



ADVOCACY • COLLABORATION • EDUCATION

FUNDING GUIDELINES

The Mental Health Commission of Lyons Township cultivates mental wellness, trauma-informed practices and healing-centered communities.

Approved September 16, 2024

TABLE OF CONTENTS

I. Introduction	1
A. History	1
B. Mission Statement	1
C. Vision Statement	1
II. Eligibility Requirements for Funding	1
A. General	1
B. Supplemental versus Supplanting	2
C. Service Area	2
III. Funding Practices and Methods	2
A. Program	2
B. Funding Procedure	4
1. Request for Proposals	4
2. Letter of Intent	4
3. Fiscal Agent	5
C. Grant Types	5
1. Program Grants	5
2. Sustainability Grants	5
D. Type of Contracts	5
E. Contract Development	5
F. Payment Methods and Practices	6
G. Acknowledgment of Funding	6
IV. Accountability Requirements	6
A. Agency Board Meetings	6
B. Planning and Coordination of Funds	6
C. Financial	7
D. Certificate of Insurance	8
E. Outcomes and Evaluation	8
F. Documentation of Residency	9
G. Conflict of Interest	10
H. Acknowledgment of Funding	11
V. Monitoring and Auditing	11
A. Purpose	11
B. On-Site Program Compliance Audits	12
1. Documentation	13
2. Completion	15
C. Off-site Quality Assurance Audits	16
D. Additional Auditing Requirements	16
E. Probation	17
F. Payment Suspension	18
G. Termination of Contract	19
VI. Acknowledgment	19

I. Introduction

A. History

Created by public referendum in 1972, the Mental Health Commission of Lyons Township (MHCLT) was created under the Community Mental Health Act [405 ILCS 20/1 et seq.] (the Act), established in 1968, providing that a Mental Health Board plans, funds, coordinates and evaluations public services and facilities for the treatment of persons with mental health disorders, developmental disabilities, and substance use disorders services to Township of Lyons residents. As such, the decisions of the Board in contracting for services shall be guided by the requirements of the “Funding Guidelines” as provided in this document and approved by the Board.

B. Mission Statement

The Mental Health Commission of Lyons Township cultivates mental wellness, trauma-informed practices, and healing-centered communities.

C. Vision Statement

To foster a trauma-informed and healing-centered township through community engagement, comprehensive programming, and educational resources addressing mental health, substance use disorder, and developmental disabilities.

II. Eligibility Requirements for Funding

A. General

To qualify for grant funding consideration, your organization must meet the following criteria:

- Have current, tax-exempt status as a public charity under Section 501(c)(3) of the United States Internal Revenue Code or be a governmental entity, including school districts;
 - Governmental entities will need to submit a W9 and IRS Governmental Information Letter.
- Serve communities that are within the Township of Lyons;
- Serve communities without discrimination against any individual on the basis of race, creed, gender, gender identity, age, sexual orientation or national origin;
- Applicant must be committed to maintaining an environment free from bullying and harassment, which can be a form of workplace discrimination. All employees have a right to work in an environment free from bullying or harassing conduct, including sexual harassment. The Commission requires that all employees (including contractors) refrain from bullying or harassing anyone, including coworkers, members of the public, vendors, and clients. The Commission also requires that the agency executive director submits a copy of a Sexual Harassment Prevention certificate of completion when applying for funding.
- Implement and report on a Cultural and Linguistic Competence Plan for the agency’s staff, clients, and governance board and aligned with National Culturally and Linguistically Appropriate Services standards as set forth by the US Department of Health and Human Services;
- Have a method by which to measure, track and report one or more program outcomes and specific results that demonstrate measurable community impact;

- Applicant must demonstrate sound fiscal policies and financial reliability and stability;

B. Supplementing versus Supplanting

The Commission's funding shall supplement other funding sources and not supplant other funding sources. If another source of funding can support a service, the Commission expects those funds to be used for that service. The Commission may discontinue funding if its funds are supplanting other funds. The Commission expects providers receiving Commission funds to make reasonable efforts in a timely manner to obtain new funds or other available funding for services currently supported by local tax dollars.

C. Service Recipients

Services, which are funded by the Mental Health Commission of Lyons Township, in accordance with the Act, shall be for residents of the following seventeen (17) municipalities located in the Township of Lyons:

1. Village of Bedford Park;
2. Village of Bridgeview;
3. Village of Brookfield;
4. Village of Burr Ridge;
5. City of Countryside;
6. City of Hickory Hills;
7. Village of Hinsdale;
8. Village of Hodgkins;
9. Village of Indian Head Park;
10. Village of Justice;
11. Village of La Grange;
12. Village of Lyons;
13. Village of McCook;
14. Village of Riverside;
15. Village of Summit;
16. Village of Wester Springs; and
17. Village of Willow Springs.

