~~CHAPTER 4 - REGULATIONS PERTAINING TO FINANCE AND ADMINISTRATION~~

~~001 - REGION FUNDING FORMULA. Each regional governing board shall provide funds in accordance with Neb. Rev. Stat. §71-5027.~~

~~001.01 The regional governing board shall certify on forms issued by the Division, that sufficient local matching funds have been budgeted and are available to provide services in accordance with Neb. Rev. Stat. §71-5027.~~

~~001.01A Each regional governing board shall provide one dollar for every three dollars provided by the State General Fund. Of the amount provided by each regional governing board, not less than forty percent shall be provided by local and county taxes and the remainder shall come from other nonfederal sources.~~

~~001.01A1 Local and county tax funds are considered as matching State funds only when both of the following apply:~~

~~001.01A1a the funds are generated from tax sources; and~~

~~001.01A1b the funds are received by the regional governing board from local jurisdictions for allocation by the regional governing board for the purchase or provision of substance abuse services that are appropriate for the use of State funds.~~

~~001.01A2 Nontax funds are considered as matching State funds only when such funds are allocated by a provider which receives funds appropriated pursuant to Neb. Rev. Stat. §71-5016 through Neb. Rev. Stat. §71-5040. Such allocation may include permitting a provider to retain its own nontax matching funds.~~

~~001.01B The amount of local tax funds certified as match to the Division by the regional governing board must appear as actual receipts in the annual audit of the regional governing board.~~

~~001.01C For each dollar of State funds received by a provider, not more than one dollar of nontax money generated by that provider may be applied toward the regional nontax match requirement.~~

~~001.02 No waiver of 203 NAC 4-001 or any of its parts shall be granted.~~

~~002 CONTRACTS/GRANTS. The Division shall enter into annual contracts with regional governing boards for substance abuse programs. The Division may award a grant or enter into a contract with a provider for other programs not provided through the regional governing boards.~~

~~002.01 The Division shall award a grant or enter into a contract for services only within those programs which either:~~

~~002.01A are certified by the Division;~~

~~002.01B are part of a facility accredited as an alcoholism program by the Joint Commission on Accreditation of Hospitals; or~~

~~002.01C are in their first year of Division funding, as provided in 203 NAC 5-002.01A1.~~

~~002.02 All contracts for funds must specify:~~

~~002.02A The units of service to be purchased and/or services to be developed in relation to regional and state plans for substance abuse services.~~

~~002.02B The schedule of payments to be used.~~

~~002.02C The amount of reimbursement per unit of service, when applicable.~~

~~002.02D That the total reimbursement for services shall not exceed the actual cost of delivery of such services.~~

~~002.02E That individuals receiving substance abuse services shall be charged fees in accordance with ability to pay, but not to exceed actual cost.~~

~~002.02E1 Each Region shall assure that client fee schedules used in all facilities and programs under its authority are uniform as to the following components:~~

~~002.02E1a The methods used to determine charges.~~

~~002.02E1b The methods used to determine ability to pay. Such methods must take into account taxable family income and the number of family members dependent on this income.~~

~~002.02E1c The procedures for reducing or waiving fees.~~

~~002.02E2 Each provider funded by the Department but not funded by the region shall use the uniform methods for client fee schedules designed by the region under 002.02E1, unless an alternative method is approved by the Department.~~

~~002.02E3 No substance abuse services funded in whole or in part by State funds may be denied residents of Nebraska because of inability to pay scheduled fees.~~

~~002.02E4 Each region shall provide the Division a copy of all current fee schedules.~~

~~002.02F Specific requirements for regular reporting.~~

~~002.02G That audits may be conducted by the regional governing board and/or the Department, or their respective representatives.~~

~~002.03 In organizing and coordinating its regional service system, a regional governing board shall enter into written contracts with providers which it funds, except for those providers administered directly by the regional governing board. A current copy of all contracts must be filed with the Division.~~

~~002.03A The contract may provide payment for services rendered and/or developed retroactive to the beginning of the fiscal year for which the contract is effective, subject to the provider sufficiently documenting provision of such services or program development.~~

~~002.03B The regional governing board shall contract with a provider for services only within those programs which either:~~

~~002.03B1 are specifically certified by the Division;~~

~~002.03B2 are part of a facility accredited as an alcoholism program by the Joint Commission on the Accreditation of Hospitals; or~~

~~002.03B3 are in their first year of Division funding, as provided in 203 NAC 5-002.01A1.~~

