Financial Management of a Public Children Services Agency

THE ENVIRONMENT

As this manual is being written, the programmatic and financial environment in which the child protection system operates is changing. Welfare reform is being implemented and with that implementation comes a variety of potential opportunities and pitfalls. The three year time limit in which a family can collect TANF benefits has the opportunity to move families, currently living in poverty, to self sufficiency. If this occurs, a significant stress, that of poverty, can be reduced or eliminated for a number of protective services families. Title XX funds, which have provided a foundation of funding for protective services to children, are being steadily reduced. New funding streams and new, more efficient ways of using old money will need to be identified. If, as a children and family serving system, we do things right, we can create an environment to better serve children and families. If we do not, the environment will, at best, remain the same.

The problems, facing the children and families served by Ohio's children protective services system have diversified and intensified over the past ten years. Drug and alcohol abuse; poverty; homelessness and unsafe housing; chronic and acute mental illness; parent and child health care needs; a lack of state policy concerning unruly and delinquent youth; teen pregnancy; youth sexual offenders; and a variety of other problems have resulted in the number of children being placed in the state's foster care system to rise from 11,500 in 1987 to more than 31,000 in 1996.

Ohio Family and Children First is promoting the concept of integrating service delivery of human serving agencies at the county level to meet the multiple needs of children and families. Managed care technology is being explored to manage the costs associated with delivering physical health and behavioral health care services and improving the delivery to those in need.

While this manual will focus on offering suggestions for county, executives and financial managers to consider in building and implementing their annual child protection budgets, there are other resources which must be used in conjunction with its contents:

1. The Ohio department of Human Services commissioned PCSAO to conduct the statewide needs assessment required under the Roe v. Staples Consent Decree during the summer of 1995. This report reviewed 1,240 actual child protection cases, randomly selected from 30 Ohio counties. The report contains a variety of information as to the needs of children, youth, and families; the community's response to those needs; service effectiveness; costing methodologies; and estimates for addressing the unmet needs on a statevide basis.

2. With the support of the Ohio department of Human Services, PCSAO engaged a private contractor to conduct focus groups of Ohio citizens to ascertain their attitudes and perceptions concerning abused and neglected children, their families, and the agencies which serve them; what is most important for the public to know so they can judge the competency and accountability of child serving agencies; and what needs to be included in a public awareness, education, or levy campaign to be effective in conveying the type of message and information necessary to garner its support. This information was compiled in a separate document, "Creating Public Value for the Protection of Children."

3. The PCSAO Workload study, updated in October, 1997, presents a statistically valid picture as to how the average children protective services social worker spends his/her time in the duties required. This information is critical for developing workload standards, unit costs, and determining human resource use and needs.

4. With the assistance of the Public Information Committee, PCSAO revised and expanded a County Child Protective Services Levy Campaign Development and Implementation Guide for use by county PCSAs.

The days of budgeting and administering programs in a vacuum are over. Data and information are critical to justify and support the agency's requests for scarce resources. Elected officials, the media, and the general public must be informed as to the needs of children and families using valid data and packing that information into a form which they can understand, evaluate performance, and embrace. Then the agency must report regularly to these stakeholders through a variety of means as to the progress or lack thereof (and why) in meeting the needs of abused and neglected children and their families. Ongoing communication and the building of the public's value in protecting children is essential if we are to be successful.

As of November 1997, twenty-three county PCSAs have engaged in strategic planning processes with their communities to transform the manner in which children are protected. The Standards for Effective Practice, and outcome measures associated with the Family to Family and Child Protection Oversight and Evaluation Initiatives are guiding the transformation of the child protection system. Child protection is a community responsibility and to be effective must involve the community at large.

This manual offers practical suggestions for building and executing county PCSA budgets. It is not meant to be a substitute for the Administrative Procedure Manual developed by the Ohio department of Human Services and which carries the weight of Ohio law. It is meant to be a companion to that document by providing useful information on budgeting in easy to understand language. To have the best opportunity for success, these budgeting suggestions must be used within the context of the environment and incorporate the other documents referenced above.