III. Funding Practices and Methods

A. Program

- Applicants shall indicate how their program(s) meet the mission of the MHCLT;
- Applicants must demonstrate it has the appropriate professional staff required to provide adequate services to the target population and achieve program goals:
 - Professional staff must be licensed, registered or certified by the State of Illinois for the applicable discipline and are current with Illinois regulations/requirements; and
 - Program facilities shall comply with the applicable State of Illinois licensure requirements and local ordinances about fire, building, zoning, sanitation, health, and safety requirements.
- Access to services shall be accessible and prompt for all residents, including those with physical limitations. This shall include demonstrating a willingness to work cooperatively with other

providers in the network of care locally to avoid duplication of efforts and promote continuity of care;

- Applicants must not engage in structural discrimination through policies or procedures which create barriers for recipients to receive programs or services promptly based on criminal history, past treatment compliance affected by their mental health status, co-morbidities, or other complicating factors, except as necessary to maintain the safety of the agency;
- Applicants shall comply with all applicable Illinois and Federal laws and regulations concerning safeguarding the use and disclosure of confidential information regarding clients receiving services;
- Applicants shall not discriminate in the acceptance of clients, employment of personnel, or in any other request, based on race, ethnicity, gender identity, sexual orientation, national origin, religion, age, disability, or handicap. Agencies are required to provide a statement by its director certifying that it does not discriminate in the acceptance of clients, employment of personnel, the appointment of members of the board of directors, or in any other respect, based on race, ethnicity, religion, national origin, ancestry, gender identity, sexual orientation, physical or mental disability unrelated to ability;
- Applicants shall not discriminate in the acceptance of clients, employment of personnel, or in any other request, based on race, ethnicity, gender identity, sexual orientation, national origin, religion, age, disability, or handicap. Agencies are required to provide a statement by its director certifying that it does not discriminate in the acceptance of clients, employment of personnel, the appointment of members of the board of directors, or in any other respect, based on race, ethnicity, religion, national origin, ancestry, gender identity, sexual orientation, physical or mental disability unrelated to ability;
- Should any written charge or complaint of discrimination based on race, ethnicity, color, religion, national origin, ancestry, gender, sexual preference, physical or mental disabilities unrelated to ability be made against an organization receiving funds, its employees, or agents in any court or regulatory or administrative body (whether federal, state, or local), the organization shall furnish a copy of said charge or complaint to the Mental Health Commission Lyons Township. Said organization shall comply with any reasonable request for information about the status of said charge or complaint. The obligations imposed by this paragraph shall be subject to and subordinate to any claim of legal privilege and any non-waivable legal requirement of confidentiality imposed by statute, administrative rule or regulation, local ordinance, court order, pre-existing contract, or collective bargaining agreement. Failure to comply with this provision shall result in immediate termination of the contract.
 - The Mental Health Commission of Lyons Township reserves the right to conduct its investigation into any charge or complaint of a violation of this non-discrimination requirement.
 - By this non-discrimination requirement, and any efforts by the Mental Health Commission Lyons Township, its agents, or employees to enforce it, the MHCLT assumes no responsibility for enforcement of, or compliance by the recipient organization with, any applicable federal, state, or local laws, regulations, or ordinances prohibiting discrimination. An organization receiving funds must agree to indemnify and hold harmless the MHCLT for any liability accruing to it for any charges or complaints of discrimination or similar civil rights violations based upon the acts of the organization

receiving funds, its agents, or employees and premised on the MHCLT's provision of funds.

- A clear demonstration of need must be established before granting all or part of a funding request;
- Priority will be given to applicants requesting funding for programs that will demonstrate an ability to impact the mission of the MHCLT;
- In addition, all agencies must demonstrate an ability to meet and agree to accept all of the following conditions to be considered for funding:
 - Payments for contractual services will be made on a schedule stated within the contract, provided the agency has met all contractual conditions and obligations.
 - Periodic reports and site visits will be required in accordance with the contractual agreement. Reports should contain, as a minimum, types of service rendered, service outcomes, evidence of progress in attaining program objectives, and a narrative describing program activities.
 - At the end of the funding period, the MHCLT will require: a final report summarizing program activities, an evaluation of the program in accordance with the proposal outlined above, and an accounting of all funds received from the MHCLT.
 - Periodic contract reviews will be required in accordance with the contractual agreement. Contract reviews will require a review of documents for programs and services covered by program activities. Contract reviews will also require patient/client chart reviews of those persons participating in covered program activities.
 - The agency shall acknowledge financial support from the MHCLT on the agency website, fundraiser(s), community presentations and reports.

B. Funding Procedure

1. Request for Proposals

The Commission may award funds through a request for proposal bidding process. In this method, potential providers of service are invited to submit proposals for funding according to appropriate specifications. These specifications would in many instances require that providers meet qualifications set forth in state, federal, or county statutes and their respective rules and regulations. When such legal requirements exist, an organization shall demonstrate the capability to meet those requirements and the Commission's guidelines to be eligible to respond. The Commission would review responses and select a service provider.

2. Letter of Intent

Any organization that meets the Mental Health Commission Lyons Township's eligibility requirements may submit a formal Letter of Intent, not to exceed 4 pages, to the executive director including, at minimum, the following:

- a. A concise description of the purpose of the funding;
- b. The amount of funding desired;
- c. A detailed budget narrative;
- d. The expected impact (outcomes) of the proposed services; and
- e. An explanation of how the services and outcomes support the Mental Health Commission of Lyons Township's strategic priorities.

