

THE STATE OF MARYLAND
POLICIES & PROCEDURES
MANUAL FOR
LOCAL
MANAGEMENT
BOARDS



Issued by The Governor's Office for Children
on Behalf of The Children's Cabinet
Effective July 1, 2013

TABLE OF CONTENTS

INTRODUCTION.....	3
SECTION I – OVERVIEW OF LMB REQUIREMENTS.....	9
SUBSECTION 10 – ESTABLISHMENT	9
SUBSECTION 20 – STATE OVERSIGHT.....	9
SUBSECTION 30 – COMPOSITION OF LMBs	10
SUBSECTION 40 – BY-LAWS.....	11
SUBSECTION 50 – LAWS, REGULATIONS AND POLICIES	12
SUBSECTION 60 – RESPONSIBILITIES	13
SECTION II – LMB CORE RESPONSIBILITIES	18
SUBSECTION 10 – PLANNING FOR RESULTS	18
SUBSECTION 20 – CONTRACTING FOR RESULTS	27
SUBSECTION 30 – GENERAL REQUIREMENTS	35
SUBSECTION 40 – GOC MONITORING	36
SECTION III – EARLY INTERVENTION AND PREVENTION PROGRAM REQUIREMENTS.....	40
SUBSECTION 10 – BACKGROUND	40
SUBSECTION 20 – LOCAL ACCESS MECHANISM	40
SUBSECTION 30 – JUVENILE DELINQUENCY PREVENTION AND DIVERSION PROGRAMS.....	44
SUBSECTION 40 – OUT-OF-SCHOOL TIME PROGRAMS	44
SUBSECTION 50 – HOME VISITING	46
SECTION IV – FISCAL MANAGEMENT	48
SUBSECTION 10 – GENERAL REQUIREMENTS	48
SUBSECTION 20 – FUNDING PRINCIPLES.....	51
SUBSECTION 30 – INCOME PRINCIPLES.....	53
SUBSECTION 40 – ACCOUNTING STANDARDS.....	55
SUBSECTION 50 – COST PRINCIPLES.....	56
SUBSECTION 60 – EARNED REINVESTMENT.....	59
SUBSECTION 70 – RECONCILIATION	63
SECTION V – APPENDICES	66
APPENDIX 1 – HIPAA.....	67
APPENDIX 2 – SAMPLE PRE-SITE VISIT LETTER TO LMB	68
APPENDIX 3 – SAMPLE CLIENT SATISFACTION SURVEY	71
APPENDIX 4 – THE NEEDS TRIANGLE.....	72
APPENDIX 5 – YOUTH SERVICES BUREAUS	73
APPENDIX 6 – REQUIREMENTS FOR THE LMB ACCOUNTING MANUAL	80

INTRODUCTION

A. Scope

1. This Manual provides instruction on the administration and management of Maryland's Local Management Boards (LMBs).
2. The LMB shall incorporate by reference the relevant contents of this Manual into its contracts as appropriate.

B. Reference Materials

1. Documents referenced in this Manual are included in the Appendix of the Manual.
2. Other resources are referenced as part of the Code of Maryland Regulations ("COMAR") and the Maryland Annotated Code. Links to these resources can be found online at: <http://www.dsd.state.md.us> and <http://mlis.state.md.us/#stat>.

C. Distribution and Updates

1. The Manual shall be issued to each LMB and each Children's Cabinet Agency and shall be available for downloading from the Governor's Office for Children website (<http://www.goc.maryland.gov>).
2. Updates to the Manual shall be distributed to the LMBs and the Children's Cabinet Agencies as they are finalized.

D. Required Signatures

1. Where signatures are required, only the complete, original signature of the specified individual(s) will be accepted.
2. Electronic signatures, signature stamps, and other alternatives will not be accepted, except when requested to be submitted as a reasonable accommodation under the Americans with Disabilities Act.

F. Waivers

1. The LMB may request a waiver of any requirement herein except for the LMB audit requirement noted in Section IV, Subsection 10 C.
2. The LMB shall mail a written request signed by the LMB point of contact and Board Chair to the attention of the Executive Director of GOC who will review and approve or deny the request on behalf of the Children's Cabinet.
3. The request shall include:
 - a. The rationale for the proposed waiver;

- b. How the LMB proposes to ensure compliance should a waiver be granted; and
 - c. The timeframe for the proposed waiver.
 - 4. GOC will respond to the LMB within thirty (30) days of receipt of the request.
 - a. GOC's response may be delayed if additional information from the LMB is required.

G. Definitions

- 1. In this Manual, the following terms have the meanings indicated.
- 2. Terms defined:
 - a. "Agreement" means the Community Partnership Agreement that is executed by the Children's Cabinet and the LMB.
 - b. "Board" means the group of members established by each jurisdiction to ensure the implementation of a local interagency service delivery system for children, youth, and families, in accordance with §8-302 of the Human Services Article of the Maryland Annotated Code.
 - c. "Care coordination" means providing intensive care management services to a youth and his or her family, including coordinating Child and Family Team meetings; developing, revising, and managing implementation of the individualized Plan of Care; and, facilitating access to the services and supports outlined in the Plan of Care.
 - d. "Care coordinator" means an individual employed through the care management entity who is responsible for providing care management services including, but not limited to, coordination of child and family team meetings and completion of the initial and revised plan of care.
 - e. "Care management entity (CME)" means a not-for-profit, 501(c)(3) organization under the Internal Revenue Service (IRS) Code, with whom the Children's Cabinet has a contract, that serves as a central point of service coordination and locus of accountability for identified cross-agency populations of children and youth with intensive needs, and their families.
 - f. "Carry-forward" means unspent funds from a fiscal year that are applied as a payment against a grant in the following fiscal year. Carry-forward funds do not increase the award.
 - g. "Carry-over" means unspent funds from a fiscal year that are applied to a grant in the following fiscal year. Carry-over funds increase the amount of the award.

- h.** “Child” means any individual under the age of eighteen (18) years, or under any other age, as specified by applicable State or federal law.
- i.** “Child and Family Team (CFT)” means a team of individuals selected by the participant and family to work with them to design and implement the Plan of Care.
- j.** “Children’s Cabinet” means the Secretaries of the Departments of Budget and Management, Disabilities, Health and Mental Hygiene, Human Resources, and Juvenile Services, the Superintendent of the Maryland State Department of Education, and the Executive Director of the Governor’s Office for Children who convene on a regular basis to develop and implement coordinated State policies to improve the health and welfare of children and families.
- k.** “Children’s Cabinet Fund” means the fund established by §8-502 of the Human Services Article of the Annotated Code of Maryland, the expenditures of which are allocated to each jurisdiction through the jurisdiction’s Local Management Board to support a locally-driven interagency effort to maximize all available resources for children and family services, and which reflects the priorities, policies, and procedures adopted by the Children’s Cabinet. Also known as the Children’s Cabinet Interagency Fund (CCIF).
- l.** “Community Needs Assessment” means a systematic methodology for gathering information from the community regarding current problems, community strengths, and available programs, services and resources that is used by the LMB to guide local development, expansion and implementation of resources, services and programs.
- m.** “Continuum of care” means the necessary array of services and supports (both professional and natural) that are available in a community to support a spectrum of intensity of need, from opportunities and prevention to intensive therapeutic interventions.
- n.** “Core Service Agency (CSA)” has the meaning stated in COMAR 10.21.17.
- o.** “*Ex officio*” means by right of the office. An *ex officio* member of a body (a board, committee, council, etc.) is a member by virtue of holding another office.
- p.** “Family” means a child’s natural, adoptive, or foster parents, including a guardian, a person acting as a parent of a child, and a relative or stepparent with whom a child lives.

- q. “Fiscal Year” has the meaning of the State Fiscal Year of July 1 to June 30 of each year.
- r. “Flex Funds” means discretionary funds available for certain LMB programs to purchase goods and services in support of a child’s Plan of Care when no other resource is available and in compliance with this Manual and local policies.
- s. “Governor’s Office for Children (GOC)” has the meaning stated in Executive Order 01.01.2006.03.
- t. “Health Care Practitioner” means any individual who is licensed, certified, or otherwise authorized under the Health Occupations Article of the Annotated Code of Maryland to provide health care services in the ordinary course of business or practice of a profession.
- u. “Local Access Mechanism (LAM)” means an identifiable structure and method that helps families access and coordinate available services and supports, both public and private, to address the full range of needs encountered by families with children.
- v. “Local Access Mechanism Information and Referral” means the initial interaction of the consumer with the system which is initiated by an individual seeking resource(s) either for a child or a family member of for the whole family.
- w. “Local Access Mechanism Screening” means the initial triage to identify children at risk and link them to appropriate resources.
- x. “Local Access Mechanism Assessment” means a comprehensive review of data from multiple sources to identify strengths, resources and needs to develop plans of care.
- y. “Local Access Mechanism Evaluation” means the discipline-specific intensive study of a clinical issue performed by an appropriately credentialed professional.
- z. “Local Access Mechanism Navigation” means assistance provided to families to help them identify strengths and needs and to obtain necessary services (does not constitute clinical evaluation). The individuals who provide this assistance do not carry a caseload, and are available to families as they present themselves. Families requiring clinical evaluation should be referred to appropriate child-serving agencies, organizations, or appropriately credentialed professionals.

- aa.** “Local Care Team” has the meaning as stated in the Maryland Human Services Article, Title 8, Subtitle 4 of the Annotated Code of Maryland.
- bb.** “Local Management Board” or “LMB” means the entity established and maintained by each local jurisdiction pursuant to §8-301 of the Human Services Article of the Maryland Annotated Code for the purpose of overseeing and ensuring the implementation of a local interagency service delivery system for children, youth and families in that jurisdiction.
- cc.** “Manual” means the State of Maryland Policies and Procedures Manual for Local Management Boards issued by the Governor’s Office for Children, on behalf of the Children’s Cabinet, to provide instruction on the administration and management of Maryland’s Local Management Boards.
- dd.** “Office” or “GOC” means the Governor’s Office for Children.
- ee.** “Out-of-home placement” means the 24-hour substitute care for children and youth placed away from their parents or guardians for more than 24 hours and for whom DHR, DJS, DHMH, or MSDE/LSS has supervision and care responsibility.
- ff.** “Plan of Care (POC)” means a written document that is developed that comprehensively describes the services to be provided to a child and family across life domains.
- gg.** “Private Sector” means those entities that are not government-controlled. The private sector encompasses for-profit entities and non-profit entities that are not owned or operated by government.
- hh.** “Public Sector” means those entities that are government-controlled. The composition of the public sector varies by jurisdiction, but generally includes the police, libraries, military, public roads, public transit, primary education and healthcare for the poor.
- ii.** “Residential Treatment Center (RTC)” has the meaning stated in Health-General Article, §19-301, Annotated Code of Maryland.
- jj.** “Service Record” means the original or a copy of any documentary material, including referral information formal and informal assessments, recommendations, and closing material, for a child receiving service.
- kk.** “SCYFIS” means the State Children, Youth and Families Information System. SCYFIS is a web-based computer system designed to keep track of the State-funded interagency services that are provided to children and their families. SCYFIS also assists frontline caseworkers from State agencies and

psychiatric hospitals communicate with each other in order to plan for children in State custody to be discharged from psychiatric hospitals. SCYFIS also includes a Resource Directory, which contains a listing of services specific to the needs of children and families that anyone can access through GOC's Website.

- ll.** "Systems of Care" means a comprehensive spectrum of mental health and other necessary services which are organized into a coordinated network to meet the multiple and changing needs of children and adolescents and their families and that are family-driven, youth-guided, individualized, culturally and linguistically competent, and community-based.
- mm.** "Sustainability" means able to be implemented and maintained over a series of fiscal years.
- nn.** "Youth Services Bureaus (YSBs)" has the meaning stated in Human Services Article, §9-233, Annotated Code of Maryland.
- oo.** "Wraparound" means a service delivery model that includes a collaborative process in which the CFT assists in the development and implementation of an individualized Plan of Care that includes specified outcomes and adheres to the standards and guidelines set forth by the National Wraparound Initiative.

SECTION I – OVERVIEW OF LMB REQUIREMENTS

Subsection 10 – Establishment

- A.** The establishment of Local Management Boards (LMBs) was originally provided for in Article 49D that was enacted in 1990 and sunset on June 30, 2005.
- B.** In response to the sunset of Article 49D, Executive Order 01.01.2005.34 was issued on June 9, 2005 establishing the Children’s Cabinet and the Governor’s Office for Children (GOC).
- C.** During the 2006 legislative session, the General Assembly passed Senate Bill 294/House Bill 301 that re-codified the LMBs. As of March 24, 2006, Executive Order 01.01.2005.34 was amended by Executive Order 01.01.2006.03. House Bill 301 was signed into law on May 2, 2006, re-establishing LMBs in Article 49D. The law became effective on October 1, 2006.
- D.** Effective October 1, 2007, Article 49D was reorganized and recodified as Title 8 of the Human Services Article of the Maryland Annotated Code.

Subsection 20 – State Oversight

A. Children’s Cabinet

- 1.** Consistent with the requirements of the Executive Order (as amended) and Title 8 of the Human Services Article, the Children’s Cabinet shall:
 - a.** Specify the roles and responsibilities of the LMBs;
 - b.** Establish minimum standards for the composition of LMBs;
 - c.** Establish fiscal and program accountability in the implementation of Community Partnership Agreements (CPAs) and the use of other State resources by LMBs;
 - d.** Establish procedures to ensure the confidentiality of information shared by LMB board members and employees in accordance with State and federal law; and
 - e.** Generally relate to the operation of LMBs.
- 2.** The Children’s Cabinet is chaired by the Executive Director of GOC.
- 3.** The Children’s Cabinet is composed of the Secretaries (or their designees) of the Departments of Budget and Management; Disabilities; Health and Mental Hygiene; Human Resources; Juvenile Services; the State Superintendent of Schools; and the Executive Director of GOC.

4. Role of GOC:
 - a. As required by the Executive Order, GOC partners “with Local management boards to plan, coordinate, and monitor the delivery of integrated services along the full continuum of care and oversee the use of Children’s Cabinet Interagency funds in accordance with policies and procedures established by the Children’s Cabinet...”
 - b. GOC provides staff to the Children’s Cabinet.

B. Children’s Cabinet Results Team (CCRT)

1. The CCRT is chaired by the Executive Director of GOC.
2. Is composed of the Deputy Secretaries (or their designees) from the Departments of Budget and Management; Disabilities; Health and Mental Hygiene; Human Resources; Juvenile Services; and the State Department of Education.
3. Is a standing committee of the Children’s Cabinet that prepares policy recommendations for consideration by the Children's Cabinet and performs other duties as directed by the Children’s Cabinet.

Subsection 30 – Composition of LMBs

A. LMBs may be composed of:

1. Public and private community representatives who share the responsibility for implementing a community-based, interagency, family-focused service delivery system for children, youth and families; and
2. A senior representative or department head of the:
 - a. Local health department;
 - b. Local office of the Department of Juvenile Services;
 - c. Core Service Agency/Mental Hygiene Administration;
 - d. Local school system;
 - e. Local department of social services;
3. Family members or family advocates; and
4. Youth or youth advocates.

