

TABLE OF CONTENTS

DEPARTMENT OF HUMAN SERVICES

<u>ACCOUNT NUMBER</u>		<u>PROGRAM</u>
<u>NJCFS # (1)</u>	<u>NJFIS #</u>	
• Division of Management and Budget		
<u>FUND AGY ORG APU</u>		
100-054-7500-068	7500-140-870290-63	School Based Youth Services Program
100-054-7500-070	7500-140-870310-63	Office for Prevention of Mental Retardation and Developmental Disabilities
• Division of Family Development		
100-054-7550-072	7550-140-153550-63	Social Services for the Homeless
100-054-7550-104	7550-140-157280-63	Mini Child Care Center Project Grants
100-054-7550-121	7550-150-158010-63	Payments to County Welfare Agencies for Costs of Work First New Jersey (WFNJ)/ General Assistance
100-054-7550-121	7550-150-158010-63	Payments to Municipalities for Costs of Work First New Jersey (WFNJ)/ General Assistance
• Commission for the Blind and Visually Impaired		
100-054-7560-034	7560-140-115010-63	Services to Rehabilitation Clients
100-054-7560-036	7560-140-115040-63	State Use Law & Private Industry Marketing Program by Rehabilitation Facilities
100-054-7560-040	7560-140-120020-63	Psychological Counseling Services
100-054-7560-044	7560-140-125000-63	Educational Services for Children
• Division of Youth and Family Services		
<u>Substitute Care</u>		
100-054-7570-035	7570-140-170400-63	Residential/Group Home Placements
100-054-7570-036	7570-140-170430-63	Foster Care
100-054-7570-037	7570-140-170450-63	Subsidized Adoption
100-054-7570-038	7570-140-170460-63	Special Home Services Providers
<u>General Social Services</u>		
100-054-7570-048	7570-140-180110-63	Purchase of Day Care Services
100-054-7570-049	7570-140-180120-63	Purchase of Social Services
100-054-7570-051	7570-140-180180-63	Public Awareness for Child Abuse Prevention Programs
100-054-7570-064	7570-140-180410-63	Family Support Services
• Division of Juvenile Services		
100-054-7593-030	7593-140-340240-63	Alternatives to Juvenile Incarceration Programs

- (1) Represents the current or revised appropriation account number. The numbers listed in this column do not include the 6 digit program numbers. Those numbers have not changed from the old NJFIS #. To obtain, refer to the third set of numbers (only 6 digit category) in the NJFIS # column.

TABLE OF CONTENTS

DEPARTMENT OF HUMAN SERVICES

ACCOUNT NUMBER

PROGRAM

NJCFS # (1)

NJFIS #

• **Division of Developmental Disabilities**

FUND AGY ORG APU

100-054-7601-057 7601-140-015180-63
 100-054-7601-096 7601-215-012820-63
 491-054-7601-013 7601-491-015180-63
 100-054-7601-054 7601-140-015160-63
 491-054-7601-011

Group Home (Residential)

Supervised Apartments
 Supported Living/Community Care
 Group Home Support
 Private Institutional Care

100-054-7601-016 7601-100-022230-63
 100-054-7601-084 7601-140-035210-63
 100-054-7601-122 7601-215-032710-63

Adult Training

Habilitation/Extended Employment
 Supported Employment
 Work Activity Training Centers-ICF/MR

491-054-7601-015 7601-491-022230-63
 100-054-7601-073 7601-140-025010-63

Respite

H.S.A.C./Guardianship
 Family Support/Home Assistance

100-054-7601-090 7601-140-045210-63
 491-054-7601-017 7600-475-010000-63

Day Training - State Facilities

Education Act (SFEA)
 Purchase of Day Training Service
 State Facilities Education Act (SFEA)

100-054-7601-077 7601-140-026010-63

New Initiatives/Expansion

Family Support/Respite Expansion

100-054-7601-053 7601-140-015140-63
 100-054-7601-076 7601-140-025790-63
 100-054-7601-079 7601-140-027170-63
 100-054-7601-106 7601-215-022200-63
 100-054-7601-108 7601-215-022210-63
 100-054-7601-114 7601-215-022450-63

Ancillary Services

Dental Program
 Match to SSBG (Social Services)
 Case Management
 Day Care
 Work Study
 Citizen's Advocacy

• **Division of Mental Health and Hospitals**

100-054-7700-016 7700-140-081330-63
 100-054-7700-020 7700-140-082810-63
 100-054-7700-029 7700-140-085800-63

Community Care

Expansion of Children's Services Joint
 Initiative MHH/DYFS
 450 Census Reduction Plan
 Community Care Program

(1) Represents the current or revised appropriation account number. The numbers listed in this column do not include the 6 digit program numbers. Those numbers have not changed from the old NJFIS #. To obtain, refer to the third set of numbers (only 6 digit category) in the NJFIS # column.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MANAGEMENT AND BUDGET

School Based Youth Services Program

100-054-7500-068

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- New Jersey Statutes Annotated (N.J.S.A.) 30:1.0 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information Manual (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

To provide students with an accessible, comprehensive system of services to assist them in completing their education that they may become independent adults who are emotionally and physically healthy.

II. PROGRAM PROCEDURES

Contracts are entered into in accordance with the Department's Contract Policy and Information Manual, and Contract Reimbursement Manual. Contracts are negotiated and administered by the School Based Unit. A standard Department Boiler Plate with appropriate annexes is used to document the terms and program goals of the agreement. Administration of the program continues throughout the contract period by agencies submissions of various documents and on-site monitoring.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Clients eligible for services are students who request or need services determined on a case by case basis.

Suggested Audit Procedures

- The auditor is not expected to make tests for eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are generally required to provide a twenty-five (25) percent match to awarded funds. This match may consist of in-kind services, financial contributions or a combination of both.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent and type of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Providers agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MANAGEMENT AND BUDGET

Office for Prevention of Mental Retardation
and Developmental Disabilities

100-054-7500-070

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- Rules and Regulations Governing Developmental Disabled Services and State Aid Under the Developmentally Disabled Rights Act (N.J.S.A. 30:6D).
- New Jersey Administrative Code (N.J.A.C.) 10:40 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the Office for Prevention of Mental Retardation and Developmental Disabilities, as mandated by P.L. 1987, c. 5, are to 1) educate the public about ways in which developmental disabilities may be prevented; 2) coordinate prevention of developmental disabilities activities on the state and community levels; and 3) encourage and stimulate research into the causes of developmental disabilities. Specific program objectives of each grant/contract are indicated in Annex A of each contract. Funds awarded to contractors cannot be used to support direct client services.

