manual Holders

Date: April 25, 2005

Subject: Access to the Department of Human Services (DHS) Contract Policy and Information Manual and Contract Reimbursement Manual on the DHS Website.

Supersedes: Depository Libraries Availability of the Contract Policy and Information Manual and Contract Reimbursement Manual, dated May 1, 1999 and IMP97-5, Contract Manuals for Licensed Public Accountants, dated December 15, 1997.

The purpose of this Information Memorandum is to advise Prospective Provider Agencies and Individual Providers, as well as Contracted Provider Agencies, audit firms and the public that the DHS Contracting Manuals, the Contract Policy and Information Manual and the Contract Reimbursement Manual, are now accessible for viewing and downloading from the DHS Website.

These Manuals can be accessed from the Office of Contract Policy and Management (OCPM) webpage at: <http://dhs.state.nj.us/humanservices> . The Contracting Manuals' link is available from the webpage sidebar.

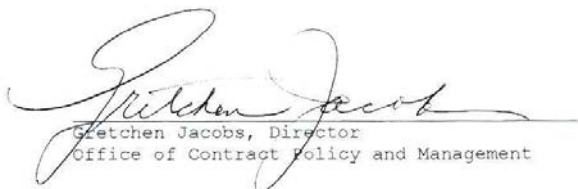
The \$60.00 fee previously required for securing copies of the manuals and any updates is no longer applicable nor required because of the availability of the manuals on the web.

The Departmental Components will no longer be distributing manuals nor updates. The Departmental Components may, at their discretion, from time to time, notify provider agencies under contract of any department component-specific policies. Otherwise, public notification of any changes to the manuals is provided through web access (Changes/revisions to the manuals are marked with an asterisk (*) during each calendar year).

The Manuals including all updates, will continue to be available at the NJ State Depository Libraries in hard copy.

The DHS version of the manuals is the legally binding version.

Issued by:


Gretchen Jacobs, Director
Office of Contract Policy and Management

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

To: Manual Holders
Date: August 1, 2000
Subject: Auditors Access to Client Records

Scope:

This interpretation applies to all Departmental Components.

Situation:

A DYFS 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 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, 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.

The 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.

Issued by:



Henrietta Small, Manager
Contract Policy and Management Unit

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

TO: Manual Holders

DATE: March 1, 2002

SUBJECT: Staff Attendance at Conferences or Other Events Sponsored by
Department of Human Services' Provider Agencies.

The purpose of this Information Memorandum is to inform Provider Agencies and Departmental Components of Department of Human Services guidelines regarding Department staff attendance at Provider Agency sponsored events.

DEFINITIONS

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

Approval means written permission from the Departmental Component's Ethics Liaison Officer to attend and/or participate in an Event; to accept an honorarium or fee; and/or to accept Direct or Indirect Benefits in connection with attendance.

Department Head means the administrative or executive head of the State Official's agency or his or her designee. The Commissioner of Human Services has designated Departmental Component Ethics Liaison Officers to grant the approval defined above.

Direct Benefit means acceptance by a State Official from the sponsor of an Event or any other person of travel, meals, accommodation, waiver of conference or Event fee or any other costs associated with attending the Event for which no payment is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (bagels, doughnuts, pastries and cookies).

Event means a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from the State Official's work location, is sponsored or co-sponsored by a non-

government source and the invitation for which is extended to the State Official because of his/her official position.

Indirect Benefit means acceptance by a State Official from the Event sponsor or any other person of reimbursement for costs of travel, meals, accommodation, event fees, or any other costs associated with attending the Event for which no reimbursement is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (bagels, doughnuts, pastries and cookies).

Interested Party means 1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated to be subject to the regulatory, licensing or supervisory authority of the State Official's agency; 2. Any supplier, or employee, representative or agent thereof; 3. Any organization that advocates or represents the positions of its members to the State Official's agency; and/or, 4. Any organization a majority of whose members are as described in paragraphs 1 through 3 above.

Person means any individual, association, organization, firm, partnership or corporation.

State Official means any State Officer or employee or special State Officer or employee as defined in the Conflicts of Interest Law, N.J.S.A. 52:13D-13(b) and (e).

GUIDELINES

Pursuant to N.J.A.C. 19:61-6, Department of Human Services staff may not accept free slots to an Event unless there is a specific stipulation in the Contract stating that a Departmental Component is entitled to an identified number of complimentary seats. If a Contract does not require a Provider Agency to provide complimentary seats for staff to attend an Event, the acceptance of such an offer would constitute the acceptance of a prohibited "Direct or Indirect" Benefit. N.J.A.C. 19:61-6.4 prohibits State employees from accepting a "Direct or Indirect Benefit" from a Contract Provider Agency, an individual representing that Contract Provider Agency, or any other Interested Party.