B. Private sector members may include representatives from business organizations; civic and neighborhood organizations; community collaborative groups; private providers of

employment, vocational services or other human services; and religious communities and other individuals involved with children and family issues, such as a member of the early care and education community, etc.

- C. The Children's Cabinet requires that at least 51% of the LMB membership must be from the public sector, with no more than 49% of members representing the private sector (such as parents, children, advocacy groups, private service providers, etc.).
- D. It is recommended that the composition of the LMB represent the ethnic and geographical diversity of each jurisdiction.

Subsection 40 – By-Laws

- A. Each LMB shall have written by-laws that are approved by the Board and the governing body of the jurisdiction, if applicable.
- B. The Board shall review the by-laws at least every three (3) years to ensure that the by-laws are current and meet the needs of the Board.
- C. The Board's review of the by-laws shall be documented in Board meeting minutes.
- D. The by-laws shall be revised as needed to reflect actual practice.
- E. The by-laws shall include/address the following, at a minimum:
 - 1. Statement of name and LMB mission/goal;
 - 2. Function or purpose of the LMB;
 - 3. Identification of Board membership, including the number and composition of members, manner of appointment, length of term, procedure for vacancies, voting authority and process, and attendance requirements;
 - 4. Officers' terms, removal, resignation, authority and duties;
 - 5. Meetings;
 - 6. Quorum;
 - 7. Committees;
 - 8. Indemnification;
 - 9. Identification of fiscal year;

10. Conflict of interest; and
11. Process for enacting amendments.

Subsection 50 – Laws, Regulations and Policies

A. The LMB shall comply with all applicable federal, State and local laws, regulations, and policies, including any regulations or written guidelines adopted by the Children’s Cabinet.

B. Criminal Background Checks and Clearances

1. A national and State criminal history records check is required for individuals in accordance with State law, including Family Law Article, Title 5, Subtitle 5, Annotated Code of Maryland and COMAR 12.15.02.
2. The LMB must ensure that vendors are in compliance with the criminal background check requirements.
3. The LMB shall ensure that vendors develop and comply with policies and procedures developed to respond to situations in which a criminal background check discloses criminal activity.
4. When a criminal background check is not required pursuant to the Family Law Article noted above, GOC cautions the LMB to consider the possible liabilities of not requiring a criminal background check for all persons who have contact with children. The LMB shall seek a legal opinion from its counsel when applicable.

C. Confidentiality

1. The LMB and its vendors shall maintain the confidentiality of children and families served and shall not disclose the name or other identifying information about the child and/or family, including in its written or electronic correspondence with GOC or other entities, except as permitted by law.
 - a. A SCYFIS number may be used for this purpose, as applicable.
2. When LMBs communicate with GOC by means other than the SCYFIS system, or with other entities, as applicable, regarding a child:
 - a. Electronic files shall be encrypted format and password protected.
 - b. The file and the password shall be sent to the recipient in separate emails.
 - c. The LMB shall develop and implement its own procedure to ensure confidentiality is maintained.
 - d. Hard copy communication shall have identifying information redacted.

D. Record Retention

1. Records must be maintained in accordance with the provisions noted herein and in compliance with federal and State law.
2. Records that are developed and maintained in hard copy format shall be stored, accessed, and retained in accordance with federal and State laws and procedures.
3. Records that are developed and/or maintained in electronic format shall be stored, accessed, and retained in accordance with federal and State laws and procedures including Section 508 of the Rehabilitation Act.
4. The following protections shall be implemented in addition to federal and State requirements:
 - a. Electronically formatted records shall be maintained for the required retention period in a format that is accessible to authorized GOC staff and equipment;
 - b. Access and storage authorization and procedures for electronic records shall be the same as for hard copy records;
 - c. Any and all electronically formatted records that are stored on a server shall be encrypted with limited password-only access to authorized persons;
 - d. Any and all electronically formatted records that are stored on a system controlled by a vendor shall be encrypted, and shall be governed by written certification from the vendor that the records shall be accessed, maintained, stored, and retained in accordance with federal and State laws and procedures, and that the vendor shall implement all reasonable methods to: preserve the confidentiality of the records and limit access to only those authorized access to the records.

Subsection 60 – Responsibilities

- A. The LMB Board shall meet at least quarterly and maintain minutes to document attendance and the business conducted at the meetings.
 1. A quorum is required in order to constitute an official meeting:
 - a. 51% of total Board membership; and
 - b. 25% of *ex-officio* members of the Board listed in Section I, Subsection 30 A 2 of this Manual.
 2. A meeting in which a quorum of both groups is not satisfied cannot be considered an official meeting, and no decisions or votes from the meeting can be considered

binding unless and until a majority of the voting members have ratified any actions considered.

- B. LMB committees established by the by-laws or other action of the Board shall meet as required and maintain minutes to document attendance and the business conducted at the meetings.
- C. Each LMB shall:
 - 1. Monitor programs and contracts for performance and compliance;
 - 2. Designate staff to fully execute the CPA and other grants awarded from the CCIF, within budgetary limits;
 - 3. Ensure policies and procedures are in place as required;
 - 4. Notify GOC in writing of any LMB changes, including, but not limited to name, address, phone number, LMB Point of Contact, Board chair, etc. Notification of changes shall be sent to the Executive Director of GOC via email and **first class mail** as soon as the change is known; and
 - 5. Designate a point of contact for the LMB as a means of communication with GOC.
- D. The LMB shall designate an individual to attend or participate by phone in LMB meetings with GOC. The meeting provides a regular forum for communication between GOC and the LMB about expectations, changes in policies and regulations, best practices, highlights of LMB work, and other pertinent information.
- E. LMBs are the neutral conveners in each jurisdiction to stimulate local action by State and local government, public and private providers, business and industry, and community residents to build an effective system of services, supports, and opportunities that improve outcomes for children, youth, and families. The LMB plans, coordinates, implements, and manages a local interagency service delivery system for children, youth and families.
- F. The LMB is responsible for participating in the development and the implementation of a strategic plan and the development and expansion of the local community-based service delivery system for children and their families.
- G. Other key roles and responsibilities of LMBs include:
 - 1. Strengthening the decision-making capacity at the local level;
 - 2. Designing and implementing strategies to achieve clearly defined results for families and children;
 - 3. Maintaining standards of accountability for locally agreed upon results for children and families;

4. Influencing the allocation of resources across systems as necessary to accomplish the desired results;
5. Coordinating children and family services within the jurisdiction to eliminate fragmentation and duplication of services and to establish non-categorical services;
6. Creating an effective system of services, supports, and opportunities that improve outcomes for all children, youth, and families;
7. Operating based on locally agreed upon principles concerning service delivery and the community's commitment to its families and children;
8. Representing local residents, communities, and State and local government; and
9. Shifting the programmatic focus to prevention and early intervention strategies.

H. Administrative functions of LMBs may include, but are not limited to:

1. Community engagement;
2. Development of community needs assessments;
3. Development, review and implementation of strategic plans;
4. Board development and associated activities;
5. Systems of Care staffing, including Local Access Mechanism and Navigation;
6. Local Care Team staffing;
7. Request For Proposals/Notice Of Funds Availability development, review and implementation;
8. Contract monitoring and evaluation; and
9. Grant writing and community resource development.

I. In addition to the requirements stated in this Subsection, each LMB shall also operate according to written practices, rules and/or protocols.

J. The LMB shall adopt its jurisdiction's policies and/or establish its own written policies and procedures for personnel, procurement, finance and accounting. When adopting its own policies, the LMB shall revise those policies as necessary to reflect changes in this Manual and other applicable federal, State, and/or local laws, regulations and policy.

K. The LMB shall make its policies and procedures accessible to its community partners.

L. Planning for Results

1. The LMB is responsible for designing and implementing strategies needed to achieve desired results.
2. For a complete discussion of this function, see Section II, Subsection 10 of this Manual (Planning for Results) which includes a discussion of the following.
 - a. Child Well-Being Results
 - b. Indicators
 - c. Community Needs Assessment
 - d. Strategic Plan
 - e. Community Engagement

M. Contracting for Results

1. The LMB is responsible for contracting with the State and vendors to achieve desired results.
2. For a complete discussion of this function, see Section II, Subsection 20 of this Manual (Contracting for Results) which includes a discussion of the following:
 - a. Contracting with the Children's Cabinet
 - b. Contracting with Vendors
 - c. Procurement
 - d. Consultants

N. Program Requirements

1. The LMB shall ensure that programs and services funded by the Children's Cabinet Interagency Fund operate according to specified guidelines and to achieve desired results.
2. For a complete discussion of this function, see Section II, Subsection 30 of this Manual (General Requirements) and Section III which includes a discussion of the following.
 - a. Measuring Performance
 - b. Data Collection and Reporting
 - c. Early Intervention and Prevention Program Requirements
 - i. Local Access Mechanism
 - a) Single Point of Access
 - b) Navigation

- i. Family Navigation
 - ii. Systems Navigation
 - ii. Juvenile Delinquency Prevention and Diversion Programs
 - iii. Out-of-School Time Programs
 - iv. Home Visiting Programs; and
 - v. Other programs as approved by the Children's Cabinet.
2. If implementing an evidence-based program, the LMB shall ensure that the program maintains fidelity to the model.

O. Local Care Team

1. As required by Maryland Annotated Code, Human Services Article, Title 8, Subtitle 4, there is a Local Care Team (LCT) in each Maryland jurisdiction that coordinates services for children in need of residential placement and children with intensive needs.
 2. The LMB shall participate as a member of the LCT in accordance with the provisions of Title 8, Subtitle 4 of the Human Services Article of the Annotated Code of Maryland.
 3. The LMB may designate staff to provide administrative support for the LCT as locally determined.
 4. Each LCT shall determine how to complete administrative requirements.
- P. The LMB shall not utilize CCIF funds to provide direct services to children and their families.

Q. Out-of-Home Placement

1. The LMB is not a child placement agency and shall not place a child in an out-of-home placement.

SECTION II – LMB CORE RESPONSIBILITIES

Subsection 10 – Planning for Results

A. Definitions

1. Result: A condition of well-being for children, adults, families or communities.
2. Indicator: A measure that helps quantify the achievement of a result.
3. Performance Measure: A measure of how well a program, agency, or service system is performing.

B. Using Results and Indicators

1. This section details how the results and indicators should be used by LMBs.
2. The basic steps to using Results Accountability include answering a series of questions about population accountability and performance accountability:
 - a. Population Accountability
 - i. What results are you trying to achieve?
 - ii. What does the data tell you? What are the indicators that tell you if you are making progress towards reaching the results you are trying to achieve? Is the indicator getting better or worse?
 - iii. What is the story behind the data and the direction it is heading?
 - iv. Who are the partners who have a role to play in doing better?
 - v. What strategies work to “turn the curve” and make things better?
 - vi. What is your action plan and budget?
 - b. Performance Accountability - For each program funded by the LMB, the following questions shall be asked:
 - i. Who are your customers?
 - ii. How can you measure if your customers are better off?
 - iii. What are your current measures with regard to service delivery?
 - iv. What partners have a role to play in doing better?
 - v. What is the story behind the measures?
 - vi. What works to improve these measures?
 - vii. What is your action plan and timeline?

C. Maryland’s Results and Indicators

1. In January of 1999, the following eight Results with corresponding Indicators were adopted to capture the quality of life for children and families in Maryland.
 - a. Babies Born Healthy
 - i. Infant Mortality - The rate of deaths occurring to infants under 1 year of age per 1,000 live births.

- c. The retitled Results and Indicators were organized around three themes:
 - i. Health;
 - ii. Education; and
 - iii. Family and Community Environment.

 - d. The revisions were adopted by the Children’s Cabinet in June, 2011.
3. The current Themes and the corresponding child well being Results and Indicators adopted for Maryland are:
- a. Health Theme
 - i. Babies Born Healthy - Result
 - a) Infant Mortality
 - b) Births to Adolescents
 - c) Low Birth Weight
 - ii. Healthy Children - Result
 - a) Health Insurance Coverage
 - b) Immunizations,
 - c) Deaths,
 - d) Obesity,
 - e) Hospitalizations,
 - f) Substance Use
 - g) Asthma

 - b. Education Theme
 - i. School Readiness - Result
 - a) Kindergarten Assessment
 - ii. School Success - Result
 - a) Academic Performance
 - i) Maryland School Assessment
 - ii) High School Assessment
 - b) School Truancy
 - c) Bullying and Harassment
 - iii. School Completion Result - Result
 - a) High School Graduation Rate,
 - b) High School Program Completion, and
 - c) Graduation/School Completion of Students with Disabilities
 - iv. School Transition - Result
 - a) Educational Attainment,
 - b) Youth Employment
 - c) Post Graduation Plans

 - c. Family and Community Environment Theme
 - i. Safety - Result
 - a) Child Maltreatment
 - b) Juvenile Violent Offenses,

- c) Juvenile Serious Non-Violent Offenses
 - d) Recidivism Rate
 - ii. Stability - Result
 - a) Child Poverty,
 - b) Hunger,
 - c) Out-of-Home Placements
 - d) Homelessness
- 4. New Perspectives
 - a. These are Indicators for each Result that Maryland has researched in the last decade that have an effect on children's overall well-being.
 - b. Many of the data for these Indicators have only been obtained for three or four years, and in many cases, the data is obtained by survey on a bi-yearly basis.

D. Working with Maryland's Results and Indicators

1. The selection of indicators is an on-going process at both the State and local levels.
2. LMBs may choose local indicators on which to focus in addition to State indicators.

E. Community Needs Assessment

1. A needs assessment that gathers information from the community regarding current problems, community strengths, available programs, services and resources is crucial to the success of the LMB in coordinating services within the jurisdiction to eliminate fragmentation and duplication while fulfilling its mandate to create an effective system of services, supports, and opportunities that improve outcomes for children, youth and families.
2. As part of the strategic planning process, the LMB shall complete a community needs assessment every three (3) years (or sooner, depending on local conditions) prior to developing/updating the strategic plan.
3. The community needs assessment shall investigate all eight (8) child well-being Results and the Indicators associated with the Results.
 - a. For each indicator or baseline, the LMB shall include an historical part and a forecast part that show where the indicator is headed if nothing is done.
 - b. The LMB shall identify priority indicators from this community needs assessment and obtain information about the causes and forces that are affecting each indicator.
4. At minimum, the community needs assessment must include:
 - a. A review of data related to indicators;
 - b. A review of other relevant data;

- c. Information from stakeholders and community partners; and
 - d. Community resource mapping, including:
 - i. Services within the full continuum of care from all child-serving public and private agencies;
 - ii. Identification of community strengths; and
 - iii. Identification of gaps in addressing results and indicators through a continuum of care.
5. The information obtained from the community needs assessment shall be used by the LMB to identify which Results and Indicators to prioritize, and the causes and forces at work affecting the prioritized Indicators. It is useful also to identify community strengths, resources, and assets that will help to address each of the prioritized Results and Indicators.