II. PROGRAM PROCEDURES

The anticipated availability of funds to support prevention education and research projects are announced in the New Jersey Register. Private provider agencies, individuals, schools, hospitals and other community organizations are eligible to submit an application requesting funds to support specific prevention projects. Contracts are awarded to grantees following a competitive review of the applications. Administration of the program continues throughout the grant/contract period by the submission of documents, with review by the Office for Prevention, and annual site visits.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

The auditor is not expected to test for eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractors whose level of funding from the Office for Prevention is \$25,000 or less are not required to demonstrate matching funds, although they may do so on a voluntary basis. Grantees/contractors whose level of funding exceeds this amount may be required to do so. Each of these individual grants/contracts specifically enumerates the extent of the providers' participation in the cost of the program through cost sharing in Annex B.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractor provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES

DIVISION OF FAMILY DEVELOPMENT

Social Services for the Homeless

100-054-7550-072

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Single Audits of State and Local Governments for the various requirements and the suggested audit procedures.

I. PROGRAM OBJECTIVES

The objective of the Social Services for the Homeless Program is to facilitate joint efforts of public and private agencies to develop a comprehensive network of services for homeless individuals and families. This is achieved through the allocation of funds via a poverty-based formula from the Department to counties (following receipt and approval of each County's Comprehensive Plan for the Homeless).

II. PROGRAM PROCEDURES

Development of the County Plan for the Homeless should conform to the established County Human Services Advisory Councils (HSAC) Guidelines governing the Request for Proposal (RFP) and Renewal process of the county in which it is located. The RFP and/or Renewal process should be completed by the HSAC. However, needs assessments, planning for the homeless population, and development of priorities should continue to be the responsibility of the Comprehensive Emergency Assistance System (CEAS) Committee.

Third party agreements for provision of service to the homeless must be based on signed contracts. All obligations shall be liquidated by the county and any subcontractor on or before the last day of the State fiscal year for which the funds were appropriated.

Each county must submit a Plan for Services to the Homeless to the Department in order to receive a portion of the State Appropriation. The County Emergency Assistance System Committee has responsibility for development of this Plan (County Comprehensive Plan for the Homeless), within Department Guidelines (See addendum B) and in accordance with HSAC and Department conflict of interest policies. This County Plan consists of three sections - a Narrative Description of Needs Assessment and Services (Forms A-1 and A-2), an Inventory of Services (Form B), and a Spending Plan (Form C) which outlines proposed allocation of funds to county private and public providers with units and level of service specified. The entire Plan is forwarded to the Department. Upon approval, payment voucher is sent to the Division of Family Development where the account is maintained. Funds are dispersed to counties (which are responsible for allocation of monies) in accordance with contracted agreements between HSAC and providers.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

County Comprehensive Plan for the Homeless based upon proposed awarding of contracts must address five core service areas. The prioritization of services is determined primarily by each county's C-CHAS Plan, which is based on local needs and other revenue sources.

- Emergency shelter: Short term for families and individuals in times of emergency or following disaster.

Allowed: Monies cannot be allocated unless directly related to emergency shelter. Expenses may include beds, linens, capital improvement, vouchers for motel/hotel rental.

Disallowed: None specified; case by case basis.

- Emergency Food: Meals or food products on a short term basis for families or individuals in an emergency.

Allowed: Monies cannot be allocated unless directly related to emergency food. Expenses may include food products, congregate meals, vouchers for food products, utensils, tables, and salary costs directly associated with food purchase, preparation, or distribution.

Disallowed: None specified; case by case basis.

- 24-Hour Emergency Response: 24-hour, seven days a week contact for crisis intervention and service procurement to the homeless.

Allowed: Monies cannot be allocated unless directly related to emergency response. Expenses may include telephone expenses, beepers, staff.

Disallowed: None specified; case by case basis.

- Case Management: Case Manager responsible for service procurement coordination, and follow-up on behalf of the homeless.

Allowed: Monies cannot be allocated unless directly related to case management. Expenses may include staff time, telephone, limited office space.

Disallowed: None specified; case by case basis.

- Prevention: Services on behalf of a family or individual in imminent risk of being homeless.

Allowed: Monies cannot be allocated unless directly related to prevention. Services may include payment of back rent, security deposit or first month's rent.

Disallowed: None specified; case by case basis.

Suggested Audit Procedures

- Review and evaluate the internal control system designed to ensure expenditures are only made for allowable purposes.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Funds are intended to be used for services to the homeless of New Jersey (both residents and non-residents) of any local community and provided without regard to reason an individual or family has become homeless.

Suggested Audit Procedures

- Review eligibility determination and verification system and evaluate for adequacy.
- Review selected files and determine that required eligibility documents are accurate and complete.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

There are no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS

Compliance Requirement

The following must be submitted to the Department of Human Services:

- Valid provider contract signed by the Director of the Division of Family Development and the authorized agency signatory.
- Expenditure report (Annex B, pages 1 & 2), submitted quarterly.
- Level of Service (LOS) reports, submitted quarterly.
- Final expenditure report (due April 15th).

Suggested Audit Procedures

- Examine required fiscal and program reports to determine completeness and timeliness of submission.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

In all counties where State Appropriation funds are received and awarded to third party providers, the county must submit a plan for evaluating contracted third party services.

Suggested Audit Procedures

- Determine whether State Appropriation Funds were awarded to third party providers.
- If so, verify that a county plan for evaluating such services was submitted.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

Contract costs should be in accordance with each contract, HSAC Guidelines and the County Plan.

Suggested Audit Procedures

- Review the agency's system for determining costs in accordance with the criteria stated above.
- Transactions selected should be tested to determine whether the costs meet the criteria stated above.