BUILDING YOUR BUDGET

A. REVENUE ESTIMATES

The first step in building your agency's budget for the upcoming year is to estimate as best you can the receipts which will be available. Income forecasting can be difficult in this day of random moment time studies; increased foster care placements; increasing caseloads; and shrinking local support. Because of these factors, revenue should be conservatively estimated and expenditures budgeted to worse than optimum scenarios.

1. County General Revenue Fund (GRF) - look at the historical contributions from the County GRF. Contact your County Commissioners and Auditor to see if funds available to the county for the coming year are estimated to increase, decrease, or remain steady from the previous year and why. Ask what impact the potential deregulation of the electric and other utilities might have on revenue to the county and to you.

Editorial Note: Even if your county appropriates little or no County GRF dollars to your operation, maintain very regular contact with the County Commissioners. Share information with them concerning, our overall operation, caseloads, successes, and problems or potential problems. The more they are informed, the more likely they are to support you in your time of need. Also, if the only contact they have from you is when you have a financial need or some other crisis, your ability to garner their support will be undermined. Keep them in the informational loop. If you have a case which could explode and result in media coverage, quietly let them know so they can be prepared to respond if the worst occurs. No one likes to be blind sided. This also builds trust and relationship for other purposes.

2. Title IV-B (Parts I and II) - Part I has been a long standing federal appropriation and could probably best be compared to the State Child Protection Allocation (SCPA) when it comes to possible uses. Some state administrative costs come off the top and the remainder is then allocated to the 88 counties in two separate allocations. One allocation is for the July 1 through September 30 Quarter. Ohio's fiscal year of July 1 through June 30 differs from the federal fiscal year of October 1 through September 30. This three month allocation is made to account for that discrepancy. The second county allocation is for the October 1 through June 30 period.

Part II is a relatively new federal appropriation and is targeted for family stability and support activities. Again, a portion of this allocation is retained by the state for state initiatives. The balance is then allocated to the counties.

Check with your county's fiscal supervisor to get an idea of the total amount of funds to be distributed and if there are any new conditions which might influence the share your county receives and the use of the funds. If there is not, a rule of thumb would be to compare your county's allocation from last year to the total amount of funds distributed to all counties last year. This will provide you with a percentage which can then be applied to this year's allocation and a fairly firm figure with which you can budget..

Example: In FY 1996, the state distributed a total of $10 million in Title IV-B (Part I) funds. Your county's allocation was $85,000. or .85%. In the upcoming year, the total distribution to the counties will be $12 million. There will be no state rake-off or change in the distribution formula. Your county's share could be estimated at $102,000.

3. State Child Protection Allocation - These funds are a direct state allocation to the counties and include previously separate allocations of Kinship Care and Day Care for Foster Parent Funds. In the Fiscal year 1996-1997 State Budget, the Legislature amended the distribution formula so that no county could receive less money in the upcoming fiscal year than it did in the previous fiscal year, UNLESS the overall line item for the State Child Protection Allocation was reduced by the Legislature. To estimate your available revenue, the following example can be used:

In the current fiscal year, your county received $l million or 2.86% of a total statewide allocation of S35 million. In the upcoming year the statewide allocation will increase to $37 million or $2 millon over the current year. Take your base and add to it $57,200 (2.86% of the $2 million increase). Under these circumstances, you could safely estimate your upcoming year's SCPA allocation to be $1,057,200.

a. SCPA Adoption Assistance - adoption assistance payments may be made for eligible children through this funding mechardsm. If the child is TANF eligible, I would suggest using the Title IV-E method of claiming reimbursement for adoption assistance payments. However, if the child is not TANF eligible, assistance under this funding stream should be explored. The state of Ohio provides the local match for these expenditures and they are not charged against your SCPA ceiling.