MHCLT makes decisions regarding unsolicited funding requests submitted through this letter of intent process based on the following criteria:

- Does the agency meet all appropriate eligibility requirements for MHCLT funding?
- Does the proposed service and requested funding meet a gap in service or demographic population prioritized in MHCLT's strategic plan?
- Is the service within MHCLT's authority as defined by the Community Mental Health Act?
- Are adequate funds available within the operating budget to fund the request?

MHCLT's fiscal year runs July 1 – June 30. Generally, MHCLT adopts a set budget for each new fiscal year in June, before it begins.

3. Fiscal Agent

MHCLT may award funds to an entity acting as a fiscal agent on behalf of a particular organization or coalition. These groups require an administrative organization to manage funding, subcontract with agencies, coordinate the activities, meet the reporting requirements, and monitor service implementation.

C. Grant Types

1. Program Grants

Program grants support a diverse array of services and supports for individuals of all ages in the Township of Lyons living with mental illness, substance use disorders, and developmental disabilities with defined goals and outcomes, and that meet the mission of the Mental Health Commission of Lyons Township.

2. Sustainability Grants

Sustainability grants support the implementation, expansion, and integration of a program or reduce interruptions in services. Applicant must be a currently funded agency. Applications are considered on a rolling basis until funds are depleted.

D. Type of Contracts

Payment is predicated on the budget and performance obligations associated with the contract. Payments are divided into monthly amounts over the term of the contract. Commission contracts shall be for a one-year period. The Commission provides no guarantee for funding to a provider beyond the length of a contract and provides no guarantee that a contract will be renewed. Accountability is tied to defined outcomes, performance measures, and service data.

E. Contract Development

Upon approval of funding, the MHCLT prepares the contract and mails original copies to the agency director for execution. The agency director or board president and the CFO or board treasurer must sign both contracts and return the originals to MHCLT. The contract will then be executed by the Commission's executive director and/or board president or the board president and the board Treasurer. Upon the Commission's execution, a signed original will be mailed to the agency director. The agencies must submit twelve monthly invoices showing the monthly payment schedule as indicated on the contract, upon receipt of their original signed contract.

F. Payment Methods and Practices

MHCLT releases payment on the first day of each month, but no later than five days after. The payment is made via Automated Clearing House (ACH) to an account provided by the agency director or chief financial officer.

G. Acknowledgement of Funding

It is crucial that funded agencies communicate with government officials and the public about the value of mental health, substance use disorder, and developmental disability programs in our community; acknowledge receipt of public funding; and effectively communicate with elected officials and other stakeholders how funding from MHCLT enables the organization to bring programs and services to Township residents.

Acknowledgement of MHCLT support helps increase the public's knowledge and support for MHCLT and its funding. Therefore, funded agencies agree to identify MHCLT as a funder of services in their annual reports, brochures, newsletters, website, and other promotional materials related to the services funded by MHCLT and agree to recognize MHCLT at all agency events associated with funding provided by MHCLT.

IV. Accountability Requirements

A. Agency Board Meetings

A MHCLT Commissioner or MHCLT staff may request to attend a funded agency's board meeting(s). Upon approval from the funded agency's board, staff will coordinate the details for participation. The funded agency must provide to the MHCLT executive director minutes of its board meetings within ten (10) business days after approval by their board. Non-compliance may result in a delay of payments.

B. Planning and Coordination of Funds

The funded agency may be asked to provide MHCLT with a full copy of any request or application for new or adjusted public funding for mental health, developmental disabilities, and/or substance use services within one week submission to the funding body.

The Community Mental Health Act allows MHCLT to review and provide comments on such requests and applications for the purposes of local program coordination and service planning. This includes applications to units of federal, state, and local governments. An agency funded by both MHCLT and the Illinois Department of Human Services or another department of Illinois state government for mental health, developmental disabilities, and/or substance use services may be asked to submit to MHCLT a signed copy of the state contract(s) with all attachments within two weeks of execution.

MHCLT may also request the following information:

- Budget applications
- Program service and funding plans
- End-of-year service and fiscal reports
- Any other documents commonly referred to as "Agency Plans"
- Copies of site monitoring compliance, licensure/certification, evaluation, and audit visits performed by any funding authority

C. Financial

MHCLT requires that its funds support effective services to eligible individuals in a cost-efficient manner and requires that the cost of services will be reasonable and based on national and/or state benchmarks. The funded agency agrees to provide any requested financial information or access to any financial record so that MHCLT may make such determinations. The funded agency must establish and maintain an accounting system in accordance with generally accepted accounting principles.

MHCLT requires an agency to comply with government-required and generally accepted accounting procedures appropriate for the type of agency and services. Expenses that cannot directly be charged to a cost center, or expenses commonly referred to as indirect or administrative expenses, will be allocated in accordance with a generally acceptable method of cost allocation. The funded agency must provide its cost allocation methodology and schedule to MHCLT upon request and/or during rate negotiation for purchase of service. Consistent with the State of Illinois, a de minimus indirect rate of 10% will be honored in lieu of a cost allocation methodology.

Each agency under contract with MHCLT must submit an annual financial audit within 180 days of the end of its fiscal year. The audit must be a complete and bound audit, with all attachments, including the management letter, and be provided for consideration for any future funding.