DEPARTMENT OF HUMAN SERVICES

DIVISION OF FAMILY DEVELOPMENT

Mini Child Care Center Project Grants

100-054-7550-104

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- New Jersey Statutes Annotated (N.J.S.A.) 30:4B-1.0 et seq.
- New Jersey Administrative Code (N.J.A.C.) 10:80 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information Manual (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

Expand the number of child care slots for use by families in New Jersey by awarding funds to child care providers, groups or individuals for the following purposes:

1. Enable non-registered approved home providers to become registered family day care providers (e.g. money to meet the FDCR life/safety requirements);
2. Purchase life-safety equipment, materials and supplies to enable prospective new providers to meet/comply with Family Day Care Registration requirements;
3. Provide one time funding directed toward the renovation and repair of prospective child care centers which seek to serve not less than 6 or no more than 30 children. Such repairs and renovations are directed toward meeting state child care center licensing requirements.

II. PROGRAM PROCEDURES

The Regional Resource Center (RRC), with the assistance of the local resource and referral agencies in its region, shall use the allocation along the following guidelines:

1. If it is determined that a small amount of the funding is to be set aside to purchase inexpensive life-safety equipment, materials and/or supplies to enable a significant number of prospective new providers to meet/comply with Family Day Care registration requirements, this must be outlined. A delineation of the funds to be utilized for this purpose must be provided along with the allocations to be allotted through the RFP process and expenses for administrative purposes.
2. Request for proposals (RFP) must be issued to appropriate providers in each region, with particular emphasis on FDP counties and geographic areas with high AFDC populations. Grants are to be awarded from a minimum of \$5,000 to a maximum of \$15,000 for each RFP. The RFP and evaluation criteria must be developed by the RRC in concert with the designated local CCR&R representatives to the project and submitted to DFD Child Care Operations for review and approval prior to distribution. Respondee must be granted no less than 45 days to respond to the RFP.
3. The RFP Review and Selection Committee must consist of one representative from the RRC and one representative from each of the local CCR&Rs in the region. This membership may be augmented but only the RRC and CCR&R representatives may vote on the actual awards based on established evaluation criteria.
4. At least one and no more than four grants per county shall be awarded, unless it can be strongly demonstrated that a county has a greater demand (e.g. extremely high AFDC population).

5. Administrative funds may be allotted to each contracting agency to carry out the provisions of the program. Each agency must submit its plan for the use of the funds, indicating the amount of funds utilized by the Regional Resource Center for administration of the grant as well as the amounts to be awarded. Prior to implementation, this plan must be approved by DFD Child Care Operations and Contracting. Agencies are strongly encouraged to keep administrative funds to an appropriate minimum in order to maximize service dollars. Each provider, individual or group that receives an award of \$5,000 or more must render a standard statement of assurance that they agree to provide services to eligible children who receive services through the New Jersey Cares for Kids (NJCK) Child Care Certificate Program, children under DYFS protective services supervision (PRS), children with special needs, and children with parents in the REACH/JOBS/FDP programs. They must be informed in writing that this statement is considered binding and that the statement must include an explanation of the actions the provider will initiate on a regular basis to ensure that NJCK, PRS and/or JOBS clients are given priority for admission, etc.
6. The RRC must develop its final funding plan based on the results of the RFP evaluation process and submit this plan to DFD Child Care Operations for review and approval prior to contract awards to providers.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Eligibility for grant funds is determined through a regional Mini Child Care Consortium consisting of Community Coordinated Child Care (CCCC) and the local resource and referral agency in its region.

Suggested Audit Procedures

- The auditor is not expected to make tests for eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

There are no Matching, Level of Effort, and/or Earmarking requirements.

D. REPORTING REQUIREMENTS

Compliance Requirement

- Monthly expenditures reports (PA-210) and a final expenditure report are to be submitted to the Division of Family Development.
- Program reports are to be submitted in accordance with Annex A of the contract document.

Suggested Audit Procedures

- Identify appropriate reporting guidelines.
- Examine required fiscal and program reports to determine completeness and timeliness of submission.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES

DIVISION OF FAMILY DEVELOPMENT

Payments to **County Welfare Agencies** for Costs of
Work First New Jersey (WFNJ)/General Assistance

100-054-7550-121

I. **PROGRAM OBJECTIVES**

The objective of the payments to County Welfare Agencies for costs of the General Assistance Program is to provide financial assistance to eligible single adults or childless couples and (when deemed appropriate) to provide additional funds for emergency situations beyond their control.

II. **PROGRAM PROCEDURES**

The Division of Family Development supervises and coordinates the administration of the General Assistance Program by All County Welfare Agencies in New Jersey in accordance with the requirements of State law and regulations.

III. **SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

A. **TYPES OF SERVICES ALLOWED OR UNALLOWED**

Compliance Requirement

All payments of assistance to or on behalf of WFNJ/GA clients must be made in accordance with State Law and Regulations.

Suggested Audit Procedures

- Review the Work First New Jersey (WFNJ) manual (New Jersey Administrative Code 10:90) to determine allowable purposes and amounts.
- Test expenditures and related records for adherence to allowable purposes and amounts.

B. **ELIGIBILITY**

Compliance Requirement

All payments of assistance are made to or on behalf of eligible GA clients in accordance with State Law and Regulations.

Suggested Audit Procedures

- Review selected client case file for information pertaining to clients eligibility and supporting documentation.
- Review case records to determine that mandated forms are present.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

See Section G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING.

D. REPORTING REQUIREMENTS

Compliance Requirement

Complete State mandated financial reports and related records in accordance with N.J.A.C. 10:90-14.4 and General Assistance Program Instruction No: 99-3-2

Suggested Audit Procedures

- Examine the following fiscal and program reports to determine completeness and timeliness of submission:
 - WFNJ/GA-6 Report of Assistance Expenditures and Case Activity
 - WFNJ/GA-6A Statistical Activity
 - WFNJ/GA-12 Monthly Statement of Refunds
 - WFNJ/GA-31 Repayment of Interim Assistance Authorization
 - WFNJ/GA-535A Annual Financial Report
 - WFNJ/GA-535Q Quarterly Financial Report
- Trace data in selected reports to records and supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

N.J.A.C. 10:90 prescribes numerous procedures relative to the administration of the GA program.