~~002.03C The contract must stipulate that the provider adhere to the regulations of the Division.~~

~~002.03D The contract must specify the schedule of payments and/or the rate of reimbursement the regional governing board shall implement.~~

~~002.03E The contract must specify the method for verification of service delivery by the contracting authority. In this chapter, contracting authority means the regional governing board when the contract is with the region, and means the Division when the contract is with the Division.~~

~~002.03F The contract must specify the reports that must be submitted to the regional governing board, including any reports, documents, or papers which the Department may request through the regional governing board.~~

~~002.03G The contract must provide for the regional governing board and the Department, or their respective representatives, to perform such audits as may be requested or required.~~

~~002.03H Contracts or grants to develop services must provide for compliance with the regulations governing purchase of equipment, defined in this chapter under Sections 004.11 and 004.12.~~

~~002.03I In accord with their authority, the regional governing board may place additional requirements in contracts.~~

~~003 REGIONAL PLAN OF EXPENDITURE. Each regional governing board shall prepare a Plan of Expenditure for each fiscal year. The Plans of Expenditure must be prepared in accordance with guidelines issued by the Department and shall be submitted on or before the date specified each year. The Department shall provide notice of the specified date at least ninety (90) days prior to that date. The regional governing board shall ensure that the regional plans are in compliance with Regulation 203 NAC 4-005 APPROPRIATE USE OF STATE FUNDS.~~

~~003.01 The Plan of Expenditure shall identify the funding necessary for regional administrative costs.~~

~~003.01A Each regional governing board may provide for necessary regional administrative costs with funds appropriated pursuant to the Act.~~

~~003.02 The Plan of Expenditure shall identify the funding necessary for specific services to he provided by the region or under contract with providers.~~

~~003.03 No waiver of 203 NAC 4-003 or any of its parts in this chapter shall be granted.~~

~~004 FISCAL ACCOUNTABILITY~~

~~004.01 Regions shall maintain, and shall file with the Division data, statistics, schedules, reports, and any other information as requested. Providers shall maintain and file such information as requested with the contracting authority and/or the Division.~~

~~004.02 Regions shall permit inspection of all programmatic and fiscal records and shall allow access for on-site monitoring by authorized representatives of the Department. Providers shall permit such inspection and allow such access by authorized representatives of the contracting authority and/or the Department.~~

~~004.03 Regions and providers may request reimbursement from the Department for direct alcohol/drug abuse treatment counseling services funded under the Act when such services are provided by individuals who are:~~

~~004.03A Certified Alcohol/Drug Abuse Counselors as defined in 209 NAC; or~~

~~004.03B Certified Provisional Alcohol/Drug Abuse Counselors as defined in 209 NAC; or~~

~~004.03C Certified Associate Professional Alcohol/Drug Abuse Counselors as defined in 209 NAC 2; or~~

~~004.03D Licensed Physicians; or~~

~~004.03E Licensed Certified Clinical Psychologists; or~~

~~004.03F Not credentialed as stated in this subsection but supervised as set out in 203 NAC 5-008.03 and registered with the Division. Reimbursement under this option is limited to six (6) years from initial registration at which time the individual must be credentialed as set out in 203 NAC 4-004.03A thru 4-004.03E to be eligible for continued reimbursement.~~

~~004.03F1 The Division shall maintain a registry of individuals providing direct alcohol/drug treatment counseling services who are not credentialed as set out in 203 NAC 4-004.03A thru 4-004.03E and the date they began providing those services. The registry date shall be the date used for determining the six (6) years of reimbursement eligibility.~~

~~004.03F2 Programs shall notify the Division by certified letter within ten (10) working days of hiring an individual for a direct alcohol/drug abuse treatment counseling position who is not credentialed as set out in 203 NAC 4-004.03A thru 4-004.03E.~~

~~004.03F3 Programs shall notify the Division by certified letter within ten (10) working days, when an individual in a direct alcohol/drug abuse treatment counseling position who is not credentialed as set out in 203 NAC 4-004.03A thru 4-004.03E is no longer employed by them in such a position.~~

~~004.03F4 Programs shall notify the Division by certified letter within thirty (30) days of promulgation of these regulations of all individuals currently employed in direct alcohol/drug abuse treatment counseling positions who are not credentialed as set out in 203 NAC 4-004.03A thru 4-004.03E.~~

~~004.04 Regions and providers receiving State funding shall have fiscal: budget systems which provide accounting for the receipt and expenditure of funds in accordance with generally accepted accounting principles and must be consistently applied, regardless of sources of funds.~~