4. Title IV-E - this federal pass-thru is an entitlement which is reimbursed for eligible expenditures at a rate of 60% for foster care, 50% for administration, and 75% for training. The key to maximizing Title IV-E reimbursements is to ensure that all children in foster care have their TANF eligibility determined immediately upon entering care. If the child is determined to be TANF eligible at that time, there are two additional requirements which must be met if the agency is to receive reimbursement under the Title IV-E Foster Care Maintenance Program - (1) there must be a court ordered finding that reasonable efforts were made to prevent the unnecessary placement of the child into the agency's custody; and (2) the child is placed in a licensed setting. Under these circumstances, Title IV-E (FCM) can be claimed for the following types of placements:

(a) Foster Family Homes and Therapeutic Foster Homes - reimbursements for up to 60% of the board rate can be claimed for placement costs of eligible children placed in these settings. The non-federal share of 40% must be provided from county funds as there is no state match provided for foster care. These reimbursements are made to the county on a monthly basis by the state through a specified claiming process. Expenses may be claimed by the county PCSA whether the foster home is the PCSA's or a private home as long as the three eligibility criteria are met.

(b) Group Home or Institutional Pass-Thru - the same rate of federal financial participation is available for children placed in licensed group or residential care facilities.

The public or private agency receives a Title IV-E approved rate for reimbursement by submitting a completed 2909 cost report to the state of Ohio in May of each year. This report itemizes the categorical expenditures made by the agency during the previous calendar year for the care of children. This cost report is then analyzed by ODHS for eligible Title IV-E expenditures. Based on this analysis, ODHS determines a Title IV-E approved rate for each facility which submits a cost report. These approved rates are the maximum rates for which federal reimbursement can be received. These rates are compiled and mailed to the county PCSAs in September (this is also when the new rate takes effect) of each year. Payment rates may be negotiated by the county PCSA under or above this approved rate. Payment rates, over and above this ODHS maximum approved rate, will result in the county bearing 100% of the difference in excess of the approved rate.

When estimating the amount of FPP for children placed in foster care, the county PCSA should analyze their placement caseloads in several ways:

1. Do you have a rigid system of determining Title IV-E eligibility for every child who comes into placement immediately upon entering agency custody or at the latest, one week after entering placement?

2. Are all foster care networks, group, and residential placements currently licensed and have an approved Title IV-E rate based on a 2909 cost report? These costs are public record. You may want to those of the private facilities with whom you contract so you know what you are paying for in the per diem.

3. Is the rate for which you have contracted in excess of the ODHS approved rate for the facility? If so, the amount in excess of the approved rate will not be entitled to federal match. It may also be prudent to explore why you are paying the facility in excess of the approved rate. Circumstances such as special needs may require additional expenditures, but it is wise to know that.

4. Are all of your agency operated foster homes certified? If not, why not? If you are using relative homes, have you explored child only TANF funding for the cost of placement? Should kinship care dollars (part of the SCPA allocation) be used to support the placement?

c. Administration and Training Pass-Thru - these are federal reimbursements made to counties for the administration of services delivered to children and families and training designed to increase worker competency. While federal law cites a 50% reimbursement for administration, the actual return is 20-25% of the costs incurred. In 1996, approximately $65 million were received by Ohio under this funding stream. To maximize the draw down, the agency must do several things:

1. Make sure every child who comes into custody has his/her eligibility for TANF determined immediately. The statewide average for TANF eligibility of foster children is 74%. If your percentage is not at that level explore why it is not. There may be legitimate reasons such as court ordered unruly and delinquent youth to your custody (who typically carry a lower TANF eligibility rate), but you need to know why.

2. Make sure you update the listing of employees who are to be included in the SS-RMS every quarter. We have a 30% average annual turnover rate among direct service workers. If an employee has left the agency, and is scheduled to be "hit", you might lose reimbursement. Likewise, add all new employees to the list so they can be included in the SS-RMS.

3. Make sure you include every possible cost that is not specifically prohibited in your quarterly cost pool which is filed with ODHS. Those items which are specifically prohibited are foster care maintenance costs (you have already been reimbursed for these through Title IV-E (FCM); fund raising costs; and some purchased contracts. Even if a staff person is providing services to children and families and claimed to Title XX; IV-B; or whatever, put them in the cost pool. The RMS, approved by the federal government, separates all this data. To not put these expenditures into the cost pool reduces your reimbursement and provides no additional audit protection.

4. Make sure your SS-RMS Coordinator is thoroughly trained in administering this process. The integrity of the SS-RMS is dependent upon accurate recording of random events and should not be compromised. However, there are certain activities which can be legitimately recorded in two ways. One might be eligible for reimbursement. The other might not. When this occurs, you want your Coordinator to record the "hit" on the code eligible for reimbursement.