Departmental Components and Provider Agencies may negotiate complimentary arrangements through Contract and discretionary grant awards (in writing) to meet specific Departmental Component goals and objectives. When appropriate, subsequent Contracts or grant award notifications should stipulate (in writing) that the Contract or grant funding is conditioned upon the allocation of a given number of complimentary slots to the Department.

If complimentary arrangements are not incorporated into the Contract or grant award, the Department of Human Services Staff may attend the Event if the staff person or division pays the registration fee. Employees may not accept discounted rates that are offered exclusively to their State entity. Departmental Components may accept discounted rates only when the discount is offered equally to all State entities.

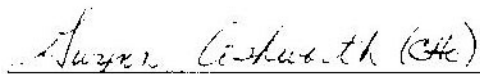
Department staff must secure prior approval from their Department Head (i.e. supervisor, manager, Director, Assistant Commissioner, Chief of Staff, Commissioner or designee) to attend any such Event. The prior written approval of the Departmental Component's Ethics Liaison Officer to attend an Event shall be requested by completing the attached Request for Approval for Attendance at Event form. (Attachment 1)

If a State Official is making a speech, participating in a panel discussion at the Event or is an accompanying resource person for the speaker and/or panel participant, the State Official and resource person may accept a Direct or Indirect Benefit (such as a meal) if this Benefit is identical to the Benefits provided to other speakers or panel participants. This applies to Events designed to provide training, dissemination of information, or the exchange of ideas. Approvals granted by the Ethics Liaison Officer under this exception will be forwarded to the Executive Commission on Ethical Standards for review.

Departmental Component Contract administrators should contact their Departmental Component Ethics Liaison Officer if they have any questions concerning this matter.

Attachment

Issued by:



Gwynn Ashworth, Manager
Contract Policy and Management Unit

Request For Approval For Attendance At An Event
(Instructions on Reverse Side)

Department: _____ Division: _____

Name: _____ Title: _____

Office Address: _____

Voice Telephone Number: _____ Fax Telephone Number: _____

Event*: _____

*Event means a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from the State official's work location, is sponsored or co-sponsored by a non-government source and the invitation for which is extended to the State official because of his/her official position.

Event Sponsor: _____

Is the Sponsor an Interested Party*? _____ Yes _____ No

*Interested Party means: 1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated to be subject to the regulatory, licensing or supervisory authority of the State Official's agent; 2. Any supplier, or employee, representative or agent thereof; 3. Any organization that advocates or represents the positions of its members to the State official's agency; or, 4. Any organization a majority of whose members are as described in paragraphs 1 through 3 above.

Location of the Event*: _____

Date of the Event*: _____

Is overnight accommodation required? _____ Yes _____ No

Estimated cost: _____

Is the Department or Division to pay cost? _____ Yes _____ No

Is the sponsor to pay cost? _____ Yes _____ No

Is the employee to pay cost? _____ Yes _____ No

Reason for attendance: _____

Will the sponsor offer an honorarium or fee to the employee? _____ Yes _____ No

Amount of honorarium? \$_____

Employee Signature

Date

Attendance Approved: _____ Yes _____ No

Acceptance of honorarium approved: _____ Yes _____ No

Conditions: _____

Signature

Date

**Request For Approval For Attendance At An Event
Instructions**

1. All sections must be completed and cost information must be provided whether the sponsor, the Department of Human Services or one of its divisions or the employee is paying for the Event.
2. If the Event is sponsored by one or more private entities or the event is co-sponsored by one or more private entities and a government entity an Event's form must be completed.
3. Approval must be given by the Ethics Liaison Officer prior to attendance at the Event.
4. If the Event is solely sponsored by a federal, state, county or municipal government entity, approval to attend is not required. A government entity includes Rutgers University and all State colleges.
5. Approval to attend an Event shall be requested in writing on this form in advance of the Event.

Guidelines for Attending Events

1. If the event is solely sponsored by a federal, state, county or municipal government entity, approval to attend is not required. A government entity includes Rutgers University and all State Colleges.
2. Nominal refreshments such as non-alcoholic beverages and snacks such as bagels, doughnuts, pastries, and cookies may be accepted by an employee, the employee need not pay personally or seek State payment for same.
3. If a State official is making a speech, participating in a panel discussion at the Event or is an accompanying resource person for the speaker and/or participant, the State official and resource person may accept a Direct or Indirect benefit (such as a meal), if this benefit is identical to the benefits provided to other speakers or panel participants. This applies to Events and to the benefits provided to other speakers or panel participants. This applies to Events designed to provide training, dissemination of information, or the exchange of ideas.*

*Note: Since this is an exception to the rule which says a State official shall not receive any Direct or Indirect Benefit from any source, approvals which are granted by the Ethics Liaison Officer under this exception, must be forwarded to the Ethics Commission for review.