The annual financial audit must contain the following schedules:

- Statement of Functional Expenses by Program. All programs funded by MHCLT must be listed separately in this schedule. All administrative expenses, including management, general, marketing, and development, must be clearly stated in a separate line either directly under expenses for each program or in another column in the schedule.
- Sources of Revenue by Program. All programs funded by MHCLT must have a schedule that contains all sources of revenue and support by program, with a row that contains the excess or deficiency of revenue and support over expenses. This schedule must list MHCLT in a separate line and not be combined with other governmental sources.

The funded agency must submit to MHCLT any changes to an audit related to the last five (5) years within 30 days of that agency's receipt of that change.

In the event there is a disagreement about audit findings, an agency must allow MHCLT to have an independent auditor perform an audit at MHCLT's expense.

Any not-for-profit agency under contract must supply a copy of the federal Form 990 tax document when it is filed.

The funded agency must serve Lyons Township residents regardless of their ability to pay. The agency may use a sliding fee schedule and, at times, may be required to do so. If a sliding fee schedule is being used, the agency must submit a copy for MHCLT's review during the application stage and at any time the agency makes changes. Any revenue generated through fees is required to be used for services in the cost center that MHCLT is funding, or to cover the expense of delivering the contracted services.

D. Certificate of Insurance

An agency must annually provide a Certificate of Insurance (COI) documenting that it has general liability, automobile liability, and workers' compensation/employee liability insurance of at least \$1 million per

category in order to receive funding. The agency is responsible for obtaining the COI from its insurance provider listing the Mental Health Commission of Lyons Township as the Certificate Holder.

E. Outcomes and Evaluation

MHCLT requires the implementation of program and/or client outcome measures for its contracts. The funded agency must comply with the evaluation requirements and will report such information at the required frequency.

MHCLT requires that all funded agencies report service-level data (i.e., service provided, number of people served, basic demographics of people served) on an annual basis. Exceptions will be made for one-time events. Specifications regarding reporting requirements will be included with the funded agency's contract and funding parameters.

In addition, MHCLT has adopted a revised version of the Substance Abuse and Mental Health Administration's (SAMHSA) National Outcome Measures (NOMs) Framework to promote the inclusion of social determinants of health within prevention, treatment, and/or recovery support services. MHCLT funded services are expected to help people live independently as they stabilize and move toward recovery. Services may include core services such as counseling, individual and group therapy, medication, and medication monitoring, or they may include support in getting and holding a job, finding a place to live, staying in school, improving social relationships, and gaining access to benefit programs. Ultimately, services should embody meaningful, real-life outcomes for people who are striving to attain and sustain recovery; build resilience; and work, learn, live, and participate fully in Lyons Township.

Applicants seeking grant funding shall demonstrate operational ability to collect and report on two (2) outcomes of its choice from domains 1–7 and all three of domains 8–10 during the contract period:

- Domain 1 – Increased Knowledge/Resiliency
- Domain 2 – Abstinence/Reduction in Substance Use
- Domain 3 – Increased Level of Functioning
- Domain 4 – Employment & Education
- Domain 5 – Housing Stability
- Domain 6 – Criminal Justice Involvement
- Domain 7 – Social Connectedness
- Domain 8 – Access/Capacity (REQUIRED)
- Domain 9 – Consumer Satisfaction Survey (REQUIRED)
- Domain 10 – Utilization of Evidence-based Programming (REQUIRED)

Applicants seeking funding to increase capacity for psychiatry or psychotherapy shall demonstrate operational ability to collect and report on the following metrics during the contract period:

- Total Hours of Clinician Capacity (Hours)
- Total Hours of Utilized Clinician Capacity (Hours)
- Client "No Show" Rate for Appointments (% – "No Show" is defined as a cancellation within 24 hours of appointment) Please note: It is the policy of MHCLT that funds awarded to agencies in the form of purchase of service may not be directly utilized for missed appointments.
- Average Length of Time from Intake/Appointment Setting to Assessment (Days)

- Number of New Clients Receiving Services (# – Includes New Psychiatric Evaluations)
- Percentage of Active Clients Showing Improvement in Functioning (%)
- Number of Clients Discharged from Services (#)
- Client Reported Behavioral Health related Hospitalization Rate (%)
- Client Reported Crisis Utilization Rate (%)
- Client Experience Rating (%)
- Number of Client Responses sought and received to Client Experience Survey (#)

All data must be reported, at a minimum, on an annual basis through the MHCLT-approved data collection and reporting system(s). Specific details regarding an agency’s data reporting requirements and frequencies are outlined in its executed contract and funding parameters.

F. Documentation of Residency

In alignment with the Community Mental Health Act, all service recipients must be Township of Lyons residents who are living in the Township of Lyons at the time services are delivered.

This includes:

- An owner or a registered tenant of a property, or a family member of the owner or tenant that is listed on the rental agreement; or
- A client living in a facility located in the Township of Lyons that is designated by the State of Illinois as a residential treatment facility. Acceptable forms of documentation of residency include, but are not limited to:
 - Rent receipts
 - Leases
 - Utility bills
 - Current vehicle registration
 - Current public or private school enrollment records (of client)
 - Voter registration card
 - Employment records
 - Valid, unexpired driver’s license or State of Illinois identification card
 - Medical records or current health insurance card
 - Current homeowner’s or renter’s insurance policy
 - Property tax bill/statement with name and address in the case of outreach and engagement activities to individuals in the Township of Lyons who may be unhoused, the initial point of contact with the client must be within the Township of Lyons boundaries. In the case of clients residing in an emergency shelter or warming center, the initial point of contact must be within Township of Lyons boundaries.