In 1997, Ohio began reimbursing Title IV-E Administration and Training funds to county PCSAs based on county specific activity. In other words, each county's TANF penetration rate (number of TANF eligible children in foster care compared to the total number of children in foster care); cost pool; and SS-RMS results determines the amount of reimbursement received by the county on a quarterly basis (in the past these elements were aggregated). This change increases the importance to each county for carefully monitoring the execution of eligibility determination; cost pool development; and SS-RMS administration. Software, located in each PCSA now enables you to monitor the SS-RMS results on a daily basis. Lapses in any of these components will mean less reimbursement that you are entitled.

Counties receive four distributions per year. For purposes of budgeting, your previous year's Title IV-E A&T claim should be able to be safely budgeted as long as eligibility, expenditures, and SS-RMS results remain constant. However, if you want to be conservative, budget 85% of the previous year's amount.

d. Adoption Assistance - Title IV-E reimburses adoption assistance payments up to a specified amount (as set by Ohio) to the PCSA for eligible children. The state provides the non-federal match for these expenditures. These expenditures must be claimed for reimbursement on appropriate forms provided by the state.

e. Post Adoption Special Supportive Services (PASSS) - designed to assist in the payment for services and activities to support the adoptive placement of the child.

f. Tuition Reimbursement - federal law permits reimbursement to agency staff for educational degrees and training through universities as long as the education contributes to the attainment of the agency's mission. Current reimbursement amounts to approximately 55% of the costs of education. The unreimbursed portion must be borne by the PCSA through local funds.

Additionally, county PCSA employees attending universities participating in the TOPS program are able to attain bachelor and master's degrees at no cost to the PCSA. An agreement with the state's Board of Regents has made this possible.

5. Title XX - this funding stream, created in 1976, has been bloc granted and Ohio's share has steadily declined since the 1980's. While its potential use is fairly unlimited, its growth has been capped for a number of years. Nevertheless, approximately 50% of the expenditures made from this funding stream are for abused and neglected children and their families. If you are a CSB, mainntain close contact with your CDHS about these funds and their availability. If you are a CDHS with CPS responsibilities, use your Title XX to "back fill" expenditure areas where you have either exhausted other funds dedicated to children or have no other funds to finance a particular service or program. Then budget accordingly based on contract or internal allocation of funds.

6. County Family and Children First Council - the FY 1996-1997 biennial budget bill required each county to establish a system to asess each multiple needs child and his family; a system to designate service responsibilities and payment for those services; and a system of alternative dispute resolution (ADR) when conflicts arise. HB 274, effective August, 1996, provided that if the ADR did not result in a reasonable solution, any Council member could petition the juvenile court for remedy. The court can hear evidence and based on that evidence order any system (MH; MR/DD; D/A; Education; etc.) to provide services in accordance with the case plan developed for the child and family.

7. Parental Support for Children in Care - while almost 3 of 4 famiilies who have children in foster care are eligible for TANF, parental support should be explored for all children, but particularly for those children who are not eligible for TANF. Health insurance coverage should also be explored for children in care.

8. Medicaid Coverage - most children in the foster care system are eligible for Medicaid coverage either through their TAN'F eligibility or the fact they are a foster child. Make sure that you apply for Medicaid for every, child in care and cultivate the medical community in your county to accept the Medicaid card for these children.

9. RECLAIM Ohio Funds - these are funds which have been allocated to the juvenile courts of the state to reduce the number of youth placed in the Department of Youth Services secure detention facilities. With the growing number of juvenile unruly and delinquent youth being placed in the custody of PCSAs, this funding source should be explored to determine if a portion of the county's allocation could be used to offset the costs associated with placing these youth.

These funds are also 100% state funds and eligible for federal match under a variety of programs including Title IV-E. Approach your juvenile court to explore the court's willingness to enter into a Title IV-E contract which would make the court eligible for Title IV-E Foster Care Maintenance and Administration and Training reimbursements.

