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OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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ADMINISTRATIVE MEMORANDUM

To: Executive Directors of Agencies Providing Family Support Services (FSS)

From: James F. Moran, Deputy Commissioner
Administration and Revenue Support

Subject: Guidelines and Requirements for Family Support Service Contract
Compliance

Date: October 10, 2008

Suggested Distribution

Statewide Committee on FSS
Family Support Council members
DDSO Directors and FSS Coordinators
FSS Providers

Purpose

This Administrative Memorandum clarifies existing requirements for expenditure based contracts for Family Support Services (FSS). Specifically, voluntary providers must maintain documentation to support the units of service and the number of consumers served, and all receipts associated with the purchase of goods and services. These requirements apply to all voluntary providers who have fully executed FSS contracts with the New York State Office of Mental Retardation and Developmental Disabilities (OMRDD) for "General Family Support Services" and for the "Family Reimbursement/Cash Subsidy Program." Although no new requirements are put forth in this document, the forms listed on page 3 will be reexamined in the future for the purposes of simplification and addition of value.

OMRDD Reviews of FSS Providers

OMRDD's Central Office Bureau of Fiscal Audit will conduct reviews of FSS contracts to determine if the FSS provider is complying with the terms and conditions of the FSS contract, the "Family Support Services Guidelines" issued in 1996 and this Administrative Memorandum (see the Fiscal Review section of this memo for more information on these reviews). In addition, OMRDD Developmental Disabilities Services Office (DDSOs) representatives conduct on-going reviews of FSS providers in order to certify that the FSS provider has met the standards of service(s) and consumer care mandated by the contract. These reviews, which are required by the New York State Office of the State Comptroller (OSC), may include but are not limited to a review of the program and fiscal quarterly reports outlined in this Administrative Memorandum as well as the provider year end report, consumer satisfaction reviews, site visits, program evaluations, and contract review meetings.

Background

Family Support Services are authorized by Mental Hygiene Law Article 41 section 41.43, and are defined as a family-directed statewide system of comprehensive family support services. Family Support Services are designed to assist families in providing care for their loved ones with developmental disabilities who live full-time in their family home.

There are two major categories of Family Support Services (FSS):

- (1) **General FSS:** are services provided directly by the FSS provider and may include the following; behavior management, counseling, *training and supports, advocacy*, home care, information and referral, reimbursement, service coordination, recreation, and day, evening or overnight respite; and
- (2) **Family Reimbursement/Cash Subsidy Program:** this program funds the purchase of goods and services by the FSS family. The funding is based on the approval of the voluntary agency that operates the program. Note that the family receives reimbursement after the purchase of the goods and services and upon submittal of documentation (e.g. receipts) that supports the purchase to the voluntary agency that operates the program. *The family receives a cash subsidy prior to the purchase of the goods and services and must submit documentation (e.g. receipts) to the voluntary agency that operates the program after the purchase. Alternatively, the reimbursement program may pay the vendor directly either prior to or after the purchase; documentation must then be provided that the goods or services were received.*

NOTE: For both General FSS and the Family Reimbursement/Cash Subsidy Program, the FSS provider is responsible for obtaining and maintaining all receipts associated with the purchase of goods and services. Adequate documentation (e.g., consumer attendance sheets) that supports the units of service and number of

consumers served must also be maintained. See the Guidelines for FSS Expenditures section of this Administrative Memorandum for more information.

FSS Unit of Service:

The "unit of service" for General FSS services is an hour of service, reported in 15 minute increments (e.g., 15 minutes = a quarter unit or .25, 1 hour = a full unit or 1.00). Where FSS respite service is provided to an individual from 10:00 PM to 1:00 AM (3 hours), this is recorded as 3 units of service. Where FSS recreation services, another category of General FSS, is provided to an individual from 9:15 AM to 9:45 AM (30 minutes), this is recorded as a half unit or .50 units of service. Units of service for each individual served are recorded on Form 3, the Individual Quarterly Summary Form, which is described in the "Recording FSS Services and Required Quarterly Reports" section below.