4. Special Note: If you attend an Event where the refreshments turn out to be more than nominal, such as a full-course dinner or a buffet or where entertainment is provided, and you feel that it would be questionable to accept the benefit, you may do one of several things:
 - a. You may offer to pay for the value of the benefit offered at the Event itself. If you do so, please make sure that you pay by check or credit card only so that you have a record of having paid.
 - b. You may wait until the next day, especially if you are unsure of whether payment is necessary and call the sponsor of the Event, ascertain the cost, and send a check or pay by credit card after the Event.
 - c. We have been advised by the Ethics Commission that it is unwise to pay by cash. If you have no other choice, either get a receipt for the transaction or send a confirming letter the next day.

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Manual Holders

DATE: March 1, 2002

SUBJECT: Business Registration

The purpose of this Information Memorandum is to inform Provider Agencies and Departmental Components about the State's annual business reporting requirements once a Provider Agency has filed their incorporation papers with the State of New Jersey.

According to P.L. 2001, c. 134 (N.J.S.A. 52:32-44 et seq.) all profit and non-profit corporations (domestic and foreign), as well as, all limited partnerships, 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 do not have to file for incorporation or register their business annually.

Please note that no State agency (the Department) can contract with a Provider Agency 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 Department shall enter into any subcontract unless the subcontractor can demonstrate that it is incorporated or its annual business registration is current.

Background

Annual business reporting is a prerequisite for maintaining active business status. Annual reports contain vital business census data; addresses, officer/director information, etc., which is used to update the State's public records system. This public information 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 (see chart on last page).

Division of Revenue

The Division of Revenue automatically mails blank annual business report forms approximately two (2) months prior to the due date. The due date is the month of the business entity's initial incorporation or registration.

If your business does not receive an annual business reports form or you need a reinstatement package; you may obtain the necessary form(s) or package from the Annual Reports Unit of the Division of Revenue. The reinstatement package includes all required blank forms, instructions and fees due. The reinstatement package can be obtained via the mailing address, telephone number, FAX number or Internet address noted below.

NJ Treasury Department
Division of Revenue
PO Box 302
Trenton, NJ 08625
ATTN: Annual Reports, Forms Requests

Voice: (609) 292-9292
FAX: (609) 984-6849
Internet: www.state.nj.us/njbgs

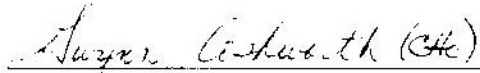
IMPORTANT

For all form or reinstatement package requests, remember to provide: the name of the business, a return address, and the business registration number (10 digit ID), included on the Certificate of Incorporation.

NOTE: For-Profit corporations must obtain a tax clearance certificate before filing for reinstatement, this is also included in the reinstatement package.

NOTE: Corporations subject to the Corporation Business Tax (CBT) must now submit their tax payments and annual report concurrently, using an integrated voucher called the CAR100. The CAR100 is part of the corporate tax return package. It is important to note that the annual report due date for subject corporations has been changed to coincide with the corporate business tax due date (fiscal month plus 3.5 months). The Treasury's Division of Revenue mails annual report forms out to registered businesses approximately 2 months prior to the due date. The due date is the month of the entity's initial incorporation or registration date. Corporations that have been on file with the State of New Jersey for six (6) months or less are not required to file an annual report.

Issued by:

 (GK)

Gwynn Ashworth, Manager
Contract Policy and Management Unit

Reinstatement Fees

Business Type	Annual Report Fees	Reinstatement Fees
For-profit Corp	All Delinquent Annual Reports (variable); Current Annual Reports (\$40.00)	\$70.00 (\$50.00 for reinstatement, \$20.00 filing tax clearance) plus \$200.00 late filing fee
Nonprofit Corp	Current Annual Report (\$15.00)	\$100.00
Limited Partnership	All Delinquent Annual Reports (variable); Current Annual Report (\$40.00)	\$50.00 for reinstatement filing plus \$200.00 late filing fee
Limited Liability Partnership	All Delinquent Annual Reports (variable); Current Annual Reports (\$40.00)	\$50.00 for reinstatement filing plus \$200.00 late filing fee
Limited Liability Company	All Delinquent Annual Reports (variable); Current Annual Reports (\$50.00)	\$50.00 for reinstatement filing plus \$200.00 late filing fee

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Manual Holders

DATE: February 9, 2004

SUBJECT: Revised Audit Requirements, Policy Circular **P7.06,**
Section III, A. and B.

SUPERSEDES: Policy Circular **P7.06,** Section III A. and B., Promulgated
June 1, 2001.