F. Strategic Plan

1. Each LMB is required to develop a written strategic plan every three (3) years (or sooner, depending on local conditions).
2. The strategic plan shall follow the Results Accountability format below and shall identify:
 - a. One (1) or more of the eight Child Well Being Results that the LMB has prioritized as most important to the jurisdiction.
 - b. One (1) or more of the primary Indicators for each prioritized Result that will be used to measure achievement.
 - c. The “Story Behind” for each of the selected Indicators that are headed in the wrong direction and provide an analysis of the causes and forces behind that movement.
 - d. Partners and their input. Partners may be different for each prioritized Result.
 - e. What Works to “Turn the Curve”, including evidence-based, best and promising practices, and other strategies that have the potential to improve the primary Indicators.
 - f. Prioritizing strategies determined by consideration of :
 - i. Specificity - Is the strategy specific enough to be implementable?
 - ii. Leverage - Does the strategy have a high degree of leverage to “turn the curve”?
 - iii. Values - Does the strategy meet the LMB’s organizational and the community’s values?
 - iv. Reach - Is it practical for the LMB to implement this strategy? Is the

strategy sustainable over a long period of time? Is it feasible and affordable?

- g. Funding sources for each of the prioritized strategies.

G. Community Engagement

1. Community engagement is the LMB's effort to:
 - a. Increase the number of stakeholders, program consumers, family members, and agency and other partners who are committed to take actions that will identify, promote, and support the needs of children, youth, and families in the State; and
 - b. Direct the jurisdiction to support an interagency approach to better the lives of children and families.
2. Community engagement activities include, but are not limited to:
 - a. Roundtable Events;
 - b. Awards and Other Recognition;
 - c. Sponsorships; and
 - d. Training.

H. Integrated Systems of Care (SOC)

1. Maryland's Children's Cabinet believes that a priority strategy for addressing a fragmented service delivery system is through an integrated SOC.
2. In a SOC, all service delivery systems (mental health, child welfare, juvenile justice, education, substance abuse, housing, etc.) are connected in order to create a seamless service delivery system for children, youth and families.
3. SOCs are family and local community-driven service systems that:
 - a. Improve access to services;
 - b. Provide engaging and effective service in a coordinated delivery system; and,
 - c. Increase options and system resources in service delivery.
4. SOCs must be non-categorical and focused on populations of children and families across service systems. They require a team approach on every level: State, local and community.
5. Population

- a. Approximately 2-5% of children has emotional disabilities (ED) and need the most intense interventions. Within this 2-5% may be other children not diagnosed with SED but with other intensive needs.
- b. Approximately 15-20% of children have significant needs that, untreated, may rise to the level of the children with ED.
- c. Approximately 80% of children with less complex needs can be addressed at the universal health promotion level.

6. Guiding Principles

- a. A SOC is *not* a practice model; rather, it is a philosophy or overarching structure that guides the interventions provided to children and their families.
- b. A SOC is different from a continuum of care.

7. Core Values of SOC

- a. The SOC should be child-centered and family-focused, with the needs of the child and family dictating the types and mix of services provided.
 - i. Families must be involved throughout the SOC, and family involvement within the SOC must be deliberate, although the shape that it takes may vary by community.
 - ii. Families can be educators, advocates, and policy-makers. In some communities, family organizations play a significant role in shaping policy, as well as advocating for and supporting families.
 - iii. At the management level, families may identify other families to participate in workgroups, conduct family surveys and interviews, and provide information and referral services to other families.
 - iv. At the service delivery level, families are involved in every stage of the development of their child's plan, as well as participating in family support groups and providing forms of advocacy and mentoring.
- b. The SOC should be community-based, with the locus of services as well as management and decision-making responsibility resting at the community level.
 - i. The Children's Cabinet believes that children belong in the most appropriate, least restrictive setting possible, and in their own homes and communities when safely possible.
 - ii. The Children's Cabinet also believes that most children, even those with conduct disorder, oppositional defiant disorder, and SED, can thrive in a family setting, with proper supports.

- iii. For this to occur, there must be an SOC in place to support children and families at all points in the continuum of need.
 - c. The SOC should be culturally competent, with agencies, programs, and services that are responsive to the cultural, racial, and ethnic differences of the populations they serve.
 - d. The three core values of SOC (child-centered and family-focused, community-based, and culturally competent) ensure that services are:
 - i. Integrated with linkages between child-serving agencies and programs;
 - ii. Individualized (responsive to the child’s needs, strengths, and environment);
 - iii. Provided in the least restrictive, most appropriate setting;
 - iv. Comprehensive, incorporating a broad array of services and supports;
 - v. Inclusive of families and youth as full partners;
 - vi. Focused on early identification and intervention; and,
 - vii. Driven at the local level with coordination at the State level.

8. Child and Adolescent Needs and Strengths (CANS) Tool

- a. Function and Purpose of the CANS:
 - i. According to the Praed Foundation (www.praedfoundation.org), the developer of the CANS, “The Child and Adolescent Needs and Strengths (CANS) is a multi-purpose tool developed for children’s services to support decision making, including level of care and service planning, to facilitate quality improvement initiatives, and to allow for the monitoring of outcomes of services.”
 - ii. The primary function of CANS as suggested for use in Maryland’s systems of care is to provide information that will be helpful in care planning and to provide information for outcome measurement and quality assurance within the System of Care.
 - iii. CANS is not intended as a tool to determine level of care or to prescribe treatment.
- b. Use of CANS
 - i. The Children’s Cabinet has adopted the use of the CANS Comprehensive Tool for all CMEs.
 - ii. The use of CANS is recommended for other programs implemented by LMBs, as applicable, especially for systems/family navigators if the navigation model includes the development of a plan of care with the youth and family.
 - a) If the adopted model of navigation lends itself to the utilization of an assessment, the assessment to be used must be CANS.
 - b) An abbreviated version of the CANS (in place of the CANS comprehensive) may be implemented for navigation only.
 - i) In this instance, data cannot be maintained in SCYFIS as only the CANS comprehensive is available in

SCYFIS.

- c. Administration of the CANS
 - i. Only those individuals who have been certified may administer the CANS.
 - ii. CANS training and certification is available online at <http://www.cans.umaryland.edu> and from other sources.
 - iii. If the LMB requires the use of CANS for funded programs, it is the responsibility of the LMB to ensure that all CANS administrators have current certification.
 - iv. The CANS shall be initially administered within the first thirty (30) days of service implementation and every three (3) months after implementation of the plan of care and at discharge.
- d. Performance Measures
 - i. For those LMBs receiving Children's Cabinet funding for SOC initiatives, the CANS is incorporated into the performance measures for outcome measurement.
 - ii. Systems/family navigators who utilize the CANS shall include the following performance measure in the Appendix A of the CPA (in the *How well did we do it? section*): *Number of completed CANS assessments used in developing a Family Plan.*

Subsection 20 – Contracting for Results

A. Contracting with the Children's Cabinet

1. Community Partnership Agreement (CPA)

- a. The CPA is the contract executed between the Children's Cabinet and each LMB that is individualized to the needs of the jurisdiction and details the roles and responsibilities of each party including the services to be provided to the community and the funds awarded to the LMB.
- b. The CPA is composed of the following sections:
 - i. Standard Provisions – Including the scope of the agreement and standard legal clauses such as term, termination and general provisions and conditions of agreement;
 - ii. Appendix A – The LMB results section that details the specific child well-being results and indicators that the LMB will work to address;
 - iii. Appendix B – The annual budget for Children's Cabinet Interagency funds awarded to the LMB; and
 - iv. Appendix C – The budget, as applicable.
- c. A new CPA in its entirety, or new Appendices, as appropriate, must be executed at the end of each term for the subsequent term.

- i. CPAs must be fully executed by June 30 of each fiscal year.
 - ii. The first payment shall be withheld until the CPA or Appendices, as applicable, are completed, approved and fully executed by all parties.
- d. The CPA contract period shall be the State's fiscal year (July 1 through June 30) unless otherwise stated in the CPA. In the case of a multi-year CPA, budgets and performance measures must be approved annually and are subject to annual appropriations.
- e. Preparation of the CPA
 - i. GOC shall issue instructions on the preparation of the CPA, including the requirements for the Appendices.
 - ii. Preparation of the Appendix A shall include the development of performance measures tables for each funded program/strategy that indicate:
 - a) Quantity of effort: How much did you do?
 - b) Quality of effort: How well did you do it?
 - c) Quality of effect: Is anyone better off? (Child and family results or outcomes)
 - iii. LMBs shall utilize standardized performance measures tables as developed by GOC for applicable programs. In the absence of a standardized table, the LMB shall develop a table and request GOC approval for the table in advance of its implementation.
 - iv. LMBs shall develop targets for each performance measure on the performance measures table(s) to be included in the Appendix A of the CPA each fiscal year.
- f. Modification of the CPA
 - i. To request a change or modification to the CPA, the LMB shall mail a written request signed by the LMB point of contact and Board Chair to the attention of the Executive Director of GOC who will review and approve or deny the request on behalf of the Children's Cabinet.
 - ii. Requests for modifications must be postmarked by May 15.
 - iii. Modifications to Appendix A require a short narrative explaining the need for the proposed change and new Performance Measures Tables (as applicable). Changes to fiscal year targets in program performance measures tables will not be approved. Instead, the LMB shall address performance as necessary in the "Story Behind" section of the semi-annual and annual reports.
 - iv. Modifications to Appendix B require a short narrative explaining the need for the proposed change in addition to the revised form.
 - v. GOC will respond to the LMB within thirty (30) days of receipt of the request. GOC's response may be delayed if additional information from the LMB is required.

- vi. Approved changes and modifications to the CPA must be signed by both the authorized representatives of the LMB and/or Subdivision, as applicable, and the Executive Director of GOC.
 - vii. The modification must be requested and GOC approval obtained prior to the LMB implementing any changes related to the modification.
 - g. No-Cost Extension/Carry-Forward/Carry-Over
 - i. The LMB may request a no-cost extension, a carry-over or carry-forward for a CPA program by mailing a written request signed by the LMB point of contact and Board Chair to the attention of the Executive Director of GOC who will review and approve or deny the request on behalf of the Children's Cabinet.
 - ii. Requests must be postmarked by May 15 for CPA funding expiring at the close of the fiscal year.
 - iii. No-cost extension requests require a short narrative explaining why the project could not be completed as planned and a revised timeline for program completion. Revised performance measures tables may be required, as applicable.
 - iv. Additional information may be required if the LMB requests to modify the scope of the original project or budget.
 - v. GOC will respond to the LMB within thirty (30) days of receipt of the request. GOC's response may be delayed if additional information from the LMB is required.
 - vi. No-cost extensions must be requested and GOC approval obtained prior to the LMB implementing any changes.
 - vii. Projects funded with carry-forward and carry-over funds are subject to the same conditions as noted in Section IV, Subsection 60, C and D of this Manual.
 - h. Reporting
 - i. Reports for individual programs are required as outlined in Section III of this Manual.
 - ii. Program Reports
 - a) A semi-annual and annual program report on the CPA in the approved format shall be submitted to GOC.
 - b) The semi-annual report is due the third (3rd) Friday of February and the annual report is due the third (3rd) Friday of September.
 - c) As part of the required semi-annual and annual program report, the LMB shall provide an update on progress toward meeting the target goals of each performance measure as defined in the Appendix A of the CPA.
 - iii. Fiscal Reports
 - a) Quarterly fiscal reports are due the third (3rd) Friday of the month following the close of the first, second and third quarters of the fiscal year.

- b) The year-end fiscal report is due the third (3rd) Friday of September following the close of the fiscal year.
 - iv. GOC may require additional reports not referenced herein.
 - v. A report may be rejected by GOC and returned to the LMB for a technical insufficiency that cannot or should not be corrected by GOC.
 - vi. GOC may require an LMB to amend/correct such a report or others as necessary.
 - vii. When submitting reports, the LMB may submit a facsimile form generated by the LMB in lieu of any required GOC form; however, GOC's prior approval of the format is required. If approval is not received, the LMB assumes the risk for the report's rejection.
 - viii. GOC may issue instructions on the protocol for the completion of required reports.
 - a) Reports submitted not in compliance with the issued instructions will be returned to the LMB for correction.
 - ix. Modifications, extensions, carry-overs and carry-forwards shall not be approved if the LMB is not in compliance with required reports.
- i. Payments
 - i. Payments to LMBs are generally made four times per year according to the following schedule:
 - a) The first payment will be for four twelfths (4/12) of the Children's Cabinet current award and will be released as soon after the first of July as the CPA is fully-executed.
 - b) The second payment will be for three twelfths (3/12) of the current award and will be released after the required reports for the first quarter are received.
 - c) The third payment will be for three twelfths (3/12) of the current award and will be released after the required reports for the second quarter are received.
 - d) The fourth and final payment will be for the balance of the current award and will be released after the required reports for the third quarter are received.
 - ii. Payments to LMBs under the CPA will be made only after the executed CPA and/or all required reports are received and accepted by GOC.
 - a) If a report is not received when due, all payments scheduled to follow the due date of the report will be withheld until the LMB is in compliance with all reporting requirements.
 - iii. No funding will be authorized by GOC without a fully executed CPA.

2. Grant Agreements

- a. A Grant Agreement is a contract executed between GOC on behalf of the Children's Cabinet and the LMB for a specific project or the provision of a defined service.

- b.** GOC may execute a grant agreement with an LMB as necessary and appropriate.
- c.** Modification
 - i** To request a change or modification to the Grant Agreement, the LMB shall mail a written request signed by the LMB point of contact and Board Chair to the attention of the Executive Director of GOC who will review and approve or deny the request on behalf of the Children’s Cabinet.
 - ii** Requests for modifications must be postmarked forty-five (45) days prior to the expiration date of the Grant Agreement.
 - a)** Requests for modifications that are received by GOC after the expiration date of the Grant Agreement cannot be approved.
 - iii** Modification requests require a short narrative explaining the need for the proposed change and new Performance Measures Tables (as applicable). Changes to fiscal year targets in program performance measures tables will not be approved. Instead, the LMB shall address performance as necessary in the “Story Behind” section of applicable reports.
 - iv** Modification requests may also require a revised budget and corresponding budget narrative, as applicable.
 - v** GOC will respond to the LMB within thirty (30) days of receipt of the request. GOC’s response may be delayed if additional information from the LMB is required.
 - vi** The modification must be requested and GOC approval obtained prior to the LMB implementing any changes related to the modification.
- d.** No-Cost Extension/Carry-Forward/Carry-Over
 - i.** The LMB may request a no-cost extension, a carry-over or carry-forward for a Grant Agreement by mailing a written request signed by the LMB point of contact and Board Chair to the attention of the Executive Director of GOC who will review and approve or deny the request on behalf of the Children’s Cabinet.
 - ii.** Requests must be postmarked forty-five (45) days prior to the expiration date of the Grant Award.
 - a)** Requests for modifications that are received by GOC after the expiration date of the Grant Agreement shall not be approved.
 - iii.** No-cost extension requests require a short narrative explaining why the project could not be completed as planned and a revised timeline for program completion. Revised performance measures tables may be required, as applicable.
 - iv.** Additional information may be required if the LMB requests to modify the scope of the original project or budget.