In the case of clients living with a resident of the Township of Lyons, the initial point of contact with the client must be within the Township of Lyons boundaries. MHCLT will provide funding for up to 30 days of service no matter where the client resides after the initial point of contact.

The funded agency must actively engage the client in linkage to other services, especially if the client will be residing in emergency shelter, transitional housing, or permanent housing outside of the Township of Lyons. The client only qualifies for the 30 days of unrestricted services once every 120 days. Compliance with this requirement must be documented by at least one of the following:

- A log that is signed by an emergency shelter staff member;
- A witness affidavit attesting to residency if the client is living with a Lyons Township resident but is not on the lease;
- A log that is signed by the outreach/engagement staff if the person is living in a place not meant for human habitation and/or there is no known residency address; or
- A statement from a social service agency, on its letterhead, verifying residency. Any requests for exceptions to MHCLT’s residency requirement must be submitted in writing to the executive director.

The executive director will respond with an approval or denial within one (1) week of the request. Any exceptions will be reported to MHCLT’s executive committee. Proof of residency is the responsibility of the agency, and any falsification of records will result in a recoupment of funding. Funded agencies are required to verify residency during initial intake into services and thereafter at least annually or any time the client moves residence.

G. Conflict of Interest

MHCLT is committed to preserving the public’s trust that funded services are conducted without bias and with the highest ethical standards. The regulation on promoting objectivity in funding establishes the standards to provide a reasonable expectation that the design, conduct, and reporting of funded services will be free from bias resulting from a funded agency’s financial conflicts of interest. MHCLT requires that a funded agency will identify any corporation, organization, or individual with which there is a relationship that could pose a possible conflict of interest. An actual or potential conflict of interest occurs when an employee, board member, or volunteer of a funded agency is able to influence a decision that may result in a personal gain for that individual, organization, or a relative as a result of funding. For the purpose of this policy, a relative is any person who is related by blood, marriage, or adoption, or whose relationship with the employee is similar to that of such persons. The funded agency must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees, board members, and volunteers engaged in acquiring and administering contracts. Conflict-of-interest situations may include but are not limited to the following:

- A funded agency’s board member, employee, volunteer, or family member is a member of the governing body of MHCLT;
- Personal financial or material gain or business advantage result from a contract or relationship with MHCLT; and
- A funded agency’s board member, employee, volunteer, or family member relationship with another member, consultant, or vendor of MHCLT will intrude upon judgment or decision-making.
- When a policy or decision would favor a funded entity in which a member has a significant relationship No “presumption of guilt” is created by the mere existence of a conflict of interest. Instead, MHCLT requires that a funded agency provide full disclosure, in writing, to the executive director regarding all current and potential conflicts of interest within 30 days of funding and/or the identification of the conflict, including but not limited to the following:
 - A funded agency’s board member, employee, or volunteer is a “family member” to a MHCLT board or staff member. “Family member” is defined as being related by blood, marriage, domestic partnership, or other legally-defined relationship

- A funded agency's board member, employee, or volunteer stands to benefit from a MHCLT transaction or staff member of such organization receives payment from MHCLT for any subcontract, goods, or services other than as a part of regular job responsibilities Following full disclosure of a possible conflict of interest, the executive director shall determine if the conflict poses a credible threat to the integrity of MHCLT. The executive director shall request legal counsel opinion, when necessary. If a funded agency's conflict of interest is deemed to threaten the integrity of MHCLT and its funding, MHCLT shall work with the funded agency to mitigate the situation through revising the funding decision or terminating the contract.

H. Acknowledgement of Funding

It is crucial that funded agencies communicate with government officials and the public about the value of mental health, substance use disorder, and developmental disability programs in our community; acknowledge receipt of public funding; and effectively communicate with elected officials and other stakeholders how funding from MHCLT enables the organization to bring programs and services to Lyons Township residents. Acknowledgement of MHCLT support helps increase the public's knowledge and support for MHCLT and its funding. Therefore, funded agencies agree to identify MHCLT as a funder of services in their annual reports, brochures, newsletters, website, and other promotional materials related to the services funded by MHCLT and agree to recognize MHCLT at all agency events associated with funding provided by MHCLT.

V. Monitoring and Auditing

A. Purpose

MHCLT is accountable for the expenditure of public funds for services in the areas of mental health, substance use disorders, and developmental disabilities. Based on needs assessment in these areas, MHCLT provides funding for services and monitors agency contracts. As part of this process, MHCLT conducts both on-site and off-site quality assurance program audits, reviewing funded agency records to ensure compliance with MHCLT contract guidelines. MHCLT conducts audits to ensure that funded agencies are billing for clinical treatment, preventative services, or other approved expenditures, accurately and appropriately, in accordance with applicable legal requirements and funded agencies' specific contractual obligations. This includes grant-based funding. At a minimum, MHCLT will audit funded programs every other year, and at such other times it deems necessary. A selection of funded programs will be identified by MHCLT for on-site record reviews (billing and clinical).