The purpose of this Information Memorandum is to inform Provider Agencies, their Independent Auditors and Departmental Components of revisions to Policy Circular **P7.06,** Audit Requirements. The purpose of the revision is to align Departmental audit requirements with those recently promulgated by the Federal Office of Management and Budget (Circular A-133) and New Jersey Office of Management and Budget (Circular 04-04-OMB).

The following policy changes regarding audits of Departmental Recipients are effective for fiscal years ending **after** December 31, 2003:

III. POLICY

- A. All provider agencies which expend \$500,000 or more in Federal **or** State awards within their fiscal year, in which the Department is the largest funding source (cognizant), must have an annual single audit performed in accordance with Federal OMB Circular A-133, New Jersey OMB Circular 04-04-OMB and Departmental policy.
- B. All provider agencies which expend \$100,000 or more in combined Federal **and** State awards but less than \$500,000 in Federal **or** State awards within their fiscal year, in which the Department is cognizant, must have an annual organization-wide financial statement audit performed in accordance with Government Auditing Standards (Yellow Book) and Departmental policy.

As a reminder, audit reports meeting the above requirements are **due within 120 days of the agency's fiscal year-end** and a copy should be sent **directly** to the Office of Auditing **in addition** to forwarding to the cognizant Departmental Component.

Departmental Component Contract administrators should contact the DHS Office of Auditing if they have any questions concerning this matter.

Issued by:



Gretchen Jacobs, Director
Office of Contract Policy and Management

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

To: Manual Holders

DATE: August 11, 2005

SUBJECT: Cognizant Contracting

The purpose of this Information Memorandum is to clarify and affirm the policies and procedures that will supplant certain portions of the Cognizant Division Contracting policy P1.25 which has been rescinded. Information herein is a reiteration of related existing policy in the Contract Policy and Information Manual (CPIM).

Any contracts that include more than one DHS 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 is the lead Departmental Component and also the functions that will be assumed by all DHS participants. The Lead Departmental Component may be changed from time to time as deemed necessary by the involved Departmental Components.

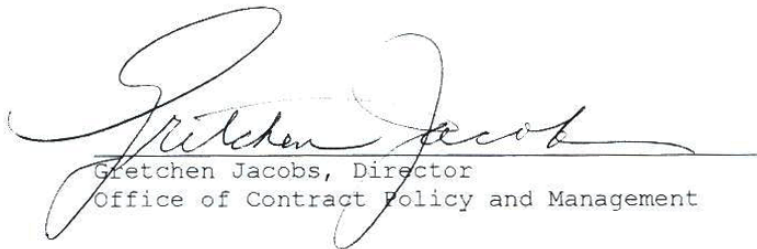
The provider agency's fiscal year is to be used as the contract term unless dictated by the funding source or when the term length of the contract is atypical. Such exceptions must be stated in writing to the provide agency.

The allowable General and Administrative 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 DHS standardized contract forms are to be used in processing contracts. Any exceptions are listed on the Documents and Conditions Required for Processing, Executing and Documenting a DHS Third Party Contract form, 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.

Issued by:



Gretchen Jacobs, Director
Office of Contract Policy and Management

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Manual Holders

DATE: November 21, 2007

SUBJECT: Affirmative Action Requirements

SUPERCEDES: Information Memorandum P91-2, dated December 6, 1991

The purpose of this information memorandum is to inform Provider Agency, Individual Providers and Departmental Component staff of Affirmative Action legislation requirements that must be met by organizations that contract with the Department of Human Services. In accordance with N.J.S.A. 10:5-31 et seq., N.J.A.C. 17:27, the Department of Human Services, as a public agency that awards social service and training contracts and Individual Provider agreements, must ensure that all contracting entities comply with the Affirmative Action requirements of P.L. 1975, C. 127. The Department, as directed by the State of New Jersey Department of the Treasury, Division of Contract Compliance and Equal Employment Opportunities in Public Contracts will include specific Affirmative Action language in the Standard Language Document (SLD) for social services and training and Individual Provider's Contracts and provide Affirmative Action forms to Provider Agencies and Individual Provider's to obtain the necessary State certification. The Departmental Components shall be responsible for distributing the required State Affirmative Action initial certification application (Attachment 3) to eligible Providers.

After the initial application process, the Division of Contract Compliance will forward the renewal application to the Provider Agency and/or Individual Provider. It is the Provider's responsibility to submit the forms to the Division of Contract Compliance and forward a copy to the contracting Departmental Component. Upon receiving the Certification of Employee Information Report the Provider Agency/Individual Provider shall issue the Certificate to the contracting Departmental Component.

The Department upon awarding any social services or training Contract and Individual Provider Agreements must determine if either of the following documents is on file at the Provider Agency:

1. A FEDERAL AFFIRMATIVE ACTION PLAN APPROVAL which is a valid letter from the Office of Federal Contract Compliance Programs (see Attachment 1). A photocopy of the Letter of Approval shall be submitted to the Departmental Component with the completed contract proposal package, but no later than seven Days after the

actual signing and dating of the Contract by the Provider Agency and/or Individual Provider.