Suggested Audit Procedures

- Examine Monthly Statement of Refunds (WFNJ/GA-12) to ascertain that refunds are separated according to items eligible and ineligible for State participation [N.J.A.C. 10:90-14.3(a) 4.ii.].
- Determine that any payments of administrative costs were reimbursed to the WFNJ/GA Fund, including bank service charges.
- Verify that Form FD-999 for erroneous claims is completed and sent to UNISYS.
- Review financial records and determine that deductions of interim assistance from Supplementary Security Income (Title XVI) initial payments are in compliance with N.J.A.C. 10:90-14.5 and the agreement between the Social Security Administration (SSA) and the State of New Jersey. Test for promptness of payment and final disposition for check issued.
- Examine SSI Transactions:
 1. Verify that SSI initial payments received from the State or Federal Government are deposited in the WFNJ/GA Fund.

2. The auditor shall determine from a sample of SSI transactions that:
 - a. The amount sent to the client is correct.
 - b. The refund to the client was made within ten (10) working days of receipt by the County Welfare Agency.
 3. Review client case folder for effective date of SSI payments. (SSI Letter Form 8125)
 4. Review interim assistance (maintenance, emergency assistance and temporary assistance only) on the Summary of Interim Assistance attached to WFNJ/GA-31 for accuracy and completeness.
 5. Notify the State of New Jersey, Division of Family Development, Office of Accounting, Auditing and Purchasing of any discrepancies so that any necessary adjustments can be made.
- Review Single Audit Directives and Technical Accounting Directives for relevance to General Assistance audits and apply accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

See Section E. SPECIAL TESTS AND PROVISIONS and Section D. REPORTING REQUIREMENTS.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

Eligible maximum amounts of client grants, type of assistance, methods of payment are prescribed by N.J.A.C. 10:90. Assistance eligible under the WFNJ General Assistance Program requirements is state matchable at 100%, if reported for matching on monthly Report of Assistance Expenditures and Case Activity (Form WFNJ/GA-6). Non-matchable assistance (which includes certain non-WFNJ/GA indigent burial costs and other ineligible assistance payments) must be reported as ineligible on the monthly report. All non-matchable amounts must be paid from or subsequently reimbursed from the Administration Fund.

Suggested Audit Procedures

- See Section A. TYPES OF SERVICES ALLOWED OR UNALLOWED and Section B. ELIGIBILITY.
 - Costs not meeting program requirements and reported as eligible must be included on Schedule of Findings and Questioned Costs regardless of materiality.

IV. CONFIDENTIALITY REQUIREMENTS

N.J.A.C. 10:90-7.7 restricts the disclosure of information concerning recipients of General Assistance to persons whose official duties require access to such information.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT

Payments to **Municipalities** for Costs of
Work First New Jersey (WFNJ)/General Assistance

100-054-7550-121

I. PROGRAM OBJECTIVES

The objective of the payments to Municipalities for costs of the General Assistance Program is to provide financial assistance to eligible single adults or childless couples and (when deemed appropriate) to provide additional funds for emergency situations beyond their control.

II. PROGRAM PROCEDURES

The Division of Family Development supervises and coordinates the administration of the General Assistance Program by all autonomous Municipal Welfare Departments in New Jersey in accordance with the requirements of State law and regulations.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

All payments of assistance to or on behalf of WFNJ/GA clients must be made in accordance with State Law and Regulations.

Suggested Audit Procedures

- Review the Work First New Jersey (WFNJ) manual (New Jersey Administrative Code 10:90) to determine allowable purposes and amounts.
- Test expenditures and related records for adherence to allowable purposes and amounts.

B. ELIGIBILITY

Compliance Requirement

All payments of assistance are made to or on behalf of eligible GA clients in accordance with State Law and Regulations.

Suggested Audit Procedures

- Review selected client case file for information pertaining to clients eligibility and supporting documentation.
- Review case records to determine that mandated forms are present.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

See Section G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING.

D. REPORTING REQUIREMENTS

Compliance Requirement

Complete State mandated financial reports and related records in accordance with N.J.A.C. 10:90-14.4 and General Assistance Program Instruction No: 99-3-2

Suggested Audit Procedures

- Examine the following fiscal and program reports to determine completeness and timeliness of submission:
 - WFNJ/GA-6 Report of Assistance Expenditures and Case Activity
 - WFNJ/GA-6A Statistical Activity
 - WFNJ/GA-12 Monthly Statement of Refunds
 - WFNJ/GA-31 Repayment of Interim Assistance Authorization
 - WFNJ/GA-535A Annual Financial Report
 - WFNJ/GA-535Q Quarterly Financial Report
- Trace data in selected reports to records and supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

N.J.A.C. 10:90 prescribes numerous procedures relative to the administration of the GA program.

Suggested Audit Procedures

- Examine Monthly Statement of Refunds (WFNJ/GA-12) to ascertain that refunds are separated according to items eligible and ineligible for State participation [N.J.A.C. 10:90-14.3(a) 4.ii.].
- Determine that any payments of administrative costs were reimbursed to the Public Assistance Trust Fund, including bank service charges.
- Obtain a listing (computer printout) of GA medical payments processed through the fiscal agent (UNISYS) N.J.A.C. 10:90-13.1 & 14.8:
 - Review agency procedures used for identifying and correcting erroneous and ineligible medical service claims.
 - Examine a sample of payments from the UNISYS printout and determine whether the medical service recipient was an active case by reviewing the agency records.

- Determine that all administrative fees charged by municipalities for the prior year participation in the automated medical payment program (N.J.S.A. 44.8-138) were paid to the Division of Family Development.
- Review financial records and determine that deductions of interim assistance from Supplementary Security Income (Title XVI) initial payments are in compliance with N.J.A.C. 10:90-14.5 and the agreement between the Social Security Administration (SSA) and the State of New Jersey. Test for promptness of payment and final disposition for check issued.
- Examine SSI Transactions:
 1. Verify that SSI initial payments received from the State or Federal Government are deposited in accordance with N.J.A.C. 10:90.
 2. The auditor shall determine for a sample of SSI transactions that:
 - a. The amount sent to the client is correct.
 - b. The refund to the client was made within ten (10) working days of receipt by the Municipality.
 3. Review client case folder for effective date of SSI payments. (SSI Letter Form 8125)
 4. Review interim assistance (maintenance, emergency assistance and temporary assistance only) on the Summary of Interim Assistance attached to WFNJ/GA-31 for accuracy and completeness.
 5. Notify the State of New Jersey, Division of Family Development, Office of Accounting, Auditing and Purchasing of any discrepancies so that any adjustments necessary will be made.
- Petty Cash Account:
 1. If the municipality employs a Petty Cash Account for WFNJ/GA, determine that the appropriate form was filed with the Division of Local Government Services, DCA (N.J.A.C. 10:90-14.6).
 2. The money to establish the Petty Cash Account and the reimbursements to the account shall come from either P.A.T.F. #1 or P.A.T.F. #2, i.e., the Parent Accounts.
 3. The Welfare Director shall be the custodian of the Petty Cash Account. Checks for assistance drawn on the account shall be signed by the Director as well as a schedule of payments drawn up for reimbursement by either P.A.T.F. #1 or #2 to the petty cash.
 4. The auditor shall determine that no deposits, other than funds from P.A.T.F. Account(s), are made to the Petty Cash Account.
 5. Test to see that reimbursements to the Petty Cash Account are by check made payable to "Name", Welfare Director.