B. On-Site Program Compliance Audits

Funded agencies will be provided with at least 30 calendar days' notice of an on-site audit. During the on-site audits, a MHCLT staff member and a consultant will be on-site and will require a private, secure space to review files.

MHCLT staff will conduct a brief audit overview at the beginning of the audit as well as an exit interview with the funded agency's executive director, program director, and/or their designee. While it is not necessary for staff members to be available during the entire audit process, MHCLT requests that an agency staff person knowledgeable of the funded programs be available and accessible in the case that questions arise.

During on-site audits, MHCLT staff will review a randomly selected sample of client files from programs funded by MHCLT (list will be provided at least ten [10] business days ahead of the audit) and/or personnel files related to directly funded positions as outlined in the contract and funding parameters.

Additionally, MHCLT may choose to review files related to program services that have changed significantly from one year to the next. MHCLT may also choose to review financial records related to clients funded by MHCLT who are co-funded by other sources of revenue.

The on-site audit is intended to review documentation that justifies MHCLT -funded billing from and payment to the grantee. Given this, the documentation requested may vary from grantee to grantee based on the type of services funded. Grantees are encouraged to review their contracts and funding parameters to determine which of the following category(ies) of documentation will apply to their onsite audit. Grantees may also contact MHCLT staff to obtain clarification if they are uncertain of the applicable category(ies).

Documentation to Be Reviewed:

- Consent for Release of Information to MHCLT on file and meets all elements:
 - Signed within 30 days of assessment;
 - The person or agency to whom the disclosures was made;
 - The purpose for which disclosure was made;
 - The nature of the information to be disclosed;
 - The right to inspect and copy the information to be disclosed;
 - The consequences of a refusal to consent, if any;
 - The calendar date on which the consent expires;
 - The right to revoke consent at any time;
 - Please note, if the Consent for Release of Information is not on file, the audit cannot legally be conducted on that client's file and that individual file will immediately fail the audit with a score of 0 percent.
- An informed consent to engage in treatment secured at intake;
- Legible intake/assessment is completed documenting need for services and confirms that the services are appropriate;
- Legal signature and credentials of person completing the intake/assessment
- Eligible client must be diagnosed as having, or at risk for having, a mental health disorder, substance use disorder, or intellectual/developmental disability;
- If MHCLT approves for a funded agency to be reimbursed for the client portion of a program or unit of service (including copayment, co-insurance, or high deductible payment required by the client's health insurance), the funded agency must provide documentation of the client's financial burden that necessitated the support in addition to documentation of the client's health insurance plan requiring client contribution;
- Legible treatment/service plan with SMART (specific, measurable, achievable, realistic, and time-bound) goals relevant and appropriate for assessed need;
- Legal signature and credentials of person completing the treatment/service plan;
- Legal signature of client agreeing to the treatment plan;
- Treatment/service plan updated at least every six months;
- Documentation of residency in Lyons Township;
- Legible progress/service note for each encounter that includes the location of the service, type of service provided, date service was provided, length of time of the service, and start and stop times rounded to the nearest quarter hour;
- Claims billed to MHCLT match progress/service notes;
- Services billed are allowable under the grantee contract and funding parameters;
- Legal signature and credentials of person completing progress/service notes;
- If the service involves collateral, the name, relationship, and relevance of each; collateral must be documented in the treatment plan, update to treatment plan, and/or progress notes;
- Documentation that MHCLT funding was used as the last resort

Prevention/Early Intervention Services Programs and Services:

- Client Hours;
- An informed consent to engage in treatment secured at intake;

- Documentation of residency in Lyons Township (refer to Funding Guidelines for examples of acceptable documentation)
- Claims billed to or services funded by MHCLT match progress/service notes
- Services billed are allowable under grantee contract and funding parameters
- Documentation that MHCLT funding was used as the last resort
- Legible intake/assessment is completed documenting need for services and confirms that services are appropriate. (Must be updated at least every six months.)
- Legal signature and credentials of person completing intake/assessment
- Legible treatment/service plan with SMART (specific, measurable, achievable, realistic, and time-bound) goals relevant and appropriate for assessed need
- Legal signature and credentials of person completing treatment/service plan
- Legal signature of client agreeing to treatment plan
- Legible progress/service note for each encounter that includes location of service, type of service provided, date service was provided, length of time of service, and start and stop times rounded to the nearest quarter hour
- Legal signature and credentials of person completing progress/service notes

Additional requirements for One-Time Interventions (e.g., hotlines, education programs, workshops):

- Agendas
- Attendance sheets
- Start and stop times and locations of groups
- Facilitator's signature on all documentation
- Curriculum for each class must be available for review upon request

Additional Document for Outreach Services

- Documentation of participation including staff name(s), location, time, who participated in the event, and where it was held
- Outreach event/activity must be relevant to MHCLT-funded programs and services
- Claims billed to MHCLT match outreach documentation

Travel

- Documentation of travel (receipts, Uber/Lyft, logs, etc.);
- Legible progress/service note that includes description of travel provided and that travel was relevant to MHCLT-funded programs and services;
- Claims billed to MHCLT match travel documentation;
- Please note that travel includes:
 - To and from client's residence – Must be associated with MHCLT-funded services to an eligible Lyons Township client – Not billable if travel is in a reasonable walking distance and for an ambulatory client – Not billable for staff travel, unless explicitly noted in funded agency's contract or funding parameters.