10. Children Service Levy Funds - check with your County Auditor to see what his/her estimate of certification to this account will be for the coming year. Even though you are frozen at the property, valuation levels which were present when you passed your levy, you do get additional revenues from new construction which occurs in the county. In general, these funds tend to grow slightly from year to year because of this new construction unless a major industry leaves the county or the rate of taxation changes such as is currently being debated for the electric utilities.

11. Medicaid Services from Mental Health; MR/DD; Drug and Alcohol Agencies - a number of PCSAs have initiated contracts with private providers to conduct drug and alcohol and mental health assessments and provide treatment services to children and families because they have not been able to access those services in a timely fashion or sufficient quantity. These agencies

have the ability to pass through the 60% rate of Medicaid reimbursement to you for each dollar spent on assessment and treatment to eligible individuals. This results in your paying 40 cents on each dollar of service instead of dollar for dollar.

12. Independent Living Funds - what is the county's allocation and how will it be used to support youth who will emancipate from the system?

13. Ohio Works First (OWF) and Prevention, Retention, and Contingency (PRC) Funds - OWF requires that each recipient work at least 30 hours per week to be eligible for benefits. Ten of those thirty, hours can be devoted to families receiving the necessary services to be job ready. These services can include drug and alcohol services, mental health counseling, etc.

PCSAs, together with their CDHSs (if separated agencies) and CSEAs, should approach their County Commissioners and have the data in hand which describes their respective populations served. For instance, more than 3 of 4 families served by the PCSA are TANF recipients. Seven of ten parents with children in foster care have a substance abuse problem. This dependency is also a barrier to work. If this service is readily accessible, there is potential to move a person to self sufficiency and create a safe home for a child if the parent engages in the service.

County Commissioners have the ability to bring mental health and drug and alcohol agencies to the table and make them a part of the County Plan of Cooperation for Ohio Works First. County, Commissioners are ultimately responsible for the sanctions associated with OWF and the costs of children placed in foster care. There is an incentive for them to bring the necessary parties to the table so that services can be integrated and address agreed to community-defined outcomes. While County Commissioners have little direct authority over other children serving agencies, they do authorize their levies to be on the ballot. This taxing authority can be used to increase coordination and integration of services so that the county's financial liability can be reduced. Be creative in this area.

B. EXPENDITURE ESTIMATES

In preparing budgets, there is a great deal of information which must be considered. Very few of your projections can be made with certainty. Most will be based on forecasting workloads, turnover, the needs of children and families, and many things outside of your control. More often than not, your needs will always outstrip available resources. Be as precise as possible when you can, Suggestions are made for the following line items which are present in any budget.

1. Salaries - know your labor agreement or other personnel policies inside out. Know exactly when each staff person will receive a step raise or promotion. Plan exactly when you will hire new staff or lay staff off. Do your best to know when staff members will retire or leave (this can result in large vacation and other benefit payments which can wreck a budget if not anticipated). If a thorough job is done estimating salary expenditures, your computations for PERS, Workmen's Compensation, and other payroll related expenses will be easy because they are generally fixed by a required percentage.

2. Supplies- look at historical expenditures. Are there new policies which will require more or less photocopying, postage, etc.? Are you planning on hiring new staff or will staffing levels decrease? Do your best to project these needs based on what you know.

3. Equipment - how old is your current equipment? Will photocopiers, fax machines, telephone systems, or computers need to be replaced? If so, how much will they cost? If you automate certain functions, will you save staff time?

4. Maintenance/Repair Agreements - identify the number of agreements currently in place and project any new ones needing to be initiated because warranties will expire during the year. If possible, competitively bid service agreements to obtain the lowest costs and fixed costs.

5. Agency Rent and Utilities - if possible, always negotiate your rental contracts to include utilities and schedule cost adjustments to take affect at the beginning or end of the fiscal year. This makes budgeting more precise.

6. Employee Bonds - determine the number of employees for whom bonding is statutory and then those you wish to bond in addition to those. Also explore blanket bonds or see if you can be included in the county's bonding plan.

7. Travel - look at historical expenditures. Will the cost of reimbursement per mile increase? Are workloads or new requirements requiring more frequent visits? How many staff do you have who will be required to attend core training and what will be the costs of doing so? Do you have county cars? Would the cost of having county, cars be less expensive than paying mileage reimbursement to staff?