OR

2. A CERTIFICATE OF EMPLOYEE INFORMATION REPORT which is a certificate from the State Treasurer's Office (see Attachment 2). A photocopy of a current certificate shall be submitted to the Departmental Component with the completed contract proposal package, but no later than seven Days after the actual signing and dating of the Contract by the Provider Agency and/or Individual Provider. If neither of the above documents is available, then:

An AFFIRMATIVE ACTION EMPLOYEE INFORMATION REPORT (Form AA-302) (see Attachment 3) enclosed with the contract proposal package shall be completed. The AA-302 is a carbonized form consisting of four copies which shall only be given to Providers that have been or will be awarded a Contract.

The Provider Agency shall forward the completed copies as follows:

- 1) The white and canary copies shall be submitted to the State Department of the Treasury's Division of Contract Compliance address shown below.

State of New Jersey
Department of the Treasury
Division of Contract Compliance & Equal Employment
Opportunities in Public Contracts
P.O. Box 209
Trenton, NJ 08625-0209

- 2) The pink copy shall be sent to the contracting Departmental Component as part of the completed contract proposal package.
- 3) The gold copy shall be retained and filed by the Provider Agency in the Contract file.

If the Provider Agency does not submit either the Federal Affirmative Action Plan Approval letter or a current Certificate of Employee Information Report within the required time frame, the Departmental Component may extend the compliance time period to fourteen total Days after the actual signing and dating of the Contract by the Provider Agency. If the appropriate documentation cannot be produced within the seven Day extension, the Departmental Component must declare the Provider Agency as being non-responsive and stop all Contract proceedings.

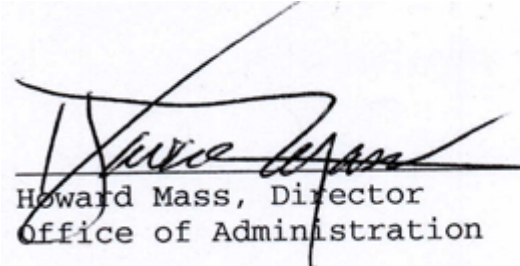
The Departmental Component may award a Contract in an emergency situation without following the Affirmative Action procedures outlined above. This may occur only if the Departmental Component documents that an actual or imminent emergency exists which requires the

Departmental Component to immediately award a Contract for service(s) because a delay would endanger the health, safety or welfare of the Department's clients.

The Departmental Component shall maintain a copy of the appropriate Affirmative Action document on file for review by the State Treasury Department's Division of Contract Compliance until expiration. The Federal Affirmative Action Plan Approval letter expires one year from the date on the letter. The Certificate of Employee Information Report has an expiration date on the certificate.

Any questions or comments concerning the Affirmative Action requirements should be referred to the State Treasury Department's Division of Contract Compliance at (609)-292-5475.

Issued by:



Howard Mass, Director
Office of Administration

Sample Federal Letter of Approval

Information Memorandum P07-1
Attachment 1

U.S. Department of Labor

Employment Standards Administration
Office of Federal Control Compliance Programs
Newark Area Office
124 Evergreen Place, Fourth Floor
East Orange, NJ 07108



SAMPLE

February 27, 20__

Dear

Our recent compliance review of your establishment's equal employment opportunity policies and practices was completed on February 27, 20__.

We found no apparent deficiencies or violations of Executive Order 11266, as amended, Section 503 of the Rehabilitation Act of 1973 or 38 USC 2012 (the Vietnam Era Veterans Readjustment Assistance Act). Accordingly, your establishment is deemed to be in compliance with these laws based on the material reviewed.

The Office of Federal Contract Compliance Programs sincerely appreciates the cooperation and courtesies extended by you and your staff during the conduct of the compliance review.

Sincerely,

Area Office Director.

SAMPLE CERTIFICATE OF EMPLOYEE INFORMATION REPORT

Certification _____
CERTIFICATE OF EMPLOYEE INFORMATION REPORT

This is to certify that the contractor below has submitted an Employee Information Report pursuant to N.J.A.C. 17:27-9.7 et seq. and the State Treasurer has approved said report. This approval will remain in effect for the period of _____

VOID



State Treasurer

Form AA302
Rev. 1/00

STATE OF NEW JERSEY
Division of Contract Compliance & Equal Employment Opportunity
EMPLOYEE INFORMATION REPORT

IMPORTANT - READ INSTRUCTIONS ON BACK OF FORM CAREFULLY BEFORE COMPLETING FORM. TYPE OR PRINT IN SHARP BALLPOINT PEN. FAILURE TO PROPERLY COMPLETE THE ENTIRE FORM MAY DELAY ISSUANCE OF YOUR CERTIFICATE. DO NOT SUBMIT EEO-1 REPORT FOR SECTION B, ITEM 11.

