

LCCS POLICY 222

Agency Contract Payments

Original Issue Date:	7/30/2001
Revision Dates:	10/6/2020
Revision Number:	1
Current Effective Date:	10/6/2020
Board Approval Date:	4/11/2001
Obsolete/Combined Date:	
Reason for Obsoleting/Combining:	
See new Policy #:	

Scope:	Contracted Service Providers
Responsibility:	Director of Administrative Services and Manager of Quality Assurance
Purpose:	To ensure fiscal accountability for all contract agencies providing child welfare services.
Legal Cite:	ORC 307.86H, 307.92

POLICY STATEMENT

LCCS will reimburse contract agencies for expenses incurred in providing services per the contract.

Exception: LCCS may advance up to 1/6 (two months) of the total contract amount for child welfare related services using levy funds as long as specified conditions are met by the contract agency.

PROCEDURE - including required timeframes and documentation

Procedure for Advancing Funds against Contracts:

- The contract agency must have a current executed purchase of service agreement with LCCS.
- Cash advances will only be made to contract agencies for new programs initiated and/or requested by LCCS.
- The contract agency will need to request an advance in writing on contract agency letterhead to LCCS' Executive Director. Signatures of contract agency Executive Director and Board Chair will be required on the request. Contract agency will need to state reason(s) for request.
- The contract agency will need to provide LCCS with audited financial statements, Internal Revenue Service 990 or tax returns for the most recent fiscal year.

- LCCS fiscal personnel may perform an on-site review of the contract agency's financial records if current audited financial statements, Internal Revenue Service 990 or tax returns are not available or if LCCS management determines that such a review is necessary.
- LCCS Executive Director will be responsible for forwarding his/her recommendation regarding the request to the LCCS Board of Directors for action.
- All advanced funds require prior LCCS Board approval.
- LCCS will advance up to 1/6 (two months) of the total contract amount. Payment would be made at the beginning of the first month of the two-month period.
- Advances will be made against future contract services. Failure to use funds for services specified in the contract will be considered a breach of contract.
- No advances will be made by LCCS during the fourth quarter (October-December) of the calendar year.
- Advances are limited to contracts for child welfare related services using levy funds. Excludes any placement, i.e., Board Bill contracts. No federal or state funds will be advanced by LCCS.
- If approved, contract language will be amended to allow for advances. Addendum will include language regarding the reconciliation of LCCS payment to expenditures incurred by contract agency and contract agency's responsibility to reimburse LCCS if advances exceed expenditures during contract period.
- Contract agency will be responsible for submitting monthly reports/detail to LCCS Quality Assurance Department. Failure to submit will result in suspension of payments.
- LCCS accounting personnel will monitor any advances against contract expenditures. At the end of the calendar year, LCCS will reconcile payments against contract expenditures.
- The decision by LCCS whether to advance funds to contract agency is final and cannot be appealed by the contract agency.

CASE PRACTICE GUIDES

RELATED POLICIES and FORMS

LCCS Policy 220 (Contract Review)