~~004.05 Regions and providers shall maintain supporting records of income and expenditures in sufficient detail to show the exact nature of income from the respective funding agencies;~~

~~004.05A Regions and providers which receive federal block grant funding shall maintain sufficient records of income and expenditures to delineate receipt and expenditure of federal funds.~~

~~004.06 Regions and providers shall each maintain an accounting system that provides for completion of an annual expenditure report.~~

~~004.07 Regions and providers shall maintain payroll vouchers for salaries and wages. If payroll voucher forms are not used, a statement must be prepared at the end of each pay period showing the name of each employee, position number, and gross amount of salary. This statement must be verified by the program director and approved by the appropriate authority in the agency and used in place of a voucher;~~

~~004.08 Regions and providers shall maintain detailed records supporting charges for fringe benefits such as pension, leave time, and health insurance; and for technical assistance, operation of programs, leasing, renting, and maintenance of facilities.~~

~~004.09 Regions and providers must maintain accounting records for at least five years following the end of the budget period.~~

~~004.09A Accounting records must be maintained in all instances until the resolution of any audit question.~~

~~004.09B Accounting records must be maintained in sufficient detail to allow for the calculation and documentation of cost per unit of services provided.~~

~~004.10 Regions and providers shall be accountable to the contracting authority for all equipment purchased under contract to develop services.~~

~~004.10A Regions and providers shall obtain approval from the contracting authority prior to the disposal or reassignment to another program of any equipment purchased under contract for services development that has a purchase price of $300 or more and useful life in excess of an amount determined by the Regions (for regional equipment) or providers (for provider equipment) and approved by the contracting authority.~~

~~004.10B Regions and providers shall provide the contracting authority with an inventory of such equipment within thirty (30) days after the close of the contract period. The inventory must include the item name, brand and serial number, if available, inventory identification number, purchase price, and expected life.~~

~~004.11 The contracting authority retains the right to reclaim such equipment or proceeds from the sale of such equipment when it is no longer being used for the original purpose of the contract as determined by the contracting authority.~~

~~004.11A A Region or a provider shall, upon notification by the contracting authority that the property is being reclaimed or sold, transfer the title or the proceeds from the sale to the contracting authority or an eligible program named by the contracting authority.~~

~~004.12 No waiver of regulation 004 or any of its parts in this Chapter shall be granted.~~

~~005 APPROPRIATE USE OF STATE FUNDS~~

~~005.01 The use of state funds is limited to employment of personnel, technical assistance, operation of programs, leasing, renting, maintenance of facilities and for the initiation of new programs.~~

~~005.01A State funds used for travel in connection with the operation of programs funded directly by the state are subject to the reimbursement limits for travel as designated in the Policies and Procedures for Nebraska State Agencies by the Department of Administrative Services.~~

~~005.01B Construction of buildings, alteration and renovation costs that constitute new construction are not allowable. Such alteration and renovation includes relocation of exterior walls, roofs, and floors, or completion of unfinished shell space to make it suitable for human occupancy.~~

~~005.01C Alteration or renovation of space or utilities within a completed structure are allowable under the following conditions:~~

~~005.01C1 Alteration or renovation is needed to accomplish the objective of the substance abuse program activity and is approved in advance by the Division.~~

~~005.01C2 The space involved will actually be occupied by the program.~~

~~005.01C3 There is documentation by a suitably qualified individual that the building has a usable life consistent with program purposes and is structurally suitable for conversion.~~

~~005.01C4 The alteration or renovation results from a successful bid made in accordance with a uniform bidding procedure which has been previously adopted in writing by the provider.~~

~~005.01C5 Use of state funds for renovation and alteration is allowable for leased space when the contracting authority has approved the lease prior to the renovation.~~

~~005.02 A provider receiving state funds may enter into a new or renewed property rental or lease agreement with a staff member, the staff member's immediate family, or a partnership, limited partnership, trust, or corporation within which a staff member serves in any capacity or has a pecuniary interest. Such rental or lease agreement must result from a uniform bidding procedure that has been adopted in writing by the provider.~~

~~005.02A In cases where regional matching funds are involved, the uniform bidding procedure must he approved by the regional governing board.~~

~~005.02B In cases where no regional matching funds are involved, the uniform bidding procedure must be approved by the Division.~~

~~005.02C For purposes of this regulation, immediate family means a spouse, a dependent child, or anyone else who is claimed as a dependent for income tax purposes by a staff member or a staff member's spouse.~~