- v. GOC will respond to the LMB within thirty (30) days of receipt of the request. GOC's response may be delayed if additional information from the LMB is required.
 - vi. No-cost extensions must be requested and GOC approval obtained prior to the LMB implementing any changes.
 - vii. Projects funded with carry-forward and carry-over funds are subject to the same conditions as noted in Section IV, Subsection 60, C and D of this Manual.
 - viii. Approved changes and modifications to Grant Agreements must be signed by both the authorized representatives of the LMB and the Executive Director of GOC.
 - ix. The modification must be requested and GOC approval obtained prior to the LMB implementing any changes related to the modification.
- e. Reporting
- i. Reporting requirements for Grant Agreements are indicated in the terms and conditions of the Grant Agreement.
 - ii. GOC may require additional reports not referenced herein or in the terms and conditions of the Grant Agreement.
 - iii. A report may be rejected by GOC and returned to the LMB for a technical insufficiency that cannot or should not be corrected by GOC. GOC may require an LMB to amend/correct such a report or others as necessary.
 - iv. When submitting reports, the LMB may submit a facsimile form generated by the LMB in lieu of any required GOC form; however, GOC's prior approval of the format is required. If approval is not received, the LMB assumes the risk for the report's rejection.
 - v. GOC may issue instructions on the protocol for the completion of reports.
 - vi. Modifications, extensions, carry-overs and carry-forwards shall not be approved if the LMB is not in compliance with required reports.
- f. Payments
- i. Payments to LMBs for Grant Agreements are made in accordance with the terms of the Grant Agreement.
 - ii. Payments to LMBs for Grant Agreements will be made only after the executed Grant Agreement and/or all required reports are received and accepted by GOC.
 - iii. If a report is not received when due, payments scheduled to follow the due date of the report will be withheld until the LMB is in compliance with all reporting requirements.
 - iv. No funding will be authorized by GOC without a fully executed Grant Agreement.

B. Contracting with Vendors

1. Subject to applicable requirements, including, but not limited to, those with respect to procurement, the LMB is responsible for the negotiation and execution of contracts for the provision of all programs and services funded by the Children's Cabinet Interagency Fund with the exception of administrative services (including, but not limited to, pest control, bottled water, office cleaning, etc.).
2. In the event that a contract cannot be executed prior to the commencement of services, and in accordance with its applicable policies and procedures, the LMB may issue a letter of commitment to the vendor outlining the scope of services and the maximum funds available based on the specified terms.
3. The LMB shall incorporate the applicable sections of the State of Maryland Policies and Procedures Manual for Local Management Boards into each of its contracts. In the case of conflicts between program-specific guidelines in Section III and other sections of the Manual, the conditions set forth in the applicable subsection of Section III of this Manual govern.
4. Contracts must be formalized in writing and set forth the specific terms (*e.g.*, hourly rate, *per diem*, per visit rate, etc.) that are generally accepted standards within the field.
5. Contracts must specify the maximum funds available based on the specified terms. The terms specified must be measurable and sufficiently documented to enable verification by a qualified auditor.
6. The LMB shall ensure that Children's Cabinet Interagency Funds are not used for services that could be provided by another organization or State agency. Children's Cabinet Interagency Funds are the funding source of last resort.
7. LMB contracts with vendors must provide the LMB and State agencies access to all information, including client records, consistent with State and federal laws.
8. In addition to other applicable requirements stated herein, contracts with vendors shall include the following provisions:
 - a. Service Records
 - i. Upon completion of services, service records must either be retained by the LMB or returned to and retained by the lead agency that referred the child to the LMB, as applicable.
 - ii. Service records must be retained for five (5) years after the child turns 21 years old.
 - iii. Service records, except as noted in Section iv below, in any form generated or arising from the use of State funds provided under a contract or CPA covered by this Manual are the sole and exclusive property of the State.
 - iv. Case files for Youth Services Bureaus programs are the property of the

Youth Services Bureaus; however access must be provided as required in Section II, Subsection 20, B 7 of this Manual.

- b. HIPAA**
 - i.** Appropriate human services contracts shall contain provisions for compliance with federal Health Insurance Portability and Accountability Act (HIPAA) and State confidentiality laws.
 - ii.** See Section V, Appendix 1 of this Manual for sample language.
- c. Reports, Data, Studies, or Other Materials**
 - i.** Any reports, data, studies, or other materials in any form, generated or arising from the use of State funds provided under a CPA covered by this Manual shall be the sole and exclusive property of the State.
 - ii.** The LMB is granted a non-exclusive license, without cost or fee, to use such materials. The LMB shall not assign or transfer its license.
 - iii.** With regard to materials generated by an LMB's vendor or grantee, the LMB shall ensure that the State's ownership interests are disclosed and not impaired by the terms and conditions of such grants and contracts.
- d. Separate Schedule**
 - i.** The LMB shall require each vendor who is providing services to more than one LMB to report the amount of Children's Cabinet funding received from each LMB, including a description of the services provided to each LMB.
 - ii.** The LMB shall ensure that vendor reports are modified and/or updated as necessary.
 - iii.** Vendor reports shall be used by the LMB to determine if a separate schedule of Children's Cabinet revenue and expenditures is required for the vendor audit in accordance with the requirements of Section IV, Subsection 10 D.

C. Procurement

- 1.** In accordance with Section I, Subsection 60 of this Manual, the LMB shall adhere to its adopted procurement policy as applicable.
- 2.** An LMB that is an instrumentality of local government shall comply with local government procurement laws and regulations. If the local government does not have written procurement laws and regulations, the LMB shall establish a procurement policy and procedures in accordance with Section I, Subsection 60 I of this Manual and submit the proposed procurement policy and procedures to GOC for approval.
- 3.** An independently incorporated LMB shall establish a procurement policy and procedures in accordance with Section I, Subsection 60 I of this Manual and submit the proposed procurement policy and procedures to GOC for approval.
 - a.** The applicable sections of State procurement laws will apply until an LMB establishes procurement policies and procedures and/or regulations that are

approved by GOC. (See Maryland Annotated Code, State Finance and Procurement Article, Title 13, §13-101, *et seq.* and COMAR 21.03.01 through 21.05.09 for applicable procurement policies and procedures, if needed.)

4. If the LMB has adopted its own procurement policy and procedures, revisions to approved procurement policies and procedures must also be submitted to GOC for approval prior to implementation or adoption of any revision.
5. For GOC review and approval of proposed new and revised procurement policies and procedures, the LMB shall mail a written request signed by the LMB point of contact and Board Chair to the attention of the Executive Director of GOC who will review and approve or deny proposed policy and procedures on behalf of the Children's Cabinet. GOC approval must be obtained prior to the LMB's implementation of new or revised procurement policies and procedures.

D. Consultants

1. The LMB is responsible for appropriately designating the employment status of an individual/consultant.
2. Claims and penalties resulting from the improper designation of an employee, an independent contractor or a consultant are the responsibility of the LMB.
3. Officers, employees, and members of the Board of Directors of the LMB/ vendors/subcontractor(s)/subgrantee(s) cannot be paid consultants to the LMB, its member agencies, or its contractors and grantees.
4. The use of consultants is subject to compliance with all applicable Manual requirements, including, but not limited to requirements for fiscal management, individual program requirements, etc.

Subsection 30 – General Requirements

A. Measuring Performance

1. In accordance with its monitoring policy, the LMB shall monitor all vendors and consultants for compliance with requirements as set forth in this Manual, the LMB's contracts and grants and the terms of its CPA.
2. The LMB shall develop a written monitoring policy that will address the process by which the LMB will fulfill its monitoring responsibilities.
 - a. The following shall not be considered the LMBs' written monitoring policy:
 - i. Minutes of a Board, committee or other meeting;
 - ii. A job description; or
 - iii. A monitoring tool, instrument, or questionnaire.

3. The LMB shall monitor program performance of all funded programs and services in accordance with the monitoring plan.
4. Except as legislatively mandated, the LMB shall participate in decision-making for the expenditure of all funds received from the Children's Cabinet in collaboration with the appropriate State agency and/or local entity.
5. The LMB is responsible for evaluating all programs and services it funds, including, but not limited to:
 - a. Focusing on an assessment of performance measures that have been identified;
 - b. Ensuring that services are selected that will make a difference in performance measures and client results;
 - c. Developing and maintaining a quality improvement process to increase the quality of services;
 - d. Developing an ongoing self-assessment process to track achievements; and
 - e. Measuring outcomes and compliance with standards of quality.

B. Data Collection and Reporting

1. LMBs are required to collect and report on characteristics of children and families served, the services delivered, and the results of those services.
2. Each LMB may opt to collect several kinds of data to suit its needs.
3. Data shall be utilized to demonstrate not only the achievement of desired outcomes, but also to improve the quality of services provided.

Subsection 40 – GOC Monitoring

- A. The purpose of monitoring is to determine LMB compliance with:
1. The requirements of the CPA, any Grant Agreements funded by the CCIF, and the use of earned reinvestment funds;
 2. The State of Maryland Policies and Procedures Manual for Local Management Boards;
 3. Federal, State and local laws, regulations and policies; and,
 4. The implementation of remediation plans and Quality Improvement Plans (QIPs) submitted to GOC as a result of a previous monitoring visit.

B. Schedule

1. GOC will monitor LMBs on a periodic basis as directed by the Children's Cabinet.
2. The monitoring schedule for the fiscal year will be released to LMBs prior to the start of the fiscal year.
3. The frequency of monitoring and schedule of site visits is subject to change as directed by the Children's Cabinet.
4. The Children's Cabinet reserves the right to conduct unscheduled monitoring visits as deemed necessary.
 - a. The provisions in Part D of this Subsection do not apply in the event of an unscheduled monitoring site visit.

C. Access

1. The LMB shall make available to the monitors all data, records, and any other documents as requested by the monitoring team.
2. The LMB shall ensure the monitoring team's access to all of the materials referenced in Part 1 above.

D. Site Visit

1. In accordance with the published monitoring schedule, approximately four (4) weeks prior to the monitoring visit, GOC will send a notification letter (see Appendix 2) to the LMB point of contact and Board Chair that:
 - a. Confirms the site visit;
 - b. Describes the monitoring scope;
 - c. Includes the self-assessment to be completed in advance of the site visit; and
 - d. Provides a list of required documents to be made available during the site visit.
2. The completed self-assessment shall be returned to GOC in accordance with the instructions stipulated in the notification.
3. Approximately two (2) weeks from the date of the notification letter, GOC staff will contact the LMB Point of Contact to schedule the site visit during the specified time period.
4. During the site visit, the monitoring team will:
 - a. Review LMB files, case records, fiscal documents, policies and procedures, monitoring tools and documentation and other materials as needed to ascertain compliance with the requirements as noted in part A, above.

- d. If additional documentation is provided by the LMB, it will be reviewed by GOC, and GOC will determine if a reconsideration of the conclusions is supported.
 - e. Upon consideration of this additional documentation, GOC may leave its findings and/or conclusions intact, set forth additional findings and/or conclusions, or enter new findings and/or conclusions. Any such consideration and/or reconsideration shall be final.
10. If no written response by the LMB is received by GOC within twenty-one (21) calendar days of the issuance of the report, GOC will consider the report to have been accepted by the LMB.
 11. Once the report has been accepted by the LMB, the LMB shall take corrective action within ninety (90) days on each finding and/or recommendation cited in the report.
 12. The LMB's corrective action plan for each finding shall be reported to GOC within ninety (90) days of the date the report is considered final.
 13. GOC, on behalf of the Children's Cabinet, may require the LMB to develop and implement a written remediation plan, outlining actions to rectify findings and/or implement recommendations as noted in the report.
 14. GOC reserves the right to conduct site visits that are not on the published schedule, and without prior notification.

E. Fiscal Recovery

1. If recoverable funds are identified in the monitoring report that is accepted by the LMB, the GOC will issue a request for payment of funds due, and shall provide the LMB with thirty (30) days to either make payment or file an appeal to the Children's Cabinet.
2. In any appeal, the LMB shall clearly state the basis for, and include documentation in support of, its position.
3. The Children's Cabinet shall set a date to review the appeal and adopt a schedule for resolution of the matter within sixty (60) days of receipt of the appeal.
4. The decision of the Children's Cabinet regarding an appeal is final and is not subject to further appeal.

SECTION III – EARLY INTERVENTION AND PREVENTION PROGRAM REQUIREMENTS

Subsection 10 – Background

- A. Subject to Appropriations, funding is available through the Children’s Cabinet Interagency Fund for Early Intervention and Prevention (EIP) initiatives.
- B. This Section includes, but is not limited to, examples of EIP programs that may be funded by an LMB in accordance with Title 8, Subtitle 5 of the Human Services Article of the Annotated Code of Maryland.
 - 1. Programs listed in this Section III.
 - 2. Any and all EIP programs funded by an LMB in accordance with State law and this Manual are subject to the requirements set forth by State law and this Manual.

Subsection 20 - Local Access Mechanism

- A. The purpose of a Local Access Mechanism (LAM) is to improve:
 - 1. Coordination and utilization of existing resources and supports.
 - 2. Access to services by families.
 - 3. The identification of needed services.
- B. **Program Requirements**
 - 1. LMBs using Children’s Cabinet funding for a LAM shall meet the minimum requirements set forth in this section.
 - 2. Other requirements shall be established through the CPA between GOC (on behalf of the Children’s Cabinet) and the LMB.
 - 3. There is no State entitlement to a LAM or to any services listed in this section.
 - 4. Information in resource databases and directories developed, maintained and implemented with Children’s Cabinet funds shall be shared with entities as directed by the Children’s Cabinet.
 - 5. An LMB shall not be prohibited from providing assistance to families through an approved LAM.
- C. **Models** - LMBs may develop a LAM using one of the following models or another model approved by the Children’s Cabinet:

1. Single Point of Access
 - a. A Single Point of Access (SPA) is the single point of entry for families who wish to enter the system, regardless of the intensity of the needs of their children.
 - b. SPA provides a pathway for families in the navigation of the service delivery system. Examples include:
 - i. A web-based resource guide.
 - ii. A 211 hotline number.
 - iii. Another hotline operating within the community.
2. “No Wrong Door” Model
 - a. Under a “no wrong door” model, families are able to enter the LAM through an array of existing services and agencies.
 - b. Existing points of access continue to serve children and families, while directing them to the LAM when appropriate.
3. Hybrid Model
 - a. In the hybrid model, the LMB elects to combine elements of the two models above.
 - b. The LMB may propose to maximize access to local services by funding both a centralized information and referral source (such as the United Way’s 211 number – principally for families not involved with existing organizations or agencies) *and* points of access through existing services (for families already involved with or seeking categorical services for the first time).

D. Functions of the LAM

1. At a minimum the LAM shall provide the following functions, unless otherwise negotiated with and approved by GOC on behalf of the Children’s Cabinet as part of the CPA:
 - a. Information/Referral (I/R)
 - i. Is the first point of contact within the LAM.
 - ii. During that first contact, the I/R specialist will ask preliminary questions and determine if the child or family is in a crisis situation that requires immediate attention by the police, a crisis response unit, or a hospital.
 - iii. The I/R shall have a mechanism in place that will ensure that the family is connected with the appropriate crisis response system.
 - b. Screening to determine a family’s level of need and make the appropriate referral.
 - i. Screening does not constitute clinical evaluation or diagnosis.
 - ii. Families requiring clinical evaluation will be referred to appropriate

child-serving agencies, organizations, or appropriately credentialed professionals.