6. Test to determine that the fund is closed out to a zero balance on December 31 or June 30 for those municipalities on a State fiscal year.
 7. Test to see that reimbursements to petty cash from P.A.T.F. #2 are only for expenses eligible for 100% State funding.
 8. Test to see if only small and/or immediate payments were made. Immediate payments should have been justified and deemed not appropriate from the P.A.T.F. account in the circumstances.
- Review Single Audit Directives and Technical Accounting Directives for relevance to General Assistance audits and apply accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

(See Section E. SPECIAL TESTS AND PROVISIONS and Section D. REPORTING REQUIREMENTS)

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

Eligible maximum amounts of client grants, type of assistance, methods of payment are prescribed by N.J.A.C. 10:90. Assistance eligible under the WFNJ General Assistance Program requirements is state matchable at 100%, if reported for matching on monthly Report of Assistance Expenditures and Case Activity (Form WFNJ/GA-6). Non-matchable assistance (which includes certain non-WFNJ/GA indigent burial costs and other ineligible assistance payments) must be reported as ineligible on the monthly report. All non-matchable amounts must be paid from or subsequently reimbursed from P.A.T.F. #1.

Suggested Audit Procedures

- See Section A. TYPES OF SERVICES ALLOWED OR UNALLOWED AND Section B. ELIGIBILITY.
- Costs not meeting program requirements and reported as eligible must be included on **Schedule of Findings and Questioned Costs** regardless of materiality.

IV. CONFIDENTIALITY REQUIREMENTS

N.J.A.C. 10:90-7.7 restricts the disclosure of information concerning recipients of General Assistance to persons whose official duties require access to such information.

DEPARTMENT OF HUMAN SERVICES

COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

Services to Rehabilitation Clients	100-054-7560-034
State Use Law and Private Industry Marketing by Rehabilitation Facilities	100-054-7560-036
Psychological Counseling Services	100-054-7560-040
Educational Services for Children	100-054-7560-044

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all or a portion of the subject State funding reflected in the organization's financial statements.

- New Jersey Statutes Annotated (N.J.S.A.) 30:6-1 et seq.
- New Jersey Administrative Code (N.J.A.C.), Section 10:95-1.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the State Funds for Contracting are to provide services through third party contractors to present or former clients of the commission, as well as the general public (in a few cases) for education, training, employment, psychological counseling, volunteers, prevention of blindness, advocacy/legal services, support services for deaf/blind and support services for the elderly.

II. PROGRAM PROCEDURES

Third party contract staff provide direct and indirect services to individuals who are visually impaired or blind, and in certain instances to the general public as well. The third party contractors also refer individuals to the Commission for direct vision rehabilitation services. Third party contractor services are authorized through the Standard Language Document, the Annex A indicating levels of service and the compliance calendar, a program narrative, and the Annex B fiscal document.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY AND ADMISSIONS

Compliance Requirement

Client eligibility requirements and admissions standards are set forth in Policy Circulars P5.01 and P5.10 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.

Suggested Audit Procedures (cont'd)

- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

There are no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS

Compliance Requirements

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Equipment purchased with Commission Funds should be in accordance with Annex A purpose and CPIM Policy P4.05.

Suggested Audit Procedures

- Review contract documents and CPIM Policy P4.05.
- Verify that equipment use is in accordance with above guidelines.

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF YOUTH AND FAMILY SERVICES
SUBSTITUTE CARE

Residential/Group Home Placements	100-054-7570-035
Foster Care	100-054-7570-036
Subsidized Adoption	100-054-7570-037
Special Home Services Providers	100-054-7570-038

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- New Jersey Statutes Annotated (N.J.S.A.) 30:4C-1.0 et seq.
- New Jersey Administrative Code (N.J.A.C.) 10:120 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The general social services program provides services both in and outside the client's home, which are intended to prevent or reduce abuse, neglect, exploitation, or the need for substitute care, and to enable the achievement or maintenance of a permanent home and/or self-sufficiency. Included in this program are the array of family support services which are provided as part of an individually tailored wrap-around services package. The purpose of the general social services program is to make available and/or provide a variety of supportive services to facilitate the achievement of individual case goals.

II. PROGRAM PROCEDURES

Contracts are entered into in accordance with the Department's Contract Policy and Information Manual, and Contract Reimbursement Manual. Contracts are negotiated and administered by one of five contracting units located either within the four regions or Statewide operations. A standard Department Boiler Plate is used with appropriate annexes.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY AND ADMISSIONS

Compliance Requirement

Client eligibility requirements and admissions standards are set forth in Policy Circulars, P5.01, P5.45 and DYFS 5.51 through 5.56 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility, ensure compliance with admissions standards and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.
- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Each individual grant/contract specifically enumerates the extent of the providers participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review Division's Donor Match Policy (P6.01, P84-2, P85-4 and P91-1 CPIM) and grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES

DIVISION OF YOUTH AND FAMILY SERVICES

GENERAL SOCIAL SERVICES

Purchase of Day Care Services	100-054-7570-048
Purchase of Social Services	100-054-7570-049
Public Awareness for Child Abuse Prevention Programs	100-054-7570-051
Family Support Services	100-054-7570-064

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- New Jersey Statutes Annotated (N.J.S.A.) 30:4C-1.0 et seq.
- New Jersey Administrative Code (N.J.A.C.) 10:120 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information Manual (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The purpose of the substitute care program is to purchase or provide temporary or permanent care to clients whose needs prevent them from remaining in their own homes. Included in this program are the array of placement sources which are provided as part of an individually tailored wrap-around services package. Substitute care is provided under the operational guidelines of "permanency planning," which stresses each individual's right to a secure and permanent home, and "service in the least restrictive setting appropriate to the client's needs," and the need to serve clients to the extent possible in settings that are most family-like and most closely approximate the individual's own home.