SECTION A — COMPANY IDENTIFICATION

1. FID. NO. OR SOCIAL SECURITY	2. TYPE OF BUSINESS <input type="checkbox"/> 1. MFG <input type="checkbox"/> 2. SERVICE <input type="checkbox"/> 3. WHOLESALE <input type="checkbox"/> 4. RETAIL <input type="checkbox"/> 5. OTHER	3. TOTAL NO. EMPLOYEES IN THE ENTIRE COMPANY
4. COMPANY NAME		
5. STREET	CITY	COUNTY STATE ZIP CODE
6. NAME OF PARENT OR AFFILIATED COMPANY (IF NONE, SO INDICATE)		CITY STATE ZIP CODE
7. CHECK ONE: IS THIS COMPANY: <input type="checkbox"/> SINGLE-ESTABLISHMENT EMPLOYER <input type="checkbox"/> MULTI-ESTABLISHMENT EMPLOYER		
8. IF MULTI-ESTABLISHMENT EMPLOYER, STATE THE NUMBER OF ESTABLISHMENTS IN NJ		
9. TOTAL NUMBER OF EMPLOYEES AT ESTABLISHMENT WHICH HAS BEEN AWARDED THE CONTRACT		
10. PUBLIC AGENCY AWARDED CONTRACT	CITY	COUNTY STATE ZIP CODE
OFFICIAL USE ONLY	DATE RECEIVED	INAUG. DATE ASSIGNED CERTIFICATION NUMBER

SECTION B — EMPLOYMENT DATA

11. Report all permanent, temporary and part-time employees ON YOUR OWN PAYROLL. Enter the appropriate figures on all lines and in all columns. Where there are no employees in a particular category, enter a zero. Include ALL employees, not just those in minority/non-minority categories, in columns 1, 2, & 3. **DO NOT SUBMIT AN EEO-1 REPORT.**

JOB CATEGORIES	ALL EMPLOYEES			PERMANENT MINORITY/NON-MINORITY EMPLOYEE BREAKDOWN									
	COL. 1 TOTAL (COLS. 1 & 3)	COL. 2 MALE	COL. 3 FEMALE	BLACK	HISPANIC	AMER. INDIAN	ASIAN	NON MIN.	BLACK	HISPANIC	AMER. INDIAN	ASIAN	NON MIN.
Office Managers													
Professionals													
Technicians													
Sales Workers													
Office & Clerical													
Craftworkers (Skilled)													
Operatives (Semi-Skilled)													
Laborers (Unskilled)													
Service Workers													
TOTAL													
Total employment from previous Report (If any)													
Temporary & Part-Time Employees	The data below shall NOT be included in the figures for the appropriate categories above.												

12. HOW WAS INFORMATION AS TO RACE OR ETHNIC GROUP IN SECTION B OBTAINED? <input type="checkbox"/> 1. Visual Survey <input type="checkbox"/> 2. Employment Record <input type="checkbox"/> 3. Other (Specify)		14. IS THIS THE FIRST Employee Information Report Submitted? 1. YES <input type="checkbox"/> 2. NO <input type="checkbox"/>	15. IF NO, DATE LAST REPORT SUBMITTED? MO DAY YEAR
13. DATES OF PAYROLL PERIOD USED FROM: TO:			

SECTION C — SIGNATURE AND IDENTIFICATION

16. NAME OF PERSON COMPLETING FORM (Print or Type)	SIGNATURE	TITLE	DATE MO DAY YEAR
17. ADDRESS NO. & STREET	CITY	COUNTY STATE ZIP CODE	PHONE (Area Code, No., Extension)

INSTRUCTIONS FOR COMPLETING THE EMPLOYEE INFORMATION REPORT (FORM AA302)

IMPORTANT:

READ THE FOLLOWING INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE FORM. PRINT OR TYPE ALL INFORMATION. FAILURE TO PROPERLY COMPLETE THE ENTIRE FORM MAY DELAY ISSUANCE OF YOUR CERTIFICATE. IF YOU HAVE A CURRENT CERTIFICATE OF EMPLOYEE INFORMATION REPORT, DO NOT COMPLETE THIS FORM. SEND COPY OF CURRENT CERTIFICATE TO THE PUBLIC AGENCY. DO NOT COMPLETE THIS FORM FOR CONSTRUCTION CONTRACT AWARDS.

ITEM 1 - Enter the Federal Identification Number assigned by the Internal Revenue Service, or if a Federal Employer Identification Number has not been applied for, or if your business is such that you have not or will not receive a Federal Employer Identification Number, enter the Social Security Number of the owner or of one partner, in the case of a partnership.