- iii.** Some level of intervention may occur at this point if the individual or family is not willing to obtain the necessary level of service.
- iv.** There are two (2) levels to screening, which may be done at the same time or in two (2) distinct phases:
 - a)** A screening is conducted to determine if assistance beyond information and referral is needed, including crisis intervention.
 - b)** This next level of screening is utilized when it is determined that the caller's needs exceed simple information and referral, such as when a specific problem is presented.
 - i)** This screening will generate more detailed information concerning the families' strengths, needs, previous and current use of services, and other information that is needed to best address the individual or family's expressed concerns or problems.
 - ii)** At this stage, there is a fuller identification of needs and concerns than at the first contact (although it is recognized that this screening may occur during the same encounter as the first contact).

c. Assessment

- i.** Assessment is used to identify strengths, resources and needs and to obtain information for measuring client results.
- ii.** An appropriate instrument shall be used to assist in the planning of non-clinical services for children and adolescents and their families, as well as to provide information for quality assurance monitoring.

E. Navigation

- 1.** LMBs may also elect to fund a navigation component of the LAM.
- 2.** Navigation is for those families who need additional assistance beyond a simple referral.
- 3.** An LMB funding the navigation component shall ensure that the family is:
 - a.** Assisted with identifying strengths and needs and obtaining necessary services.
 - b.** Appropriately screened and assessed by asking specific questions about current health conditions, recent family stresses, and other more detailed information.
 - i.** This screening is not, however, at the level of a clinical evaluation.
 - ii.** Families requiring clinical evaluation or diagnosis shall be referred to the appropriate child-serving agency, organization or an appropriately credentialed professional.

4. Staff
 - a. The position that provides navigation services may be filled by either:
 - i. A legacy family member (Family Navigator); or
 - ii. Another appropriately-trained professional or paraprofessional (System Navigator).
5. Training
 - a. The staff person filling the navigation role is required to complete the Children's Cabinet-approved training.
 - b. These trainings will prepare family navigators and system navigators for their role and responsibilities.
 - c. In addition to learning about system services and access:
 - i. Family navigators will receive training to prepare them for their unique dual role as family member and family navigator; and
 - ii. System navigators will receive heightened training on family experiences and concerns.
6. Secondary screening
 - a. Navigators will provide the second level of screening and may complete a strengths and needs assessment with the family.
 - b. Navigators do not provide clinical evaluation.
 - c. Families requiring clinical evaluation or diagnosis shall be referred to the appropriate child-serving agency, organization or an appropriately credentialed professional.

F. Performance Measures

1. The Children's Cabinet has adopted standardized performance measures tables for the Single Point of Access and Navigation functions of the LAM that indicate:
 - a. Quantity of effort: How much did you do?
 - b. Quality of effort: How well did you do it?
 - c. Quality of effect: Is anyone better off? (Child and family results or outcomes.)
2. LMBs shall develop targets for each performance measure on the standardized performance measures table(s) to be included in the Appendix A of the CPA each fiscal year.
3. As part of the required semi-annual and annual program report, the LMB shall provide an update on progress toward meeting the target goals of each performance

measure as described in the Appendix A of the CPA.

Subsection 30 – Juvenile Delinquency Prevention and Diversion Programs

- A. An LMB may elect to fund juvenile delinquency prevention and diversion programs.
- B. An LMB that funds a Youth Services Bureau (either by legislative mandate or other reason), shall ensure compliance with the Youth Services Bureau requirements in Appendix 5.

Subsection 40 – Out-of-School Time Programs

A. Operating Schedule

- 1. Programs that serve elementary and middle school students shall operate a minimum of two (2) hours per day, for three (3) to five (5) days a week for 12 to 24 weeks during the school year.
- 2. Programs that serve high school students shall operate a minimum of two (2) hours per day, for two (2) to five (5) days a week for 12 to 24 weeks during the school year.
- 3. Summer programs shall operate a minimum of six (6) hours per day, for five (5) days per week for a minimum of four (4) weeks.

B. Program Design

- 1. Programs shall incorporate the following core components:
 - a. Time for homework completion with support (during the school year);
 - b. Nutritious snack and/or meals;
 - i. All eligible programs are required to participate in (state and/or) federal nutrition programs as applicable.
 - c. Recreation and physical activity of at least thirty (30) minutes for every three (3) hours of programming.
 - d. Intentional and/or project-based learning that:
 - i. Utilizes research-based curricula for academic instruction;
 - ii. Connects to but does not repeat school-day learning;
 - iii. Integrates academic skills with hands-on and engaging activities;

E. Performance Measures

1. The LMB shall develop a performance measures table for out-of-school time programs that detail:
 - a. Quantity of effort: How much did you do?
 - b. Quality of effort: How well did you do it?
 - i. Average daily attendance is a required measure in this section.
 - c. Quality of effect: Is anyone better off? (Child and family results or outcomes.)
2. LMBs shall develop targets for each performance measure in the performance measures table(s) to be included in the Appendix A of the CPA each fiscal year.
3. As part of the required semi-annual and annual program report, the LMB shall provide an update on progress toward meeting the target goals of each performance measure as described in the Appendix A of the CPA.

Subsection 50 – Home Visiting

- A. An LMB that elects to fund a home visiting program shall utilize evidence-based home visiting models as currently identified/approved by the U.S. Department of Health and Human Services (DHHS) Health Resources and Services Administration (HRSA) or the Administration for Children and Families (ACF) or other models as identified by the Children’s Cabinet.
- B. The LMB shall ensure that the home visiting program serves the population/community identified as most at-risk as indicated by having elevated risk factors in the jurisdictional maps disseminated by the DHMH’s Office of Maternal and Child Health or as determined by the Children’s Cabinet.
- C. Performance Measures
 1. The LMB shall utilize any standardized performance measures table adopted by the Children’s Cabinet as applicable, or in the absence of such, shall develop a performance measures table for home visiting programs that detail:
 - a. Quantity of effort: How much did you do?
 - b. Quality of effort: How well did you do it?
 - c. Quality of effect: Is anyone better off? (Child and family results or outcomes.)
 2. LMBs shall develop targets for each performance measure in the performance measures table(s) to be included in the Appendix A of the CPA each fiscal year.

3. As part of the required semi-annual and annual program report, the LMB shall provide an update on progress toward meeting the target goals of each performance measure as described in the Appendix A of the CPA.

SECTION IV – FISCAL MANAGEMENT

Subsection 10 – General Requirements

- A. **Financial Records** - Must be maintained for five (5) years after CPA reconciliation or until an audit/monitoring is completed by the Children’s Cabinet, whichever is later.
- B. **Payment Rate** - The rate paid for residential and/or educational services cannot be greater than the rate set by the State for a facility unless services not included in the rate are provided for which the State sets a rate.
- C. **LMB Audit**
1. An independent audit of funds shall be conducted annually and submitted to GOC by the first Friday in February.
 2. The audit shall include a separate accounting of revenue and expenditures for the following CCIF-funded activities:
 - a. CPA, disaggregated by line item;
 - b. Earned reinvestment; and
 - c. Other grants, disaggregated by grant.
 3. If the LMB is independently incorporated, the LMB must have an annual audit performed by an independent certified public accountant and submit a copy of the *Audited Financial Statement* and *Management Letter* to GOC.
 4. If the LMB is an instrumentality of local government, the LMB shall submit to GOC:
 - a. The Comprehensive Annual Financial Report (CAFR) for the county including a separate, removable (capable of being lifted from the CAFR with opinion and notes) schedule of revenue and expenditures for the LMB operations; or
 - b. The CAFR for the county with a Supplemental Schedule in the back section of the CAFR if an opinion is issued on the LMB schedule; or
 - c. An *Audited Financial Statement* and *Management Letter* performed by an independent certified public accountant.
 5. Failure to submit the audit when required will result in the withholding of all future payments and may be cause for the Children’s Cabinet to obtain the services of an independent auditor in order to meet the requirements set forth in this Section of the Manual.
 - a. The resulting cost incurred for the audit will be recovered via a

of State funds provided under a CPA subject to this Manual shall be the sole and exclusive property of the State.

- b.** The LMB is granted a non-exclusive license, without cost or fee, to use such materials. The LMB shall not assign or transfer its license.

2. Inventory

- a.** The LMB shall maintain a written inventory of all assets purchased with Children's Cabinet funds. The inventory shall include the type of item purchased; item make, model and/or serial number as appropriate; purchase date; amount of purchase; and physical location of item.
- b.** The LMB must update the inventory as needed.
- c.** The LMB is responsible for ensuring the whereabouts of all such assets at all times.

3. Reclamation

- a.** When funds of the Children's Cabinet (on behalf of the State) are used to purchase assets, the Children's Cabinet has the right to reclaim these assets and the LMB shall ensure that right is protected in all cases. Subject to existing law, the Children's Cabinet may waive the State's right of recovery.
- b.** The Children's Cabinet (on behalf of the State) retains the right to claim and dispose of any equipment or property that has been purchased with funds provided by the Children's Cabinet.
- c.** If the Children's Cabinet has funded, in whole or in part, the down payment, mortgage, or payments on buildings or real property, including payment of principal or renovation or remodeling costs, the Children's Cabinet (on behalf of the State) has a secured interest in the building or real property.
 - i.** The Children's Cabinet (on behalf of the State) may record this interest in the property with the local jurisdiction to assure that the title will not be transferred without satisfaction of the Children's Cabinet's interest.
 - ii.** Before the LMB makes any funds available for an approved project involving the purchase/development of real property, the LMB shall ensure that the State's right of recovery is protected in the event that within fifteen (15) years after the program opens, the property is no longer used for the purpose of the award.
 - a)** The amount of recovery shall include:
 - 1)** An amount that equals the value of the project property at the time of the recovery multiplied by a fraction:
 - i)** The numerator of which is the amount of the State funds for the project property; and

- ii) The denominator of which is the total eligible cost of the project property; and
 - 2) All allowable costs and reasonable attorneys' fees incurred in the recovery proceedings.
 - iii. In case of sale of any such buildings or real property, the State shall be entitled to recover the portion of the net sale price based on its share in the building or real property. The Children's Cabinet (on behalf of the State) is to act prudently and fairly to claim assets in accordance with the interest of the general public.
4. Disposal
- a. The LMB shall not dispose of any of the assets purchased with Children's Cabinet funds.
 - b. The LMB shall contact GOC to discuss the proposed disposal of assets purchased with Children's Cabinet funds prior to any action occurring.
 - c. State disposal of any assets must be done in accordance with State law and regulation.
 - d. The LMB shall maintain documentation of asset purchase and depreciation.

G. Sales and Use Tax Exemption

- 1. LMBs are required to obtain and use a Maryland Sales and Use Tax exemption certificate as appropriate in order to make specific purchases without paying sales and use tax.
- 2. LMBs which are exempt from the payment of sales and use taxes shall routinely employ the exemption certificate to prevent paying such taxes.
- 3. LMBs which are exempt from the payment of sales and use taxes shall not provide reimbursement of sales and use taxes paid by staff.

Subsection 20 - Funding Principles

A. Maximum Funding - The award figure stated in the CPA and presented in detail on form GOC 200 is the maximum amount of funding for which the Children's Cabinet shall be responsible, unless amended.

B. Supplemental Award

- 1. The LMB may request supplemental funding in writing at any time.
- 2. It is recommended that the LMB contact the Executive Director of GOC prior to submission of a written request for supplemental funding to ensure that additional funds are available and to ascertain if any special conditions may be imposed.

3. The LMB must provide the rationale for the request for supplemental funding to the Executive Director in writing, if additional funding is available.

C. Budget Modification

1. A budget modification of Appendix B to the CPA is a revision to the budget that restates the original total budget amount, and incorporates such line item changes desired by either the LMB or the Children's Cabinet to result in a revised budget.
 - a. A budget modification does not affect the total amount of the Children's Cabinet award.
 - b. See Section II, Subsection 20 of this Manual for more information on modifications.
2. A budget modification must be submitted in writing to GOC and shall be approved by GOC on behalf of the Children's Cabinet for proposed changes in the following controlled categories and/or line items, unless otherwise specified in the CPA, whenever:
 - a. Funds are moved from administration to service or service to administration;
 - b. Any administrative line item changes by \$10,000 or 5%, whichever is greater; and/or
 - c. Funds are moved between programs.

D. Reduction

1. GOC, on behalf of the Children's Cabinet, or the LMB may reduce the amount of an award.
2. Generally, the reasons the amount of an award may be reduced include, but are not limited to:
 - a. Delay in developing a new program;
 - b. Failure to meet service targets;
 - c. Reduction in the scope of services to be delivered;
 - d. Reduction in appropriations;
 - e. Request of the LMB; and/or
 - f. Failure to comply with the terms and conditions of the CPA.

E. Termination

1. Upon termination of operation, the LMB must submit a final report of receipts and expenditures within forty-five (45) days after the effective date of termination.

2. If money is due to the Children's Cabinet, a check in the full amount due shall accompany the report.

F. Unauthorized Expenditures

1. Unauthorized expenditures are the responsibility of the LMB.
2. Unauthorized expenditures include, but are not limited to:
 - a. All expenditures that cause total expenditures to exceed the amount of the approved budget;
 - b. All expenditures that exceed the approved budgeted amount (for controlled categories or line items only - see paragraph C of this Subsection); and
 - c. All expenditures that are at variance with the Manual provisions or an explicit provision of the CPA.

G. Income Shortfall - Any shortfall in non-Children's Cabinet budgeted income, unless recognized by the Children's Cabinet, is the liability of the LMB.

H. Expanded Community Partnership Carry-Over/Carry-Forward

1. There is no automatic carry-over of unspent CPA funding for any CPA executed on or after July 1, 2007.

Subsection 30 - Income Principles

A. Background

1. This subsection establishes and/or adopts the principles by which program income is considered.
2. The policy addresses both the Children's Cabinet award and all other income, and reviews the relationship among income types.

B. Income - All income from all sources resulting from, earmarked for, or allocated to the operation or proposed operation of the LMB must be identified in all budgets and the year-end fiscal report.

C. Order of Utilization

1. Children's Cabinet funds shall not be used to supplant income from other sources.

D. Restricted Funds

1. When certain income is restricted by the funding source, its treatment is dependent upon its relationship to the program supported by Children's Cabinet funding as follows:
 - a. If the restricted funds are in support of a program that is also supported by

the Children's Cabinet award, then the restricted funding shall be identified as income allocated to the program and displayed in the budget and fiscal reporting documents; or

- b. If the restricted funds are not in support of a program that is being supported by the Children's Cabinet award, then the income is not shared by the Children's Cabinet. However, the nature of the program and amount of the income must be disclosed and the LMB must provide documentation of the restriction upon request.

E. Interest Income

1. The LMB must deposit all Children's Cabinet funds and those funds allocated to the Children's Cabinet-supported program in an interest-bearing account that is either federally-insured or secured when such funds are not required to meet current expenses, with the exception of any federal funds which must be handled in accordance with the appropriate federal guideline(s).
2. Interest income from the deposits described above must be identified to the Children's Cabinet upon request.
3. Any such interest earned will be awarded to the LMB as earned reinvestment and may not be used to augment LMB administrative funds.
4. In accordance with the earned reinvestment provisions in Section IV, Subsection 60 of this Manual, prior approval by GOC is necessary before the LMB's expenditure of such funds.