8. PERS - 13.95% of the total of wages paid.

9. Foster Care Expenditures - look at the trends and characteristics of children who have been placed in the agency's custody over the past five years. What are their ages? What were the principle problems which led to their placement? How many are in the permanent or temporary custody of the agency with little chance of returning home? How many children are projected to be placed for adoption. Why aren't all children in permanent custody being placed for adoption? How many case plans call for children to be returned to their parents during the course of the year? Where are they placed and why are they placed there? Has there been a tragedy which has caused more children to be placed than normal? Have you run a levy campaign which has heightened public awareness of child abuse and neglect and could cause more children to come to the agency's attention? Does your County Council provide services and assistance to multiple needs children and their families or is it the expectation that the PCSA does this by itself? How many families are projected to be sanctioned due to failure to comply with welfare reform requirements? Are there community resources to transition these families? Are there any possibilities of managed care agreements with private providers which could provide you with some measure of cost containment in this area? Managed care will be discussed later in this document in a separate section.

If you plan on increasing payments to foster parents or providers, schedule the increase to take affect in September. The feds have insisted that any increases in foster care payments must occur prior to the beginning of the federal fiscal year to be eligible for federal financial participation during the rest of the fiscal year. By increasing your payments effective in September, you will only be without FFP on the increased amount for one month.

This estimate is always a moving target. However, do your best to analyze trends and characteristics. Then keep your Commissioners apprised of the numbers of children placed and the costs associated with those placements ON AN ONGOING BASIS throughout the budget year.

10. Purchased Services - what contracts are in place? Are they still needed? What services do you need that you cannot purchase? Have you conducted an evaluation of each contract to ensure that you are getting the service you want at a cost which is fair and reasonable? Are there services currently being provided by direct service staff which could be purchased less expensively? Prioritize the contracts you need in rank order of importance and urgency to child

safety; negotiate agreements; monitor performance at regular intervals; and evaluate at least annually.

11. Liability Insurance - if you are fortunate to have found a carrier, determine the annual premium amount.

12. County Indirect Costs - many counties are required to pay these costs for indirect services performed by the county auditor, treasurer, prosecutor, etc. You may want to examine the basis for for your portion of the claim. There have been occasions where a PCSA has its own legal counsel or pays for an assistant prosecutor's salary and is also billed for those same services on the indirect cost plan. Make sure you are not being double billed.

13. Overtime Pay - Do you have an overtime policy? How much overtime have you paid for the last three years and for what reasons? Budget your best estimate and monitor monthly.

14. Emergency On-Call Pay - costs associated with maintaining a 24 hour child abuse and neglect hot line and on-call staff to investigate reports outside the scope of the typical work day.

15. PCSA Share of County-wide Audits - determine what the county plans to do or has scheduled during the upcoming year in the way of audits from the state examiner's Office; Department of Administrative Services; county-wide studies, insurance, etc. Budget your share accordingly.

16. Indirect Program Costs as a Result of RMS - monitor these percentages carefully so you know ff you are approaching a categorical funding limit. Software is available to assist you to do this on a daily basis. Neglect can cause you to overrun ceilings or erode certain hands you had set aside for other purposes.

17. Other - regardless of the planning efforts which go into budgeting, there will always be something which is unanticipated. Set aside a small amount of money for these unexpected costs.

C. SETTING UP YOUR BUDGET

You now have the information necessary to create your operating budget. There are many software programs available to assist you to monitor your expenditures and charge them against the various funding sources or ceilings. For instance, mental health has had the software which enables them to allocate direct and indirect costs to various cost centers e.g. screening of reports; invest/gat/on and assessment, etc. Examples are included in this document - Unit Cost Calculations.

D. BUDGET IMPLEMENTATION

The implementation of the budget must be carefully monitored by the PCSA leadership if the blueprint which has been developed is to be followed. All too often, comprehensive efforts to create a sound budget are lost when the execution is delegated to agency personnel who may not have the breadth of program and fiscal knowledge to effectively use the various resources available to the PCSA. Based on this observation, the following suggestions are made:

1. The budget is the most important plan that the agency has. Without it, programs that are vital to child protection may not be able to be developed or sustained. If one subscribes to this theory, one should also subscribe to the theory that the agency executive should never relinquish control of the budget. With the many other functions of the executive, one might delegate the development, implementation, reporting, and evaluation functions associated with the budget, but the executive must always know the budget inside out and review its status on a monthly basis.