ITEM 2 - Check the box appropriate to your TYPE OF BUSINESS. If you are engaged in more than one type of business check the predominate one. If you are a manufacturer deriving more than 50% of your receipts from your own retail outlets, check "Retail".

ITEM 3 - Enter the total "number" of employees in the entire company, including part-time employees. This number shall include all facilities in the entire firm or corporation.

ITEM 4 - Enter the name by which the company is identified. If there is more than one company name, enter the predominate one.

ITEM 5 - Enter the physical location of the company. Include City, County, State and Zip Code.

ITEM 6 - Enter the name of any parent or affiliated company including the City, County, State and Zip Code. If there is none, so indicate by entering "None" or "N/A".

ITEM 7 - Check the box appropriate to your type of company establishment. "Single-establishment Employer" shall include an employer whose business is conducted at only one physical location. "Multi-establishment Employer" shall include an employer whose business is conducted at more than one location.

ITEM 8 - If "Multi-establishment" was entered in item 8, enter the number of establishments within the State of New Jersey.

ITEM 9 - Enter the total number of employees at the establishment being awarded the contract.

ITEM 10 - Enter the name of the Public Agency awarding the contract. Include City, County, State and Zip Code.

ITEM 11 - Enter the appropriate figures on all lines and in all columns. THIS SHALL ONLY INCLUDE EMPLOYMENT DATA FROM THE FACILITY THAT IS BEING AWARDED THE CONTRACT. DO NOT list the same employees in more than one job category. DO NOT attach an EEO-1 Report.

RACIAL/ETHNIC GROUPS WILL BE DEFINED:

Black: Not of Hispanic origin. Persons having origin in any of the Black racial groups of Africa.

Hispanic: Persons of Mexican, Puerto Rican, Cuban, or Central or South American or other Spanish culture or origin, regardless of race.

American Indian or Alaska Native: Persons having origins in any origins in any of the original people of North America, and who maintain cultural identification through tribal affiliations or community recognition.

Asian or Pacific Islander: Persons having origin in any of the original peoples of the Far East, Southeast Asia, the Indian Sub-continent or the Pacific Islands. This area includes for example, China, Japan, Korea, the Philippine Islands and Samoa.

Non-Minority: Any persons not identified in any of the aforementioned Racial/Ethnic Groups.

ITEM 12 - Check the appropriate box. If the race or ethnic group information was not obtained by 1 or 2, specify by what other means this was done in 3.

ITEM 13 - Enter the dates of the payroll period used to prepare the employment data presented in Item 12.

ITEM 14 - If this is the first time an Employee Information Report has been submitted for this company, check block "Yes"

ITEM 15 - If the answer to Item 15 is "No", enter the date when the last Employee information Report was submitted by this company.

ITEM 16 - Print or type the name of the person completing the form. Include the signature, title and date.

ITEM 17 - Enter the physical location where the form is being completed. Include City, State, Zip Code and Phone Number.

TYPE OR PRINT IN SHARP BALL POINT PEN

THE VENDOR IS TO COMPLETE THE EMPLOYEE INFORMATION REPORT FORM (AA302) AND RETAIN THE GOLD COPY FOR THE VENDOR'S OWN FILES. THE VENDOR IS TO SUBMIT THE PINK COPY TO THE PUBLIC AGENCY AWARDED THE CONTRACT AND FORWARD THE REMAINING TWO (2) WHITE AND CANARY COPIES TO:

NJ Department of the Treasury
Division of Contract Compliance & Equal Employment Opportunity
P.O. Box 209

Trenton, New Jersey 08625-0209

Telephone No. (609) 292-5475

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Manual Holders

DATE: July 20, 2009

EFFECTIVE: This Information Memorandum will become effective immediately.

SUBJECT: New Site for the Publication of the Department of Human Services' (DHS) Notice of the Availability of Grant Funds

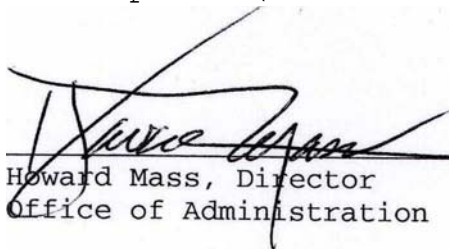
SUPERCEDES: Policy Circular P1.04, Request for Proposal, Procedures Section, Paragraph 1, subsection a., paragraph 1.

The purpose of this Information Memorandum is to advise DHS Contracted Provider Agencies, Individual Providers, Prospective Provider Agencies and the Citizens of New Jersey that the Department of Human Services has changed its location for the public announcements of the availability of grant funds in the accordance with N.J.S.A.52:14-34.4 et seq. The Department of Human Services will discontinue publishing in the *New Jersey Register*, as of this date, and will utilize the DHS existing web site as its main publication site. The DHS web site permits for reasonable access and competition for all.