F. Income in Excess of Budget Estimate

1. For non-Children's Cabinet income in excess of the amount budgeted, the LMB may request approval to use such excess income by submitting a budget modification request.
2. The Children's Cabinet will either approve or deny that request, following the procedures for budget modification in Subsection 20, paragraph C of this Section IV.
3. When non-Children's Cabinet income exceeds the final approved budget amount (which may include one or more budget modifications), the excess income shall be used to offset Children's Cabinet funding by the same amount, absent any provision to the contrary in the CPA.

G. Income Shortfall

1. Any shortfall in income is the liability of the LMB unless recognized by the Children's Cabinet through an approved budget modification.
2. Such a shortfall may be compensated for either by a reduction in LMB expenditures

or by an increase in other income, or both.

H. Investments

1. If investing Children's Cabinet funds, the value of the principal and any interest or other investment earnings must be protected.
2. Children's Cabinet funds may not be invested with the possibility that the value of the investment may decrease.

Subsection 40 - Accounting Standards

A. Standards – The LMB must maintain financial records on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) or Generally Accepted Governmental Accounting Principles (GAGAP), except as otherwise specifically provided in this Manual.

B. Accounting Policy

1. Each LMB is required to develop and operate in accordance with a written accounting/policy manual, a copy of which must be made available to the Children's Cabinet or its representative upon request.
2. At minimum, the guidelines in Appendix 6 of this Manual must be addressed in the written accounting/policy manual.

C. Conflict of Interest

1. An LMB that is an instrumentality of local government must comply with the State's or the local jurisdiction's conflict of interest laws and regulations.
2. An independently-incorporated LMB shall maintain written conflict of interest policies.

D. Related Party Transactions

1. Transactions with organizations that are associated with or controlled by the LMB, LMB board members, and/or LMB employees must be disclosed.
2. Such transactions may be subject to additional review by GOC to determine the propriety of the transaction, *e.g.*, that a fair price was paid for goods or services obtained.

E. All expenditures must be charged to the appropriate line item of the budget.

F. Earned reinvestment funds must be maintained in separate ledger accounts and shall not be comingled with other funds.

Subsection 50 - Cost Principles

A. This subsection establishes the cost principles for Children's Cabinet funding.

B. Reasonable Costs

1. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
2. The question of reasonableness is particularly important when governmental units or components are predominately federally funded.
3. In determining the reasonableness of a given cost, consideration shall be given to:
 - a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the federal award;
 - b. The restraints or requirements imposed by such factors as: sound business practices; arm's length bargaining; federal, State and other laws and regulations; and terms and conditions of the federal award;
 - c. Market prices for comparable goods or services;
 - d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the federal government; and
 - e. A significant deviation from the established practices of the governmental unit, which may unjustifiably increase the federal award's cost.

C. Direct Costs

1. Direct costs are those that can be identified specifically with a particular final cost objective.
2. Typical direct costs chargeable to Children's Cabinet funding include:
 - a. Compensation of employees for the time devoted and identified specifically to the performance of the funding;
 - b. Cost of materials acquired, consumed, or expended specifically for the purpose of the funding;
 - c. Equipment and other approved capital expenditures purchased specifically to carry out the purpose of the funding; and

- d. Travel expenses incurred specifically to carry out the purpose of the funding.

D. Indirect Costs

1. Indirect costs are those incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.
2. The term “indirect costs,” as used herein, applies to costs of this type originating in the grantee, as well as those incurred by other subgrantees in supplying goods, services, and facilities.
3. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs with the organization or subgrantee organizations providing services to a grantee.
4. Indirect cost pools shall be distributed to benefited cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.
5. A written cost allocation plan and written indirect cost proposals based on standard accounting practices must be available upon request.
6. Limitation on indirect or administrative costs.
 - a. In addition to restrictions contained in this Manual, there may be laws that further limit the amount of administrative or indirect cost allowed.
 - b. Amounts not recoverable as indirect costs or administrative costs from another funder may not be charged to Children’s Cabinet funding, unless specifically authorized by the GOC on behalf of the Children’s Cabinet.

E. Allowable Costs

1. Allowable costs include, but are not limited to:
 - a. All reasonable direct and indirect costs associated with Children’s Cabinet-funded activities, except for any direct and indirect costs associated with unallowable costs listed in Paragraph F, below; and
 - b. Bonuses
 - i. Based on documented job performance, a written job appraisal or some other documented, measurable criteria.
 - ii. Bonuses must be available to all employees within the same class;
 - iii. Bonuses shall be part of a defined benefit plan; and
 - iv. Bonuses shall not increase an employee’s salary and/or to circumvent payroll limitations.

F. Unallowable Costs – Unallowable costs include, but are not limited to:

1. Alcoholic beverages;

2. Bad debts;
3. Contributions and donations;
4. Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement;
5. Entertainment costs;
6. Incentive compensation as follows:
 - a. That does not involve all sources of funding;
 - b. That does not include the majority of staff, and
 - c. Is not issued pursuant to an agreement or an established plan entered into in good faith between the organization and the employees before the services were rendered.
 - d. Any bonus given to an employee is taxable income to that employee and must be reported accordingly.
 - e. The award of a bonus must be based on documented job performance, a written job appraisal or some other documented, measurable criteria and which is available to all employees within the same class and which is not used to increase an employee's salary and/or to circumvent payroll limitations;
7. Personal use by employees of organization-furnished automobiles (including transportation to and from work) and other assets;
8. Fines and penalties;
9. Assets, goods or services for personal use;
10. Interest on borrowed capital/lines of credit;
11. Costs of organized fundraising;
12. Costs of investment counsel/management;
13. Lobbying (*note*: the IRS allows 25% of activity for lobbying before impacting non-profit status.);
14. Losses on other awards;
15. Renovation/remodeling and capital projects (unless specific written approval has been

- provided in advance by GOC on behalf of the Children’s Cabinet);
16. Gifts for employees and/or Board members;
 17. Food and beverages, except for:
 - a. Those incurred by employees traveling overnight on official business;
 - b. Bulk drinking water for coolers where tap water is not potable;
 - c. Those routine expenses for the operation of a program serving children (*e.g.*, snacks served to children on a regular basis at an out-of-school time program funded by the LMB); and/or
 - d. Meetings/focus groups/forums where the majority of attendees expected are family and/or youth;
 18. Costs of training/technical assistance offered by the Innovations Institute and other consultants that the Children’s Cabinet or one of its member Agencies makes available to the LMB at no cost; and/or
 19. Any plaque or item presented to a speaker, official, legislator, or other person in recognition of service provided with a value in excess of \$50.
 20. Any expenses relating to the establishment, maintenance or liquidation of foundation or other accounts that the LMB utilizes for the purpose of maintaining earned reinvestment funds, to the extent that the LMB does not receive approval for the expenses.
 21. Investment fees and losses.
 22. Gift card and flex fund expenditures.

Subsection 60 - Earned Reinvestment

A. Earned reinvestment dollars are State General Funds that can only be “earned” from administrative funds and interest income (except interest earned on federal funds, unless said interest does not have to revert to the federal government) in accordance with the provisions of the Manual.

B. Sources of Earned Reinvestment Funds

1. Administrative Earnings
 - a. LMBs will receive earned reinvestment dollars on budgeted administrative cost in excess of 5% of actual administrative costs.
 - b. The total of actual administrative costs plus earned reinvestment is capped

by the budgeted administrative allocation (actual administrative expenses + .05 [actual administrative expenses] = administrative allocation).

2. Interest earned on Children's Cabinet funding.

C. Intent

1. The original intent for the use of earned reinvestment funds was described in the Implementation Plan for SB588 (1992) that was issued in January 1993 that stated: *"monies saved through effective refinancing efforts and flexible funding should be available for reinvestment in building resource capacity and in providing incentives to local jurisdictions for local development and/or enhancement of services and programs."*
2. The Subcabinet for Children, Youth, and Families (predecessor to GOC) issued guidelines for earned reinvestment in March 1993 requiring that an LMB develop a plan for the expenditure of the funds that addresses:
 - a. Development of community-based services;
 - b. Development of prevention and early-intervention services.
3. In September 1997, the Subcabinet revised the guidelines to include the following projects in addition to the guidelines noted above:
 - a. Community outreach;
 - b. Training and technical assistance;
 - c. Leveraging and/or maximizing other funding sources (both public and private);
 - d. Other approved children/family services as identified by the LMB.

D. Earned Reinvestment Plan

1. Prior to expenditure of such funds, the LMB must submit to the Executive Director of GOC a written request to utilize earned reinvestment funds that:
 - a. Is signed by both the LMB point of contact and Board Chair;
 - b. Describes in detail the scope of the program/project, the target population to be served, and the goals/outcomes to be achieved; and
 - c. Includes documentation such as Board meeting minutes, etc. that is signed by the authorized representative of the LMB and the Board chair attesting to the Board's approval of the request.
2. The request must be submitted in writing and sent via U.S. mail and include a detailed budget with budget narrative. Response on behalf of the Children's Cabinet can be

anticipated within thirty (30) days.

3. As directed by GOC, the LMB shall submit a new/revised performance measures table for strategies funded with earned reinvestment dollars. The performance measures table shall be incorporated as appropriate in the current CPA.
4. Approvals for the expenditure of earned reinvestment are generally valid for a specified period of time. At the end of the specified period, the LMB shall submit a new request to GOC for approval or may submit a request for a no-cost extension as follows:
 - a. By mailing a written request signed by the LMB point of contact and Board Chair to the attention of the Executive Director of GOC who will review and approve or deny the request on behalf of the Children's Cabinet.
 - b. Requests must be postmarked thirty (30) days prior to the end of the term.
 - c. No-cost extension requests require a short narrative explaining why the project could not be completed as planned and the revised timeline for program completion. Revised performance measures tables may be required, as applicable.
 - d. Additional information may be required if the LMB requests to modify the scope of the original project or budget.
 - e. GOC will respond to the LMB within thirty (30) days of receipt of the request. GOC's response may be delayed if additional information from the LMB is required.
 - f. No-cost extensions must be requested and GOC approval obtained prior to the LMB making any associated changes.
5. Earned reinvestment spending plans must be revised as applicable.
6. Approved Uses
 - a. There are three uses for earned reinvestment funds:
 - i. The primary use is the development of community-based services for children.
 - a) In accordance with the CME contracts, resource development projects require CME cooperation in order for funding to be approved.
 - 1) If a CME identifies a resource development need, either jurisdictional-specific or a regional need, the LMB shall:
 - i) Determine its support or non-support of the project; and
 - ii) Submit the request and letter of support or non-

support to GOC for review.

- 2) If approved, a jurisdictional-specific project will be funded by the LMB.
 - 3) If a regional project is proposed, it must be funded by all LMBs in a pro-rated amount based on available funding.
- ii. Other projects as identified by the LMB, such as but not limited to:
 - a) Community outreach;
 - b) Training and technical assistance;
 - c) Leveraging and/or maximizing other public or private funding sources;
 - d) Other locally requested initiatives identified by the LMB; and/or
 - e) Community needs assessments, to the extent that administrative funding is not available.
 - iii. Other projects as identified by Children's Cabinet Agencies.

7. Limitations

- a. Earned reinvestment funds SHALL NOT be expended until GOC, on behalf of the Children's Cabinet, has approved the plan in writing.
- b. Prior written approval from GOC must be received if an LMB desires to expend funds for purposes not approved in the current plan or in a manner different from the approved plan. Such changes require a new plan to be submitted to GOC.
- c. Earned reinvestment funds SHALL NOT be used to supplant existing funding.
- d. Requests for ongoing program funding or for salary expenses require a concrete plan for future sustainability, such as a documented commitment from another entity to provide needed funding.
 - i. A proposal to seek funding, investigate foundation grants, or other tentative action is not a valid sustainability plan.
 - ii. Ongoing programs are required to become self-sustaining.
- e. Earned reinvestment funds shall not be used for program expansion or to implement new programs that are not self-sustaining.
- f. Earned reinvestment funds SHALL NOT be used to supplement the local tax base or to provide tax cuts.
- g. Earned reinvestment funds that are held by a foundation or other entity on behalf of an LMB remain subject to all the requirements under this Manual.

Subsection 70 - Reconciliation

- A. Reconciliation is a fiscal resolution of the CPA and applicable Grant Agreements pending audit and settlement, usually conducted at the termination of the CPA or Grant Agreement period or at the end of each fiscal year.
 - 1. The reconciliation operation is an arithmetic check of expenditures and incomes, a determination of net balances, and disposition of those balances.
 - 2. Reconciliation is based upon reported expenditures and incomes, subject to correction by GOC, on behalf of the Children's Cabinet.

- B. Funds not expended at the conclusion of fiscal year for the CPA or the term of grant award must be returned to the Children's Cabinet Interagency Fund unless otherwise directed by the Children's Cabinet or a carry-forward, carry-over or no-cost extension is approved in accordance with the terms below, with the exception of earned reinvestment (See Subsection 60, below).

- C. The settlement of the CPA and applicable Grant Agreements may involve resolving post-audit issues, as identified in audit, monitoring and reporting documents.

- D. Unbudgeted expenditures and over-expenditures in controlled line items that have not been previously approved by the Children's Cabinet are subject to non-recognition.

- E. **Recognition of Expenditures and Income Subject to Audit and Settlement**
 - 1. All expenditures and income recognized for purposes of reconciliation, whether incurred in accordance with an approved budget or not, are subject to audit by the Children's Cabinet or its agent.
 - 2. Subsequent to identification as an audit exception, an expenditure may or may not be allowed in whole or in part by the Children's Cabinet as part of final settlement.

- F. **Findings**
 - 1. The results of reconciliation can be effectuated in several ways.
 - 2. The process below relates net recognized expenditures plus earned reinvestment to the total of the Children's Cabinet's payments to date.
 - a. **Expenditures Plus Earned Reinvestment Greater than Payments** - When the LMB's expenditures are greater than the Children's Cabinet's payments, the appropriate result is dependent on the relationship of the total of payments to the award total as follows:
 - i. When payments are less than or equal to the award, the difference between the expenditures plus earned reinvestment and payments, limited by the award, is due to the LMB.
 - ii. When payments are equal to the award, no money is due to either party.

iii. When payments are greater than the award, the difference between the payments and the award is due to the Children's Cabinet Interagency Fund.

b. **Expenditures Plus Earned Reinvestment Less than Payments** - When the LMB's expenditures plus earned reinvestment are less than the Children's Cabinet's payments, the appropriate result is dependent on the relationship of the expenditures plus earned reinvestment to the award as follows:

i. When expenditures plus earned reinvestment are less than or equal to the award, the difference between the total payments and the expenditures plus earned reinvestment is due to the Children's Cabinet Interagency Fund.

ii. When expenditures plus earned reinvestment are greater than the award, the difference between total payments and the award is due to the Children's Cabinet Interagency Fund.

c. **Expenditures Plus Earned Reinvestment Equal to Payments** - When expenditures plus earned reinvestment equal payments, the appropriate result is dependent on the relationship of the payments to the award as follows:

i. When payments are less than or equal to the award, no money is due to either party.

ii. When payments exceed the award, the difference between the total of payments and the award is due to the Children's Cabinet Interagency Fund.