~~006 ANNUAL AUDITS~~

~~006.01 Each Region or provider with a total annual operating budget of $75,000 or more shall contract with a Certified Public Accountant for an independent audit of its financial operations using generally accepted auditing techniques.~~

~~006.01A Two copies of the audit and any related information from the auditor shall be furnished to the Division. The audit shall be submitted to the Division no later than one hundred twenty (120) calendar days after the end of the fiscal year.~~

~~006.01B In the case of services provided by a licensed hospital, the Department may accept a copy of the hospital's most recently submitted annual Medicare cost report in lieu of the required annual independent audit.~~

~~006.02 Such audits must include:~~

~~006.02A A review of receipts and disbursements;~~

~~006.02B A review of cash control procedures;~~

~~006.02C A review of a chart of accounts;~~

~~006.02D An audit of the income statement, balance sheet, and source and use of funds statement; and~~

~~006.02E A review of the cash balance on hand at the beginning and at the end of the fiscal year.~~

~~006.03 The audit must verify compliance with 203 NAC 4 005 APPROPRIATE USE OF STATE FUNDS.~~

~~006.04 The audit must include a statement of the Auditor's opinions regarding:~~

~~006.04A The effectiveness of the region's or provider's internal accounting and other control systems in providing reasonable assurances that funds are managed in accordance with applicable laws and regulations.~~

~~006.04B Whether the financial statements of the region or provider present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles.~~

~~006.04C Whether the region or provider has, in any recognized instance, not complied with laws and regulations that may have a material effect on the financial statements.~~

~~006.05 In addition to all other parts of 203 NAC 4-006, the audit of a region or provider which receives federal block grant funding shall include the following:~~

~~006.05A Assurance that the region or provider sufficiently delineates the receipt and expenditure of federal block grant funding.~~

~~006.05B Assurance that federal block grant funds were not expended to,~~

~~006.05B1 Provide inpatient hospital services;~~

~~006.05B2 Make cash payments to intended recipients of health services;~~

~~006.05B3 Purchase or improve land, purchase, construct, or permanently improve any building or other facility, or purchase medical equipment;~~

~~006.05B4 Satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds;~~

~~006.05B5 Provide financial assistance to any entity other than a public or nonprofit entity.~~

~~006.06 Failure by a region or provider to comply with 203 NAC 4-006 or any of its parts thereof will result in the Division contracting for an independent audit. The cost of the audit will be deducted from the allocation to the region or provider which necessitated the independent audit.~~

~~006.07 An agency/provider with a total annual operating budget of less than $75,000 may submit an annual detailed financial statement providing a review of receipts and disbursements, including a source and use of funds statement and statement of fund balances, in lieu of an independent audit. The Department/contract authority may conduct an audit to verify this statement.~~

~~006.08 No waiver of 203 NAC 4-006, or it parts, shall be granted.~~

~~007 AFFIRMATIVE ACTION PLAN. All regional governing boards and providers, regardless of the number of staff or amount of funds received from the Department, shall develop policy statements which prohibit discrimination~~

~~and sexual harassment in the Agency. A region or provider which has ten or more full-time equivalent staff or receives at least $75,000 from the Department shall develop an Affirmative Action Plan.~~

~~007.01 When an Affirmative Action Plan is required, the region or provider shall designate an individual whose qualifications and responsibilities are defined in writing, to develop and implement the Affirmative Action Plan.~~

~~007.02 When an Affirmative Action Plan is required, it must include:~~

~~007.02A Policies supporting equal employment opportunity and Affirmative Action (EEO/AA);~~

~~007.02B The policy for prohibition of sexual harassment;~~

~~007.02C A policy regarding chronic infectious disease;~~

~~007.02D A document that shows how the current composition of the Agency's workforce compares with the relevant labor market statistics indicating the availability of the protected groups within the agency's locality;~~

~~007.02E Goals and timetables for achieving the desired representation of protected groups in the Agency's workforce;~~

~~007.02F The method and timelines used to evaluate the status of these goals.~~

~~007.02G A description of activities used to assist in attainment of the goals; and~~

~~007.02H A description of the methods used to include Disadvantaged Business Enterprises as suppliers of goods and services.~~

~~007.03 The Affirmative Action Plan shall be submitted to the Department no later than March 1, annually.~~

~~007.04 No waiver of 203 NAC 4-007 or its parts will be granted.~~