2. If one has a children services levy, s/he is probably using the Special Levies Fund created by the State Auditor and used by the County Auditor. This fund can be set up as a rotary fund for the day to day implementation of the budget. The annual amount certified by the County Auditor at the outset of the year can serve as seed money. Day to day, expenditures for staff, foster care, etc. can be made from this account and as reimbursements e.g. Title IV-B, SCPA, Title IV-E, etc. are claimed and received, they can be deposited back into this account to replenish it. Not only does this assist with ongoing cash flow if one files reports in a timely and accurate fashion, but it also protects any cash balances at the end of the year from being lost to the County General Fund.

3. Monitor the indirect costs associated with the SS-RMS on a daily basis. There have been many occasions when staff have the opportunity to code an activity to more than one code. If they code it to a non-Title 1XT-E code, they not only lose reimbursement for the agency through Title IV-E, but they also use up a ceiling which can be used for other purposes.

4. If possible, do not be afraid to overbill some of the funding sources available to you (particularly if you have a levy,). There are times when other counties do not spend their available funds, and you might be in line for an additional distribution. Do not budget these overbilled claims or depend on their reimbursement. If reimbursement occurs, view them as icing on the cake.

E. APPROPRIATIONS AND RECEIPTS

The County Auditor must estimate the receipts to the County General Fund and all other specific or designated funds such as the Special Levies Fund or Public Assistance Fund. As a general rule of thumb, most County Auditors will make their estimations of anticipated revenues and then certify 90% of those estimates. Then as advances, collections, and reimbursements are received throughout the year, they are balanced against the Auditor's certification. If receipts exceed or fall short of the certification, the Auditor may amend his/her original certification accordingly. Because of this, it is essential that you monitor your receipts against the Auditor's certification on a monthly basis. Since the Auditor's certification is normally 90% of anticipated revenue, you should be in a position to request an amended certification sometime in October or November of the calendar year. Generally if one takes his/her ceiling letters from ODHS to the Auditor and can prove that you will receive the additional funds, s/he will amend your spending authority upward.

F. BUDGET TIMETABLES

County PCSAs are required to deal with three separate and distinct fiscal years:

1. County Fiscal Year - runs from January 1 through December 31. Your budget for the upcoming year must be prepared and filed with the County Commissioners by June 1. Depending on your county, budget hearings usually occur in the Fall. Commissioners appropriations, either temporary or final, must be made by January 1 of each year.

2. State Fiscal Year - runs from July 1 through June 30. It is critical for claiming and receiving funds. If not claimed in a timely fashion, state appropriations e.g. State Child Protection Allocation can be lost to the state general revenue fund.

3. Federal Fiscal Year - runs from October 1 through September 30. Again, critical for claiming funds and instituting foster care maintenance increases.

These three fiscal years can be a headache for budget implementation. Make sure you know when the last possible dates for claiming reimbursements are from each of these three sources so you do not get caught short on funds you need and are entitled.

G. REPORTING

Section 7000 of the Administrative Services Manual explains the various financial reports and the consequences of missing reporting deadlines. Counties may lose reimbursement due to filing late reports so monitor the submission of these closely.

The ODHS 2820 is the reporting form upon which all social service receipts and expenditures must be reported. Codes are provided to accurately identify the source and types of receipts and expenditures. The sum of expenditures constitutes the Social Services Cost Pool and is computed on a quarterly basis. The results of the SS-RMS are then applied to the Cost Pool and is used to distribute both direct and indirect costs to various program areas and ceilings.

A knowledgeable individual should always review these reports before they leave the agency. The 2820 should be reviewed to ensure that all eligible expenditures have been recorded. The results of the SS-RMS should also be reviewed to ensure that activities are being properly coded and activities which can be legitimately coded to two different codes are coded so as to result in maximum reimbursement for the PCSA.