II. PROGRAM PROCEDURES

Contracts are entered into in accordance with the Department's Contract Policy and Information Manual, and Contract Reimbursement Manual. Contracts are negotiated and administered by one of five contracting units located either within the four regions or Statewide operations. A standard Department Boiler Plate is used with appropriate annexes.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY AND ADMISSIONS

Compliance Requirement

Client eligibility requirements and admissions standards are set forth in Policy Circulars, P5.01, P5.45 and DYFS 5.51 through 5.56 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility, ensure compliance with admissions standards and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.
- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Each individual grant/contract specifically enumerates the extent of the providers participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review Division's Donor Match Policy (P6.01, P84-2, P85-4 and P91-1 CPIM) and grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract documents and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES

DIVISION OF JUVENILE SERVICES

Alternatives to Juvenile Incarceration Programs

100-054-7593-030

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- New Jersey Statutes Annotated (N.J.S.A.) 30:1B-1 et seq.
- New Jersey Code of Juvenile Justice C.2A:4A-20 et seq.
- State of New Jersey Executive Order No. 93.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The Alternatives to Juvenile Incarceration Program provides community based programs for juveniles who are awaiting delinquency adjudication or who have been adjudicated delinquent. Youths served by the division include:

- A. Youths committed by the court for placement in a training school for classification and placement in a community based program.
- B. Youths on probation who are accepted by the Division for placement in a residential or day program.
- C. Youths who may or may not be on probation, but are referred by DHS and accepted for a specified jointly funded program.

II. PROGRAM PROCEDURES

Contracts are entered into in accordance with the Department's Contract Policy and Information Manual and Contract Reimbursement Manual. Contracts are negotiated and administered by the Central Office. A Standard Language Document is used with appropriate annexes.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Client eligibility for service are court involved youth and admissions are determined on a case by case basis.

Suggested Audit Procedures

- The auditor is not expected to make tests for eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

There are no matching, level of effort, or earmarking requirements for the auditor to review.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES
GROUP HOME (RESIDENTIAL)

Supervised Apartments	100-054-7601-057
Supported Living/Community Care	100-054-7601-096
Group Home Support	491-054-7601-013
Private Institutional Care	100-054-7601-054
	491-054-7601-011

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- Rules and Regulations Governing Developmental Disabled Services and State Aid Under the Developmentally Disabled Rights Act (N.J.S.A. 30:6D).
- New Jersey Administrative Code (N.J.A.C.) 10:40 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the Community Based Purchased Residential Services Programs are to ensure eligible Division clients are developed, educated and trained to the maximum extent possible to function in their residential setting in accordance with a client's Individual Habilitation Plan with the opportunity to live as independently as their abilities will permit. Specific Program objectives of each grant/contract are indicated in Annex A of each contract.

II. PROGRAM PROCEDURES

Funds are provided to the Division upon approval of an annual plan and services are contracted with private provider agencies or individuals to provide required services for Division clients. Grants/Contracts between the Division and potential contractees are negotiated with input at various stages. Ultimately grants/contracts are awarded to prospective provider agencies through which the Division will acquire various Developmental Disabilities services. Administration of Program continues throughout grant/contract period by agencies' submission of various documents and Division review of Program objectives.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Client eligibility requirements are set forth in Policy Circulars, P5.01 and P5.30 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.

Suggested Audit Procedures (cont'd)

- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Each individual grant/contract specifically enumerates the extent of the providers participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES
ADULT TRAINING

Habilitation/Extended Employment	100-054-7601-016
Supported Employment	100-054-7601-084
Work Activity Training Centers (WATC) - ICF/MR	100-054-7601-122

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

Rules and Regulations Governing Developmentally Disabled Services and State Aid Under the Developmentally Disabled Rights Act (N.J.S.A. 30:6D).

- New Jersey Administrative Code (N.J.A.C.) 10:40 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the Adult Training Programs are to provide non-residential training programs to develop self sufficiency and social competence of persons living in the community with developmental disabilities with training and habilitation services to develop as adults, personal, social, and work skills in State operated facilities or private community agencies. Specific Program objectives of each grant/contract are indicated in Annex A of each contract.

II. PROGRAM PROCEDURES

Funds are provided to the Division upon approval of an annual plan and services are contracted with private provider agencies or individuals to provide required services for Division clients. Grants/Contracts between the Division and potential contractees are negotiated with input at various stages. Ultimately grants/contracts are awarded to prospective provider agencies through which the Division will acquire various Developmental Disabilities services. Administration of Program continues throughout grant/contract period by agencies' submission of various documents and Division review of Program objectives.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Client eligibility requirements are set forth in Policy Circulars, P5.01 and P5.30 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.

Suggested Audit Procedures (cont'd)

- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Each individual grant/contract specifically enumerates the extent of the providers participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy and P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES
RESPITE

H.S.A.C./Guardianship
Family Support/Home Assistance

491-054-7601-015
100-054-7601-073

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- Rules and Regulations Governing Developmental Disabled Services and State Aid Under the Developmentally Disabled Rights Act (N.J.S.A. 30:6D).
- New Jersey Administrative Code (N.J.A.C.) 10:40 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the Respite Program are to strengthen the family living arrangement of the developmental disability family member through Respite Care and Family Support, to assist clients and families in meeting special requirements and responsibilities relative to their residential arrangement. Specific purpose objectives of each grant/contract are indicated in Annex A of each contract.

II. PROGRAM PROCEDURES

Funds are provided to the Division upon approval of an annual plan and services are contracted with private provider agencies or individuals to provide required services for Division clients. Grants/Contracts between the Division and potential contractees are negotiated with input at various stages. Ultimately grants/contracts are awarded to prospective provider agencies through which the Division will acquire various Developmental Disabilities services. Administration of Program continues throughout grant/contract period by agencies' submission of various documents and Division review of Program objectives.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Client eligibility requirements are set forth in Policy Circulars, P5.01 and P5.30 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.