Staff Hours

If staff members are directly funded through MHCLT, the following documentation may also be requested:

- Letter of hire, documenting staff position, staff name, start date, and starting salary
- Documentation of clinical credentials from the Illinois Department of Financial and Professional Regulation or other applicable state department (must have been active for the period being audited);
- Timesheets including time allocations to funded projects;
- Description of staff activities related to the program documented;
- Staff activities are relevant to MHCLT-funded programs and services; and
- Claims billed to MHCLT match documentation;

C. At Audit Completion

Within 45 days of the audit, MHCLT will release a report of the audit findings to the agency. If the report is satisfactory, no response from the agency will be required. If minor procedural or clerical error(s) are found in the on-site audit, MHCLT will provide the organization with a 30-day period to provide a response and/or documentation for resolution. Quarterly program disbursements will not be impacted while the procedural and/or clerical error(s) are corrected. If significant deficiencies are found in the audit, a corrective action plan will be required. "Significant deficiency" is defined as an aggregate score of less than 80 percent compliance averaged across all client records reviewed. The MHCLT executive director, in consultation with the executive committee, may suspend payments pending resolution and require the agency to initiate one of the following options in addition to a corrective action plan:

- The agency would be required to perform an internal audit on the remaining billings to MHCLT for the period under review. The executive director of the agency would be required to certify the results of the audit, and to attest that the significant deficiencies have been corrected.
- MHCLT would require the remaining billings of the agency for the period under review be audited by an external auditor at the agency's expense. The option chosen will be included in the MHCLT audit report to the agency and will be a required element of the corrective action plan. MHCLT will give the organization a 30-day period to provide a response and corrective action plan to address the deficiencies. The plan should contain both short- and long-term solutions relevant to the problem identified.

Based on the results of the second audit and corrective action plan, a reconciliation of payments made by MHCLT to the agency may be required. MHCLT may utilize an extrapolation method to determine the amount of billing recoupment because of the reconciliation. The organization may appeal the decision for recoupment or request a waiver, payment plan, or other remedy within 10 days of receipt of the notice for recoupment. The appeal must be submitted in writing, addressing the significant deficiencies identified and the corrective actions taken. The agency may appear in person at the next scheduled board meeting to present their appeal.

If the results of the second audit and corrective action plan are satisfactory, and the reconciliation of payments has been made, the funding suspension for the next quarter will be lifted, and the agency will be audited again in six (6) months. If the six-month audit is satisfactory, the agency will resume a biennial

audit schedule. If the results of the second audit and corrective action plan are unsatisfactory, the agency's funding may be terminated indefinitely. In this case, the executive director, in consultation with the executive committee, would make a recommendation to the full board to terminate funding to the program. MHCLT will make the final decision on terminating funding for a program or agency. Funding would continue to be suspended during this time. The organization may appeal the decision to terminate funding or request a waiver, payment plan, or other remedy within 10 days of receipt of the notice from MHCLT. The appeal must be submitted in writing, addressing the significant deficiencies identified and the corrective actions taken. The agency may appear in person at the next scheduled board meeting to present their appeal.

D. Off-Site (Desk) Quality Assurance Program Audits

MHCLT staff will conduct desk audits of agency-reported data off-site (in MHCLT's offices) semiannually and at such other times as deemed necessary. The purpose of this off-site audit is to ensure compliance with the contract and funding parameters as well as to identify any potential areas where technical assistance may be necessary to help the agency comply. The off-site audits will include reviews of the following:

- Accurate client identification numbers (9-digit Social Security number or DHS Recipient Identification Number) for services that are Medicaid- or commercial insurance–billable
- Client eligibility for reimbursement from private insurance, Medicaid, Medicaid Managed Care, Medicare and/or county or state health insurance (verification by DHS Medi System)
- Verification of client residency
- Billing for services that are allowable under the Community Mental Health Act and are consistent with the agency contract and funding parameters Within ten (10) business days of the audit, MHCLT will release a report of the audit findings to the organization. If the report is satisfactory, no response from the agency will be required. If the agency is required to submit supporting documentation to reflect compliance with funding parameters, MHCLT will provide the organization with a period of ten (10) business days to provide a response. If an explanation or alternative date for compliance is not met within ten (10) business days, this will be viewed as a failure to comply with the auditing policies and procedures and will result in an on-site audit, payment suspension, and/or contract termination, following the above process.

E. Additional Auditing Requirements

The funded agency must make available at the MHCLT site visit any clinical or programmatic reviews conducted by an Illinois state department or other funder in the last twelve (12) months to reduce duplication of efforts.

The funded agency must make available to MHCLT staff any financial documentation, client service documentation, and/or case records necessary to verify contractual service delivery and billing, revenues and expenses, and compliance with the contract, funding parameters, and the Funding Guidelines. If service logs are appropriate for documenting services and have been approved by MHCLT for usage, the log must contain full client names, start and stop times of the service, authorized signatures, and detailed descriptions of services provided. The total service times must be in increments of no less than one-quarter (1/4) of an hour and should be rounded to the nearest quarter-hour. If staff time sheets are utilized for tracking staff hours on a program and the staff person is working in more than one program,

the time sheets must have start and stop times, authorized signatures, and a daily detailed time allocation per day that demonstrates the time billed to MHCLT is accurate for each funded program.