G. Disposition - Net balances due to the parties will be disposed of as follows:

1. No Balance Due - No action required.

2. Balance Due to LMB

a. GOC will instruct its fiscal agent to issue payment to the LMB if there is no outstanding receivable for the LMB.

b. A check will be issued to the LMB.

3. Balance Due to Children's Cabinet Interagency Fund - A balance due to the Children's Cabinet Interagency Fund will be acted upon in one or more of the following ways:

a. Account Receivable

i. An invoice will be issued to the LMB who shall remit payment to the CCIF.

ii. If the organization has ceased to be an LMB, an account receivable will be established and the organization shall be billed.

b. Carry-Over

SECTION V - APPENDICES

Appendix 1

Suggested Vendor Contract Provisions for Compliance with Federal HIPAA and State Confidentiality Law

1. The Contractor acknowledges its duty to review and comply, to the extent applicable, with all requirements of the federal Health Insurance Portability and Accountability Act (HIPAA), 42 U.S.C. §1320d *et seq.* and all implementing regulations including 42 CFR Part 2, 45 CFR Parts 142, 160 and 164. The contractor also agrees to comply, where applicable, with the Maryland Confidentiality of Medical Records Act (MCMRA), Md. Health-General §4-301 *et seq.* This obligation includes, but is not limited to adhering to the privacy and security requirements entailed for protected health information under federal HIPAA and State MCMRA, making the transmission of all electronic information compatible with the federal HIPAA requirements, and otherwise providing good information management practices regarding all health information and medical records.
2. Protected Health Information as defined in the HIPAA regulations at 45 CFR 160.103 and 164.501, means information transmitted as defined in the regulations, that is individually identifiable; that is created or received by a healthcare provider, health plan, public health authority, employer, life insurer, school or university, or healthcare clearinghouse; and that is related to the past, present, or future physical or mental health or condition of an individual, to the provision of healthcare to an individual. The definition excludes certain education records as well as employment records health by a covered entity in its role as employer.

Appendix 2

Sample Pre-Monitoring Site Visit Letter to the LMB

DATE

LMB Name

Address

City, State zip

Dear LMB Director and Board Chair,

In compliance with the monitoring requirement set forth by the State of Maryland Policies and Procedures Manual for Local Management Boards (Manual), the Governor's Office for Children (GOC) is issuing this self-assessment to begin the monitoring process. Please answer all questions within the document. Each question has either a check box or a text box that will allow answers to be entered. The document is protected to ensure that questions are not deleted or changed.

The time period of this review is July 1, 2011 to June 30, 2012 (Fiscal Year 2012) and includes all Children's Cabinet funding as disbursed by GOC. Please answer all questions as related to that time frame, unless otherwise specified. The time period under review will be referred to throughout the self-assessment. Please do not include information in the response that pertains to activities that occurred before or after the noted time period under review.

Additional definitions that are specific to this tool are:

- **Vendor** – a company or person whom the LMB has contracted to provide services to/for families and/or children. The funding for the vendor would most likely be found in the program section of the Community Partnership Agreement (CPA) budget.
- **Contractor** – a person or company with whom the LMB has a contract to provide professional services that directly relate to the needs of the LMB. The funding for a contractor would most likely be in the administrative section of the CPA budget. Examples include, but are not limited to, an auditing firm, a consultant who collects data for the needs assessment, an attorney, etc.
- **Administrative Services** - people/companies that provide supports to the LMB organization such as housekeeping, water service, trash removal, and building maintenance. These entities are not considered contractors or vendors for the purpose of this self-assessment.
- **Flex Funds** – Flex funds are funds used for expenditures in support of items outside a defined Plan of Care for a child or family receiving services through programs funded by the Children's Cabinet Interagency Fund. This funding does not have a specific line item in the CPA budget. These are discretionary funds that are most likely part of a program's budget. Flex funds as defined here do not refer to the LCC Flex Funds Grant Award monies that were previously awarded to the LMB in FY06. As of July 1, 2011, the use of flex funds is not permissible.

The completed self-assessment is due to GOC no later than **DATE**. Please attach the completed self-assessment to an email with a copy of the current inventory of assets and send it to jessica.hargest@maryland.gov.

I will be in touch with you during the week of **DATE** to schedule the site visit to occur during the week of **DATE**. For most jurisdictions, the site visit will be one day, although more time may be necessary if findings warrant the need for additional time. Barring unforeseen emergencies that affect the LMB's entire office, the site visit will occur as scheduled.

To prepare for the site visit, please ensure that the items in the list below are available and/or accessible. The items should be dated during the time period under review unless otherwise noted. These documents may be in electronic or paper form. I may request documents to be copied or printed; however, providing a copy of all these documents is not necessary.

General LMB Administration

- Most recently completed Needs Assessments –those completed for the LMB and those for other entities that the LMB utilized as part of its strategic planning processes, as applicable
- Most recently completed Strategic Plan
- LMB membership list indicating each member's affiliation, public or private designation, and term
- Board meeting schedule and Board meeting minutes
- By-Laws including documentation verifying last review/approval
- Monitoring plan
- List of personnel for the period reviewed (former employees also) to include employee's position title
- Personnel policy
- Organizational chart for the period under review
- Related party transactions – list of all transactions for the period under reviewed
- Petty cash policy, if applicable

Children's Cabinet Funded Programs

- Copy of Contract, and/or Memorandum of Agreement/Understanding for each vendor funded during the period under review
- All grant agreements/contracts/MOUs/MOAs executed with consultants
- Request for Proposals (RFPs) or similar solicitations issued during the period under review
- Local requirements for RFPs or similar solicitations
- Evidence of all monitoring during the period under review (completed monitoring tools, work papers, reports and any other documentation supporting the LMB's monitoring efforts)
- Flex fund policies provided to the vendors, if applicable (the use of flex funds is not permissible after July 1, 2011)
- Forms provided to vendors for documentation of flex fund use, if applicable (the use of flex funds is not permissible after July 1, 2011)
- Gift card policies provided to the vendors, if applicable (gift cards are considered flex funds, and as of July 1, 2011, are unallowable expenses)

- Documentation of reconciliation of gift cards for each vendor authorized to use gift cards, if applicable (gift cards are considered flex funds, and as of July 1, 2011, are unallowable expenses)

Financial Reporting/Management

- Vendor audit reports
- Accounting and Fiscal Policies and Procedures Manual
- Copy of Maryland Sales and Use Tax exemption certificate
- Earned reinvestment spending plans, LMB request letters and GOC approval letters and documentation of actual expenditures during the period under review
- Chart of accounts, Fund Codes and/or Transaction Codes for LMB (for Children's Cabinet funding only).
- Community Partnership Agreement with any budget modifications enacted during period under review
- General Ledger printout for the period under review
- Inter-fund transfers (if applicable)
- Adjusting/closing journal entries for period under review, if applicable
- Investment account statements for the period under review
- Monthly bank statements for the period under review and monthly reconciliation documentation
- Monthly credit card statements for the period under review
- Detail payroll registers; payroll allocations between programs/departments (if applicable)
- Purchase orders, original invoices and supporting documentation for LMB administrative expenses during the period under review
- Administrative in-kind contributions detailed (i.e., rent, utilities, accounting/auditing services, etc.)
- Journal entries for interest earned on deposited revenue and investments

If you have any questions at any time throughout this process, please feel free to contact me.

Sincerely,

Jessica Hargest
Director, Contract Compliance
Governor's Office for Children
301 West Preston Street, Suite 1501
Baltimore, Maryland 21201
Phone: 410-767-6247
Fax: 410-333-5248
Email: jessica.hargest@maryland.gov

Appendix 3

Sample Client Satisfaction Survey

Date Survey Received:

Method Received:

- LMB Letter
- LMB Phone Call
- LMB Visit
- Vendor Letter
- Vendor Phone Call
- Vendor Visit
- Other (Describe if selected)

Required Survey Questions

How would you rate the quality of service you have received?

- 4 = Excellent
- 3 = Good
- 2 = Fair
- 1 = Poor
- N/A

Have the services you received helped you to deal more effectively with your problems?

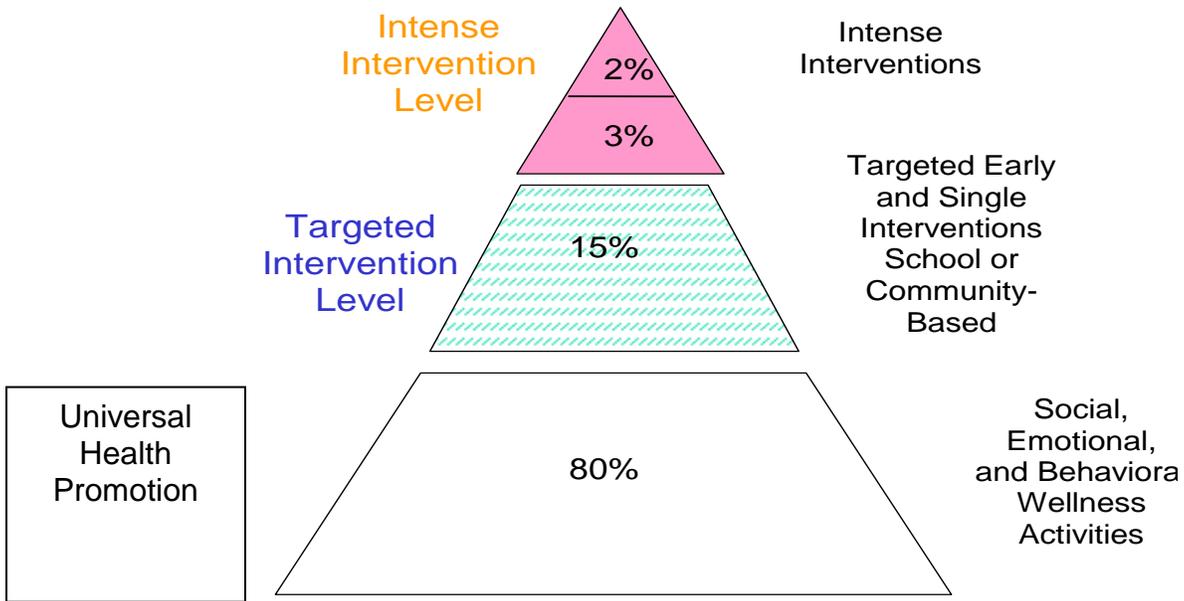
- 4 = Yes, they helped a great deal
- 3 = Yes, they helped somewhat
- 2 = No, they really didn't help
- 1 = No, they seemed to make things worse
- N/A

If a friend were in need of similar help, would you recommend our program to him or her?

- 4 = Yes, definitely
- 3 = Yes, I think so
- 2 = No, I don't think so
- 1 = No, definitely not
- N/A

Appendix 4

The Needs Triangle



Appendix 5

Youth Services Bureaus

A. Purpose

1. Youth Services Bureaus (YSBs) are community-based, nonresidential entities that provide delinquency prevention, youth suicide prevention, drug and alcohol abuse prevention, and youth development services to children, youth and their families.
2. YSBs work to ameliorate conditions that breed delinquency, youth suicide, drug and alcohol abuse, and family disruption.
3. Each YSB functions as an advocate of the needs of youth and families.

B. Authority

1. Human Services Article, §9-233, Annotated Code of Maryland
2. Code of Maryland Regulations (COMAR)16.17.01

C. Program Requirements

1. Eligibility for Services
 - a. YSBs serve children, youth and their families in a specific catchment area approved by the Department of Juvenile Services (DJS).
2. Each YSB shall provide the following services:
 - a. Core Services, including:
 - i. Formal Counseling
 - a) Individual, family, and group counseling shall be considered formal counseling if counseling sessions are provided on a regularly scheduled basis for more than three (3) sessions.
 - b) Case files for each formal counseling case shall contain:
 - 1) Intake material;
 - 2) Progress and session notes;
 - 3) Service plan; and
 - 4) Termination summary.
 - c) Service plans shall be developed for each formal counseling case before the fourth (4th) counseling session and shall contain:
 - 1) A problem statement;
 - 2) Mutually agreed-upon treatment goals;
 - 3) Strategies used by the counselor to meet treatment goals;
 - 4) Interactions with other parties when necessary to meet treatment goals;
 - 5) Quarterly updates.

- d) Case files for YSBs are the property of the YSB which must allow access to the files in accordance with the provisions of this Manual.
 - e) The YSB shall document information on formal counseling sessions as described in Section D, below.
 - ii. Information and Referral Services
 - a) Information and referral services shall be provided to the general public or individual clients of the YSB.
 - b) The YSB shall maintain a list of available community services.
 - c) The list shall include the name of the referral service, its address, and its telephone number.
 - d) The YSB shall document its provision of information and referral services, as described in Section D, below.
 - iii. Crisis Intervention
 - a) Crisis intervention, including intervention relating to youth suicide prevention, shall be provided to any child, youth and family in the community.
 - b) These services are of an emergency nature and shall be provided when the situation demands an immediate response or action by the YSB.
 - c) The type and number of crisis intervention incidents shall be documented, as described in Section D, below.
 - iv. Substance Abuse Assessment and Referral
 - a) Substance abuse assessment and referral services shall be provided by the YSB staff who have received substance abuse assessment and referral training from the Office of Education and Training for Addictions Services of the Department of Health and Mental Hygiene or from any other entity that the Secretary of the Department of Juvenile Services determines to be qualified to provide substance abuse assessment and referral training.
 - b) The YSB shall document the number of substance abuse assessments and referrals the YSB provides, as described in Section D, below.
 - v. Informal Counseling
 - a) Individual, family, and group counseling is provided on an irregular basis for three (3) or fewer sessions.
 - b) The YSB shall document informal counseling occurrences as described in Section D, below.
- b. Non-Core Services
 - i. In addition to core services, the YSB shall identify and provide non-core services to the community.
 - ii. Non-core services can include, but are not limited to, tutoring, alternative leisure activities, employment assistance, and community

education including training and information relating to youth suicide prevention.

iii. The YSB shall document the provision of non-core services as described in Section D, below.

3. Additional Requirements - Each YSB shall:

- a.** Provide services at convenient hours in a manner that is accessible to the community.
- b.** Promote community awareness of its services to children, youth and families.
- c.** Make referrals to existing public and private services in their communities that are available and appropriate to for the individual, family, or group.
- d.** Have a valid organizational structure, including a board of directors or an advisory board.
- e.** Follow sound personnel practices and maintain complete personnel files that include for each YSB staff member:
 - i.** A job description;
 - ii.** A completed criminal background check;
 - iii.** Evidence of the staff person's educational credentials and experience;
 - iv.** Annual staff evaluations.
- f.** Provide insurance coverage, as appropriate for the services provided.
- g.** Establish and maintain such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds.
- h.** Meet the program requirements, the information reporting and confidentiality requirements set forth in statute and regulations.
- i.** If the YSB charges its clients a fee for services, the fee requirements shall meet the requirements set forth in statute and regulations.
- j.** Conduct criminal background checks for employees and volunteers in accordance with Family Law Article, Section 5-561 (d) and (e).
- k.** Comply with the DJS policy on reporting critical incidents.
- l.** As part of its contract with the LMB, submit an annual budget.