Suggested Audit Procedures (cont'd)

- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Each individual grant/contract specifically enumerates the extent of the providers participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES
DAY TRAINING
STATE FACILITIES EDUCATION ACT (SFEA)

Purchase of Day Training Service
State Facilities Education Act (SFEA)

100-054-7601-090
491-054-7601-017

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- Rules and Regulations Governing Developmental Disabled Services and State Aid Under the Developmentally Disabled Rights Act (N.J.S.A. 30:6D).
- New Jersey Administrative Code (N.J.A.C.) 10:40 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the Education and Day Training Programs are to provide appropriate care, training and education to Developmental Disability clients from the age of three (3) through twenty (20) years old, by local school districts directed toward the realization of each client's potential in the area of receptive and expressive communication, self help and social development. Specific Program objectives of each grant/contract are indicated in Annex A of each contract.

II. PROGRAM PROCEDURES

Funds are provided to the Division upon approval of an annual plan and services are contracted with private provider agencies or individuals to provide required services for Division clients. Grants/Contracts between the Division and potential contractees are negotiated with input at various stages. Ultimately grants/contracts are awarded to prospective provider agencies through which the Division will acquire various Developmental Disabilities services. Administration of Program continues throughout grant/contract period by agencies' submission of various documents and Division review of Program objectives.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Client eligibility requirements are set forth in Policy Circulars, P5.01 and P5.30 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.

Suggested Audit Procedures (cont'd)

- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Each individual grant/contract specifically enumerates the extent of the providers participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES
NEW INITIATIVES/EXPANSION

Family Support/Respite Expansion

100-054-7601-077

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- Rules and Regulations Governing Developmental Disabled Services and State Aid Under the Developmentally Disabled Rights Act (N.J.S.A. 30:6D).
- New Jersey Administrative Code (N.J.A.C.) 10:40 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the New Initiative Family Support Program are to strengthen the family living arrangement of the developmental disability family member through Vouchers and Stipends to provide an array of supports to assist clients and families in meeting special requirements and responsibilities relative to their residential arrangement. Specific purpose objectives of each grant/contract are indicated in Annex A of each contract.

II. PROGRAM PROCEDURES

Funds are provided to the Division upon approval of an annual plan and services are contracted with private provider agencies or individuals to provide required services for Division clients. Grants/Contracts between the Division and potential contractees are negotiated with input at various stages. Ultimately grants/contracts are awarded to prospective provider agencies through which the Division will acquire various Developmental Disabilities services. Administration of Program continues throughout grant/contract period by agencies' submission of various documents and Division review of Program objectives.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Client eligibility requirements are set forth in Policy Circulars, P5.01 and P5.30 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.

Suggested Audit Procedures (cont'd)

- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Each individual grant/contract specifically enumerates the extent of the providers participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

Evaluate the agency's system for reporting and monitoring level of service delivery.

Review selected level of service reports and trace units of service to source documentation.

Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES

DIVISION OF DEVELOPMENTAL DISABILITIES

ANCILLARY SERVICES

Dental Program	100-054-7601-053
Match to SSBG (Social Services)	100-054-7601-076
Case Management	100-054-7601-079
Day Care	100-054-7601-106
Work Study	100-054-7601-108
Citizen's Advocacy	100-054-7601-114

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- Rules and Regulations Governing Developmental Disabled Services and State Aid Under the Developmentally Disabled Rights Act (N.J.S.A. 30:6D).
- New Jersey Administrative Code (N.J.A.C.) 10:40 et seq.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the Ancillary Services Programs are to strengthen the family living arrangement of the developmental disability family member through Case Management, Dental, Day Care and other services to assist clients and families in meeting special requirements and responsibilities relative to their residential arrangement. Specific purpose objectives of each grant/contract are indicated in Annex A of each contract.

II. PROGRAM PROCEDURES

Funds are provided to the Division upon approval of an annual plan and services are contracted with private provider agencies or individuals to provide required services for Division clients. Grants/Contracts between the Division and potential contractees are negotiated with input at various stages. Ultimately grants/contracts are awarded to prospective provider agencies through which the Division will acquire various Developmental Disabilities services. Administration of Program continues throughout grant/contract period by agencies' submission of various documents and Division review of Program objectives.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Client eligibility requirements are set forth in Policy Circular, P5.01 and P5.30 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.

Suggested Audit Procedures (cont'd)

- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Each individual grant/contract specifically enumerates the extent of the providers participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records to determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Provider agencies are required to properly report and adequately monitor level of service delivery as specified in the contract document and the CPIM Policy P9.02.

Suggested Audit Procedures

- Determine whether grant/contract is Cost-Related or Non-Cost-Related:

Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.

Non-Cost-Related

- Evaluate the agency's system for reporting and monitoring level of service delivery.
- Review selected level of service reports and trace units of service to source documentation.
- Determine whether the agency fulfilled its minimum level of service requirement in accordance with its grant/contract and if not what financial statement adjustments are necessary.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MENTAL HEALTH AND HOSPITALS
COMMUNITY CARE

Expansion of Children's Services Joint Initiative MHH/DYFS	100-054-7700-016
450 Census Reduction Plan	100-054-7700-020
Community Care Program	100-054-7700-029

GENERAL COMPLIANCE REQUIREMENTS

Refer to Federal OMB Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions for the various requirements and the suggested audit procedures.

NEW JERSEY STATE DOCUMENTS

The following documents prescribe the requirements which are too voluminous to enumerate individually. Noncompliance with any of these requirements could possibly result in disallowance of all, or a portion of the subject State funding reflected in the organization's financial statements.

- Rules and Regulations Governing Community Mental Health Services and State Aid under the Community Mental Health Services Act (N.J.S.A. 30:9A).
- New Jersey Administrative Code (N.J.A.C.), Section 10:37-1.0 through 8.0.
- Department of Human Services Administrative Order 6:20.
- Contract Reimbursement Manual (CRM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1986, as continuously revised and updated.
- Contract Policy and Information Manual (CPIM), issued by the State of New Jersey, Department of Human Services, effective July 1, 1983, as continuously revised and updated.
- Individual grant/contract documents:
 - Standard Language Document.
 - Annex A: Program Commitments.
 - Annex B: Contract Information Form and Official Contract Budget (including all schedules and attachments).
 - Annex B-2: Contract Rate Information Summary.
 - Any additional items officially annexed to, and made a part of, the subject grant/contract.