For contractual or consultant services, documentation must include a detailed contract, voucher, and/or log of the services or activities provided by the consultant, and verification of payment (i.e., bank statements or a copy of the cancelled check). The voucher or log must include start and stop times and authorized signatures.

For capital projects or tangible item purchases of any kind, documentation must include the original receipts or verification of payment (i.e., bank statements or a copy of the cancelled check) with dates paid and a detailed description of the purchase. Capital purchases over \$1,000 will be viewed by MHCLT staff during site visits.

When MHCLT funds are a match or commingled with other funds, MHCLT staff will monitor the cost center, which contains those funds, using the appropriate rules and regulations that govern such funds. An agency must allow MHCLT staff to conduct such monitoring and provide the necessary information for such monitoring to ensure appropriate utilization of funds that do not apply multiple sources of funding for one cost (i.e., “double dipping”), which is illegal and unethical.

Any agency under contract with MHCLT that does not follow the procedures set forth in these Funding Guidelines and tries to thwart the monitoring process in any way will be investigated by MHCLT and may have their funding suspended and/or contract terminated.

F. Probation

MHCLT may place a funded agency on probationary status when an agency fails to comply with these Funding Guidelines, the contract, or the funding parameters. If designated improvements or corrections are not made by the agency within a specified period, MHCLT shall act including but not limited to payment suspension or contract termination. Probationary status may be imposed under the following circumstances, including but not limited to:

- The funded agency fails to make timely corrections or supply information required or requested because of the contract or monitoring processes or other accountability requirements.
- The services provided deviate from the contract’s funding parameters or fail to follow the contract’s requirements.
- The funded agency’s clinical or financial records do not support claims billed to MHCLT.
- The funded agency has failed or is failing to meet local, state, and/or federal requirements and/or regulations.
- The funded agency has violated local, state, and/or federal requirements and/or regulations.
- The funded agency fails to provide financial, programmatic, outcome, or other documentation requested or required by MHCLT.
- Another funding agency or legal authority is investigating the funded agency.
- The funded agency is at the risk of becoming insolvent.
- Other circumstances that significantly disrupt or threaten to disrupt the provision of services.

If MHCLT staff determines that probationary status is warranted, the executive director will consult with the MHCLT president and, if deemed appropriate, send a letter to the executive director of the funded agency and inform the MHCLT Board. This notification shall include the reasons for such action, the corrective action(s) that would be required to remove the probation, and the date and time of the scheduled board meeting that the probationary status of the funded agency will be discussed.

The funded agency may submit a written response to the executive director within ten (10) business days of the date of MHCLT's notification of probation. If the funded agency so desires, it may send a representative to attend and address MHCLT at said meeting. MHCLT staff shall update the executive director on a timely basis on the progress made by the funded agency in correcting the deficiency. At the end of this timeframe or at any time during the probationary period, the executive director may make one or more of the following recommendations to the full MHCLT Board:

- Remove the agency from probationary status
- Extend the timeframe of the probation
- Suspend payments to the agency per these Funding Guidelines
- Terminate the contract
- Report any findings of inappropriate, illegal, fraudulent, or unethical conduct to the appropriate county, state, or federal regulatory and/or law enforcement agencies

G. Payment Suspension

MHCLT may suspend payment(s) to an agency for noncompliance with MHCLT's contract, funding parameters, or with these Funding Guidelines. Payments may also be suspended should the agency be investigated or found accountable for ethical or legal violations, whether by independent audit, other funding agency, or other authority.

The executive director may temporarily suspend payments following consultation with the executive committee of MHCLT. MHCLT will then consider the suspension at its next regularly scheduled full MHCLT meeting. Notice of suspension will occur in writing to the funded agency before payments are suspended. This notification shall include the reasons for such action, the corrective action(s) that would be required to remove the suspension, and the date and time of the scheduled board meeting that the suspension of the contract will be discussed. The funded agency may submit a written response to the executive director within ten (10) business days of the date of MHCLT's notification of suspension.

If the funded agency so desires, it may send a representative to attend and address MHCLT at said meeting. If the infractions are corrected and the funded agency has demonstrated that it has regained compliance with MHCLT's contract, funding parameters, and Funding Guidelines, the MHCLT full board may vote to reinstate payments with or without retroactive payments or recoupment. If the infractions are not corrected within the timeframe established and/or if MHCLT full board are not confident in the agency's capacity for long-term compliance, the full board may vote to terminate the contract. MHCLT will send written notification of its actions and final decision.

H. Termination of Contract

MHCLT reserves the right to terminate a funded agency's contract: 1) upon violation of MHCLT's contract, funding parameters, and/or Funding Guidelines (as per the previously outlined process), or 2) at any time given thirty (30) days written notification.

Notice of termination will occur in writing to the agency. The notice of termination is final and may not be appealed.

VI. Acknowledgement

I have received, reviewed, and agree to the terms and conditions set forth in these Funding Guidelines. I agree to adhere to these conditions throughout the life of the contract.

Signature

Date

Print Name

Title

Agency