To access the Department of Human Services' Webpage for viewing and downloading Public Notices and Request for Proposals, please utilize the following URL address:
www.state.nj.us/humanservices/providers/grants/nofa/index.html.

Each DHS departmental component publishing a Public Notice and Request for Proposal on the DHS web site will also publish on their web site.

Twice a year the Office of Contract Policy and Management will publish in the *New Jersey Register* a notification of the availability of grant funds with the DHS URL address for continued viewing and downloading of Public Notices and Request for Proposals. (Attachment A)

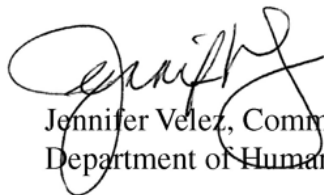


Howard Mass, Director
Office of Administration

DEPARTMENT OF HUMAN SERVICES
AGENCY WEBSITE POSTING OF NOTICES OF GRANT AVAILABILITY

Public Notice of Available Grant Funds

Take notice that, in compliance with N.J.S.A. 52:14-34.4 et seq. (P.L. 1987, c. 7), the Department of Human Services hereby publishes notice of the availability of grant funds on its web site at <http://www.state.nj.us/humanservices/providers/grants/nofa/index.html> . Copies of the notices can be downloaded at the site or by contacting the issuing DHS contracting unit.



Jennifer Velez, Commissioner
Department of Human Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

TO: Manual Holders
DATE: June 7, 1993
SUBJECT: Loans to Provider Agency Employees

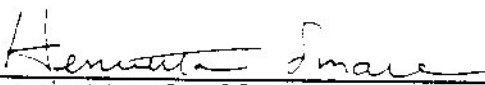
Policy Query: Allowability of Using Contract Funds for Employee Loans

A Provider Agency has instituted a policy/practice allowing certain agency employees and Board members to make personal purchases on the agency's corporate credit card established for Provider Agency use. The Agency, which is required to pay the account in full each month, allows the employees/Board members to make monthly payments on these personal purchases, including an interest charge when payments are made in installments. Is this an acceptable use of Contract dollars?

Policy Interpretation:

The Department of Human Services contracts with Provider Agencies to provide certain services to the Department's clients. The Provider Agency must show effective control over and accountability for all funds and other assets, as well as adequately safeguard all such assets and assure that they are used solely for the authorized purposes. The Contract Reimbursement Manual indicates that the portion of the Provider Agency's operations paid by the Department under a Contract must relate to services delivered to Contract clients. Accordingly, in P9.05, Contract Default, a Provider Agency is in Default of the Contract if there is "use of Contract funds for purposes other than as approved by the Department and specified in the Annex(es)." Using Contract funds for personal debts or staff loans is not an essential requisite of the Contract and, therefore, is not an allowable use of Contract funds.

Issued by:


Henrietta Small, Manager
Contract Policy and Management Unit

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

TO: Manual Holders

DATE: February 1, 1997

SUBJECT: Department Equitable Interest in Contract Purchased Equipment

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?

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 Department Policy Circular P4.05).

The Department's equitable interest for cost related Contracts shall be determined in the following manner:

- 1) Equipment purchased using 100% Department funds will have a Department equitable interest of 100%, as long as there is documentation to support the purchase.

- 2) 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 Expense 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:

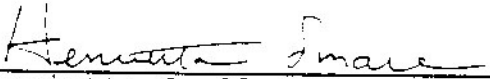
The Department's Reimbursable Ceiling line on the Annex B: Contract Expense Summary form is \$50,000, the Department Contract Generated Funds are \$15,000, and non-Department funds are \$35,000 equaling the Total Cost line of \$100,000, then:

$$\frac{\$50,000 + \$15,000}{\$100,000} = 65\% \text{ Equitable Interest}$$

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 A of the 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.

Issued By:



Henrietta Small, Manager
Contract Policy and Management Unit

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

To: Manual Holders
Date: August 1, 2000
Subject: Auditors Access to Client Records

Scope:

This interpretation applies to all Departmental Components.

Situation:

A DYFS 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.

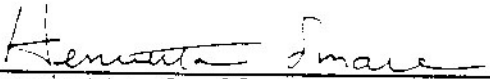
The Division of Mental Health Services (DMHS) regulation, N.J.A.C. 10:37-6.79, Confidentiality of Records, generally prohibits the release of client records except as indicated in the regulation. The intent of the N.J.A.C. 10:37-6.79, Confidentiality of Records, is not to prohibit auditors from reviewing client records in the course of their audit. The Division, the State and the federal government 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, 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.

The 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.

Issued by:



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