I. PROGRAM OBJECTIVES

The objectives of the Community Care Programs are to:

- Develop programs for the chronically mentally ill and traditionally underserved populations such as minorities, children and adolescents and the elderly, emanating from a core services concept which emphasizes crisis and emergency services, clinical case management and availability of acute inpatient services for involuntary patients in the community.
- Develop a continuum of community-based residential rehabilitation options for the target population.
- Develop specialized model services for special populations such as the dually-diagnosed substance abuser, developmentally disabled, and criminal justice system involved client populations.
- Promote an understanding of the factors and problems associated with mental illness within the community with special emphasis toward the early identification, intervention, and prevention of mental illness.
- Encourage the development of family support and consumer self-help groups to promote the understanding and acceptance of mentally ill persons in the community at large.
- Develop a comprehensive planning approach at the State and County levels to identify mental health needs and to coordinate with other service providers in the development of programs to address those needs.
- Develop integrated program planning and development with State hospitals.

Specific Program objectives of each grant/contract are enumerated in Annex A of each contract document.

II. PROGRAM PROCEDURES

Approximately nine months prior to awarding the subject grants/contracts, County Mental Health Boards (CMHB) submit a County Mental Health Plan Update to the Division's Office of Community Services, detailing county mental health needs, issues and priorities. After review and consultation with the CMHBs, Division submits dollar estimates of the county allocation to the CMHB and contract application packages to eligible, interested prospective contractees.

During the next six months, grants/contracts between the Division and potential contractees are negotiated with input at various stages from the CMHBs. Prior to awarding subject grants/contracts, the State Community Mental Health Board (SCMHB) is notified of the Division's recommended funding/programming decisions. The potential providers and CMHBs are offered an opportunity to appeal the Division's contemplated funding/programming decisions to the SCMHB prior to grant/contract awarding. Ultimately, contracts are awarded to prospective provider agencies through which the Division will acquire various mental health social services. Administration of the Program continues throughout grant/contract period

II. PROGRAM PROCEDURES (cont'd)

by agencies' submission of various documents as enumerated under Reporting Requirements. Periodic site visits are conducted at irregular intervals to assess compliance with contractual commitments, Program standards, and fiscal guidelines as enumerated under General State Requirements.

III. SPECIFIC REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can only be used for services identified within Annex A of the contract package. These services should be consistent with the program objectives stated above.

Suggested Audit Procedures

- Review and evaluate the internal control systems designed to ensure expenditures are only made for allowable services.
- Test expenditures and related records to determine whether expenditures were made only for allowable services.

B. ELIGIBILITY

Compliance Requirement

Client eligibility requirements are set forth in Policy Circulars, P5.01 and P5.20 respectively, contained in the CPIM.

Suggested Audit Procedures

- Determine if the agency has responsibility for eligibility determinations. If so,
 - Review and evaluate internal control systems used to determine eligibility and maintain minimum client information records.
 - Review selected participant and applicant files to determine adherence to the prescribed systems.
- If the agency does not determine eligibility:
 - Examine referral forms authorizing client eligibility for the appropriate signatures.
 - Review selected participant and applicant files for maintenance of minimum client information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Grantees/contractees are required to participate in the cost of providing grant/contract services from certain types of funds as specified in the CRM and CPIM. Additionally, grantee/contractees may participate in this cost to a greater extent than the requirements, based upon negotiations with the Division. Again, each individual grant/contract specifically enumerates the extent of the provider's participation in cost of providing service through cost sharing in Annex B.

Suggested Audit Procedures

- Review grant/contract agreement to ascertain extent of cost sharing participation.
- Examine financial records and determine amount and manner in which grantee/contractee provided its share.

D. REPORTING REQUIREMENTS

Compliance Requirement

Each provider agency is required to periodically report on various aspects of its Program operations, as prescribed in N.J.A.C.. 10:37-1.0 through 8.0. The following reports are required to accomplish this task:

- Quarterly Contract Monitoring Report (QCMR)
- Unified Services Transaction Forms (USTF)

The provider agency is also required to monitor level of service delivery as specified in P9.02. In addition to the previously enumerated documents, additional requirements may be imposed upon a particular provider given particular circumstances. Such individual reporting requirements would be specifically enumerated in the governing contract.

Suggested Audit Procedures

- Review QCMR reports and trace units of service to source documents (service tickets prepared by agency staff).
- Trace selected service tickets to patient case files (progress notes) to determine that service was performed during the quarter.
- Assess whether the agency fulfilled its monitoring responsibilities as stated in P9.02.
- Identify any additional reporting requirements and determine completeness and timeliness of submission.

E. SPECIAL TEST AND PROVISIONS

Compliance Requirement

Advance payments will be processed for agencies who request and qualify as reflected in CPIM Policy Circular P4.10. However, an initial advance payment will be made for three months with succeeding installment advance payments made every other month for two months until the final one month advance is made.

Interest earned on advances should be treated and reported as contract income in accordance with Section 4.2 - Revenue of the CRM.

Suggested Audit Procedures

- Examine agency fiscal records to determine the continuing need for advance payments based on working capital, financial soundness, etc.
- Review amount of time elapsed from receipt and deposit of advance payments and subsequent disbursement to determine whether such time is reasonable and is not generating an unduly amount of interest income.

Compliance Requirement

Special tests should be designed as necessary to identify other provisions for which noncompliance could materially affect the grant/contract.

Suggested Audit Procedures

- Review Annex A and/or any additional items officially annexed to, and made part of, the subject grant/contract.
- Determine which provisions if not complied with could materially affect the program and test accordingly.

F. FINANCIAL REPORTS AND CLAIMS FOR ADVANCES AND REIMBURSEMENTS

Compliance Requirement

Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements have been prepared.

Suggested Audit Procedures

- Review expenditure reports for completeness and timeliness of submission.
- Trace selected expenditure report items to the recipient's financial records.

G. AMOUNTS CLAIMED FOR REIMBURSEMENT OR USED FOR MATCHING

Compliance Requirement

- Grant/contract costs (including allocable indirect costs) should be in accordance with reimbursement principles set forth in the Contract Reimbursement Manual (CRM).

Suggested Audit Procedures

- Review the agency's system for determining grant/contract costs (including allocable indirect costs).
- Transactions selected should be tested to determine whether the costs meet the criteria set forth in the CRM.