D. Data Collection and Reporting - The LMB is responsible for having the YSB collect the following specific information on program services, demographics, and indicators on at least a quarterly basis.

1. Data Collection

- a. Formal Counseling (3+ Sessions):**
 - i.** Number of individuals receiving formal counseling.
 - ii.** Number of individuals completing formal counseling.
 - iii.** Number of families receiving formal counseling.
 - iv.** Number of families completing formal counseling.
 - v.** Number of groups receiving formal counseling.
 - vi.** Number of groups completing formal counseling.

- b. Information and Referral Services**
 - i.** Number of each type of referral provided (*i.e.*, referrals to outside sources).
 - ii.** Number of each type of referrals received (*i.e.*, referrals received from schools, police, DJS, etc.).

- c. Crisis Intervention (Including Suicide Prevention).**
 - i.** Number of each type of crisis intervention provided.
 - ii.** Number of individuals receiving crisis intervention services.
 - iii.** Number of individuals receiving suicide prevention services.

- d. Substance Abuse Assessment and Referral Services.**
 - i.** Number of individuals who received a substance abuse assessment.
 - ii.** Number of individual substance abuse referrals made.

- e. Informal Counseling**
 - i.** Number of individuals receiving informal counseling.
 - ii.** Number of families receiving informal counseling.
 - iii.** Number of groups receiving informal counseling.

- f. Non-Core Services**
 - i.** Number of each type of non-core service provided.
 - ii.** Number of individuals receiving non-core services.
 - iii.** Number of families receiving non-core services.
 - iv.** Number of groups receiving non-core services.

- g. Critical Incident Reports**
 - i.** Number of critical incident reports sent to DJS.

2. Reporting

- a. Information YSBs Report to the LMBs and DJS:**
 - i.** For each DJS client on informal supervision, protective supervision, probation, or aftercare status who is referred by DJS to the YSB, the

YSB shall allow DJS access to the client's information and shall provide DJS confirmation of the acceptance of the client by the YSB. The YSB shall keep DJS informed at reasonable intervals to be determined by DJS of the client's attendance and cooperation in the YSB program.

- ii. For all formal counseling clients, excluding those clients referred by DJS, the YSB shall provide DJS with the first three initials of the client's surname, the initials of the client's first and middle names, and the client's date of birth. The YSB shall inform their formal counseling clients that the information in this subsection shall be provided to DJS.
- iii. The YSB shall obtain an appropriate release of information to comply with statute and COMAR 16.17.05A.(1) and (2).
- iv. For all YSB clients not covered by COMAR 16.17.05.A.(1) or (2), the YSB shall provide non-client-identifying information, as requested, regarding program activities and statistics in the form and format approved or provided by DJS.

3. Confidentiality

- a. YSB client records shall be stored inside a locked file cabinet. The client records shall be supervised and controlled directly by an authorized YSB staff member.
- b. A YSB shall allow DJS full access to client-identifying records and files of those children and youth described in COMAR 16.17.05.A.(1).
- c. Unless otherwise provided by law or regulation, access to client-identifying records and files without consent of the client shall be restricted to:
 - i. The child or youth who is subject of the record;
 - ii. The parent or guardian of the child or youth named in the record; and
 - iii. Members of the administrative staff of the YSB.
- d. A YSB may maintain its client records in a manner that codes client-identifying information as specified in COMAR 16.17.05.A.(2).
- e. Individual client records shall be retained by a YSB for five (5) years after services to the individual are no longer necessary. The records then shall be destroyed by incineration or shredding in a way that preserves the confidentiality of the records.
- f. Nothing in this Manual shall be construed to affect any obligation concerning client record confidentiality that is otherwise set forth in any federal or State statute or regulation.

E. Program-Specific Fiscal Requirements

1. Funding of Youth Services Bureaus

- a. The funding of an eligible YSB shall be a shared responsibility of the State of Maryland and of local governments. The State's share shall be not be more than 75 percent of the funding of an eligible YSB, as provided in the State budget.
- b. At the option of the local governing body that provides the matching funds for an eligible YSB, the State funds for the support of the eligible YSB may be paid directly to its private sponsor or to the local governing body.
- c. Before the State funds are paid for purposes of the YSB, the fiscal officer of the local government shall certify, in writing, the source and availability of the 25 percent local funds.
- d. Subject to appropriation, Children's Cabinet funding for YSBs shall be paid to the LMBs of record for that jurisdiction. No payments can be made prior to the execution of appropriate contracts.

2. Fees

- a. The YSB board of directors may charge clients a fee for services that is based upon the client's family income. However, the YSB may not assess a fee-for-service provision to a child or youth referred to the YSB by court order.
- b. Before implementing its fee plan, the YSB shall consult with DJS.
- c. Fees obtained from clients may be retained by the YSB for YSB purposes.

B. Performance Measures

- 1. The Children's Cabinet has adopted a standardized performance measures table for YSBs that indicate:
 - a. Quantity of effort: How much did you do?
 - b. Quality of effort: How well did you do it?
 - c. Quality of effect: Is anyone better off? (Child and family results or outcomes.)
- 2. LMBs shall develop targets for each performance measure on the standardized performance measures table(s) to be included in the Appendix A of the CPA each fiscal year.
- 3. The LMB shall develop jurisdiction-specific performance measures for the YSB in addition to the standard measures adopted by the Children's Cabinet.
- 4. As part of the required semi-annual and annual program report, the LMB shall

provide an update on progress toward meeting the target goals of each performance measure as described in the Appendix A of the CPA.

Appendix 6

Requirements for the LMB Accounting Manual

A. General Ledger

1. The function of the General Ledger is to accumulate and classify the transactions posted from the journals.
 - a. The framework for this system is the chart of accounts.
 - b. The general ledger accounts are the source of all the financial reports used.
 - c. It is therefore, critical that the accounting records are properly controlled.
2. The General Ledger is the starting point for gathering various components of financial information in complying with the financial reporting provisions of the Children's Cabinet contract.
3. The following information will assist in developing the specific financial information required for various Children's Cabinet reports as well as the overall management of the total organization:
 - a. All amounts in the Report of Final Expenditures and Revenues shall agree with the corresponding account balance(s) in the General Ledger. Any differences shall be reconciled and retained for future review.
 - b. The Children's Cabinet program(s) are to be separately accounted for and identified from other programs by an individual chart of accounts in the General Ledger.
 - c. Any activity reflected in subsidiary records (*e.g.*, Accounts Receivable and Accounts Payable) shall be reflected in the corresponding control account in the General Ledger.
 - d. Specific account balances used in the preparation of various tax returns shall be reconciled to the General Ledger.
 - e. General Ledgers shall contain adequate cross references to the source(s) so they can be easily identified and traced back to original documentation.
 - f. After all adjustments have been entered into the General Ledger at the end of the State fiscal year (or as otherwise designated), a twelve (12)-month General Ledger shall be run. This enables the review of all transactions concerning a single account at the same time, and which shall allow any mistakes to be noticed.

g. At a minimum, all activity shall be posted to the general ledger monthly.

B. General Journal Entries

1. The General Journal is an accounting record used to record all transactions for which special journals have not been provided.
2. All journal entries posted to the General Ledger shall contain sufficient information to explain all the various adjustments and postings made to accounts.

C. Cash Management

1. Internal Control

- a. Division of responsibilities, also known as separation of duties, shall be split into the following three functions:
 - i. Authorization;
 - ii. Custody of assets; and
 - iii. Record-keeping functions.
- b. Internal control over cash transactions shall also provide assurance that:
 - i. All cash that shall have been received was in fact received and recorded promptly and accurately; and
 - ii. Cash disbursements are made only for authorized purposes and are properly recorded.

2. Cash Receipts

- a. Control shall be established over all cash and checks received, and they shall be deposited daily in the entity's bank accounts.
- b. Cash receipts shall be protected from misappropriation.
- c. Physical access to cash receipts and cash receipt records shall be limited to authorized personnel; personnel that handle cash shall not be responsible for the recording of cash receipts.
- d. Additionally, cash receipts shall be recorded in the appropriate period.
- e. The following general guidelines must at a minimum be implemented:
 - i. All cash receipts shall be recorded daily and properly substantiated with supporting documentation;
 - ii. All funding received from the Children's Cabinet shall be recorded in a General Ledger Account designated for Children's Cabinet programs;
 - iii. All funds generated or earned in the Children's Cabinet program shall be recorded in separate General Ledger Account designed for Children's Cabinet programs;
 - iv. Maintain cash listing for all receipts;

- v. All checks received shall be restrictively endorsed “for deposit only” immediately upon receipt and deposited daily;
- vi. Generate pre-numbered multi-form receipts when cash is received;
- vii. Account for all pre-numbered cash receipt forms monthly. Any missing cash receipt forms shall be investigated; and
- viii. Perform a periodic independent verification of pre-numbered cash receipt forms to the validated deposit slip. This will ensure that all recorded collections were deposited.

3. Cash Disbursements

- a. Disbursements from bank accounts shall be made only for valid transactions.
- b. The payment of goods and services shall be organized to ensure that no unauthorized payments are made, that complete and accurate records are made of each payment, and that payments are recorded in the appropriate period.
- c. Additionally, physical access to cash and unissued checks must be restricted to authorized personnel.
- d. The following general guidelines must at a minimum be implemented:
 - i. All cash disbursements shall be substantiated with supporting documentation which includes, but is not limited to, invoices, canceled checks, properly prepared time sheets, travel expense forms, etc. Statements by themselves are not considered proper documentation;
 - ii. State and federal funds are to be used only for the purpose specified in the CPA; State and federal funds are not to be used for loans to employees, other programs, etc.;
 - iii. Checks written off or voided that were charged to the Children’s Cabinet program in a prior contract period must be charged back to the appropriated account and reported to GOC; and
 - iv. All expenditures must be charged to the proper detail budget and the detail line-item budget accounts.

4. Check Signing - The following general guidelines must at a minimum be implemented:

- a. Checks shall have two (2) signatures (for approval) whenever possible. Each person signing the check shall review all the supporting documentation;
- b. Checks must not be made payable to cash or bearer;
- c. An authorized check signer may not issue a check made payable to him/herself or cash;

- d. Checks must not be signed with a blank amount;
 - e. Bank signature cards must be reviewed and updated at least annually and whenever an authorized signer terminates employment;
 - f. There shall be adequate check controls to ensure that no one staff person has the authority to approve, issue, sign and/or endorse a check; and
 - g. Except for electronically issued checks, where signatures are required on checks, only the original signature of the specified individual will be accepted. Electronic signatures, signature stamps, and other alternatives will not be accepted, except when submitted as a reasonable accommodation under the Americans with Disabilities Act.
5. **Other Check Controls** - The following general guidelines must at a minimum be implemented:
- a. All disbursements (other than petty cash) shall be made by check;
 - b. All checks shall be sequentially numbered so that it can be established that all checks have been accounted for;
 - c. All checks shall be preprinted with the organization's name and address; and
 - d. Voided checks must be maintained and filed in numerical sequence.
6. **Other Cash Disbursement Controls** - The following general guidelines must, at a minimum, be implemented:
- a. Vendors' monthly statements must be compared with recorded liabilities at the end of each quarter;
 - b. Invoice arithmetic and charges must be checked prior to payment. A comparison is also made to purchase orders and receiving tickets prior to payment; and
 - c. Pre-numbered purchase orders are used for purchases.
7. **Cash Reconciliation**
- a. Adequate steps shall be taken to confirm the accuracy of the bank balances shown in the general ledger.
 - b. All funds shall be properly controlled, maintain, and safeguarded.
 - c. At a minimum, the following shall be done:
 - i. Bank balances, as shown by the bank statements, shall be reconciled regularly with the general ledger balance. A monthly bank

reconciliation shall be performed for each bank account. These reconciliations shall be performed by someone other than the person responsible for writing or recording checks;

- ii. Bank reconciliations and proposed adjustments to the general ledger cash balances shall be reviewed by a party independent of the initial reconciliation; and
- iii. Any checks found to be over six (6) months old shall be either reissued or written off. If the check(s) from the same contract period are written off, the check amount(s) shall be debited to cash and credited to the same account charged when the check was issued.

8. Petty Cash

- a. Petty cash is the amount of cash on hand (maximum of \$250) available for minor disbursements in accordance with written policy.
- b. Under this system, cash is disbursed and from time to time restored to its original amount through reimbursements equal to sums expended.
- c. All petty cash transactions shall be properly substantiated with supporting documentation in accordance with internal written policy.
- d. Wage or salary advances or loans cannot be made from this fund.

9. Credit Cards

- a. LMBs shall establish or adopt written policies for the use of credit cards;
- b. Use of the credit card shall conform to the established policies;
- c. Receipts shall be maintained for each transaction and shall be reconciled to the expenses reported on monthly statements; and
- d. The use of the credit card may not circumvent established policies – including but not limited to procurement, flex fund, accounting, purchasing, payroll or others.

D. Payroll and Fringe Benefits

- 1. The establishment of strong internal control for payroll functions is important to reduce the possibility of payroll fraud. Such fraud may involve listing fictitious persons on the payroll, overpaying employees, and continuing employees on the payroll after their separation from the entity.
- 2. All payroll disbursements shall be properly substantiated with supporting documentation, which includes a properly completed time sheet, in accordance with LMB written human resources policy; and

3. Salaries from the payroll records shall reconcile to the amount of salaries charged in the General Ledger. Gross salaries reported to governmental entities on payroll tax returns shall reconcile to the General Ledger.

E. Professional and Consultant Fees - The budget usually contains information pertaining to the types of professionals and consultants, rate of compensation, kind(s) of service to be rendered, and any maximum cap for the compensation received by each professional or consultant.

1. All disbursements must be properly substantiated with supporting documentation.
2. A policy forbidding the acceptance of gifts or other gratuities by employees from professionals and consultants must be established.
3. The rate of pay and number of hours worked for each type of professional and consultant shall not be greater than the amount budgeted and/or contracted.
4. Determination of the appropriate status of an individual is the sole responsibility of the contracting party. Claims and penalties resulting from improper designation of an employee as an independent contractor or consultant are the responsibility of the contracting party.
5. Officers, employees, and members of the Board of Directors shall not be paid consultants to that organization.

F. Common Costs

1. Common costs, sometimes called shared costs, are costs incurred that benefit more than one program.
2. Common costs could include administration costs, salaries, data processing services, utilities, telephones, office supplies, insurance, accounting and audit fees.
3. The basis of cost allocation shall be consistent for all programs.
 - a. Reasons for adoption of an allocation method shall be documented and available for review by GOC auditors.
 - b. Inconsistent methodology may result in possible, partial or total disallowance of common costs allocated to Children's Cabinet programs.
4. Common costs shall be evaluated at the beginning of each funding period.

G. Equipment Inventory System – Individual program budgets shall contain a specific list of equipment that is approved for purchase, as applicable.

H. The LMB shall ensure that the invoices are agreed to the terms of the contracts prior to payment.