

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. Punetti, Director
Office of Planning and Policy



Samuel F. Penza
Assistant Commissioner
Department of Human Services