Family Reimbursement/Cash Subsidies are reported on the Individual Quarterly Summary Form as the dollar value of the reimbursement/cash subsidy to the family, which can be used to purchase goods or services. If the subsidies are used to purchase services, the hourly units of purchased services (e.g. the family itself hires a respite worker) are also recorded in 15 minute increments. (Family reimbursement units of service may be measured by staff hours to manage the program not units of services provided to the consumer, or reimbursement may be counted as the number of people served. Additionally, transportation may be measured by the number of trips provided and not by an hour of service)

When recording units of service, round the units of service to the nearest 15-minute interval.

Recording FSS Services, Documentation and Required Quarterly Reports:

The 1996 Family Support Services Guidelines, which are incorporated into the FSS contract by reference, require FSS providers to prepare and submit (as appropriate) quarterly reports which are outlined below. (Some DDSOs may have re-designed these forms to make them more comprehensive and easier to use. Please keep in mind that the intent of the original form must remain and that all of the required information of the existing forms must be reflected on any re-designed forms.) The required reports provide the basis for FSS contract payments to the provider. They provide a mechanism for the FSS provider to record the specific services delivered and items purchased, rented or leased under the FSS contract. The reports, which are required in both General FSS and in the Family Reimbursement/Cash Subsidy Program, are:

- **Form 1: Developmental Disabilities Profile Registration/Movement Form (DDP1):** The FSS provider must complete this form for each person it serves and must submit it to the DDSO. This enables the DDSO to enroll the person in TABS and ensures there is an accurate roster of individuals eligible to receive FSS services.

- **Form 2: Program Quarterly Narrative:** The FSS provider must use this form to report on FSS program objectives/progress.
- **Form 3: Individual Quarterly Summary:** The FSS provider must use this form to report on the specific services and units of service delivered and any items purchased, rented or leased for each FSS participant during each quarter of the contract. *(Family reimbursement units of service may be measured by staff hours to manage the program not units of services provided to the consumer, or reimbursement may be counted as the number of people served. Additionally, transportation may be measured by the number of trips provided and not by an hour of service)* Receipts and service documentation (for example, individual time sheets) which “back-up” the Individual Quarterly Summary must be retained by the FSS provider for six years in addition to the balance of the year in which the service was provided.
- **Form 4: Agency Quarterly Summary of Services and Individuals Served:** On a quarterly basis, the FSS provider must complete this report which aggregates information about services provided to individuals and the total number of individuals served.

FSS providers must ensure that the information reported in the “Agency Quarterly Summary of Services and Individuals Served” is compared and/or reconciled with Appendix D of the FSS contract which reflects the targeted number of people to be served by the FSS contract. Significant variances between the Appendix D targeted number of consumers to be served and the actual number served may result in a reduction of future FSS funding.

- **Form 5: Agency Quarterly Fiscal Summary (CQR-1):** the FSS provider must use this summary to report quarterly claim expenses *and costs per unit* for the first through the third quarter of the contract.
- **Consolidated Fiscal Report (CFR):** The FSS provider must submit a Consolidated Fiscal Report (CFR) annually that complies with all OMRDD requirements. FSS providers must be able to reconcile the expenditures claimed on the CFR to the agency’s accounting records upon audit.

Guidelines and Documentation for FSS Expenditures

Contract expenditures must be accurate and related to the delivery of the FSS service identified in the FSS contract.

The following expenditures are not allowed: goods and services covered by other funding mechanisms, taxes and finance charges, goods and services not reasonably

related to the care of consumers or not authorized by the FSS contract, and the purchase of homes, vehicles or luxury items.

General Family Support Services contracts: Required Documentation for FSS Expenditures

1. **Non-Payroll expenditures (i.e., goods and services):** All non-payroll expenditures must be supported by written evidence verifying that the object of the expenditure was purchased, received, and paid.

Examples of adequate documentation include: cancelled checks; original invoices; and written evidence substantiating the receipt of the goods and/or services such as initialed documentation (shipping slip, paid invoice, etc.)

2. **Payroll expenditures (i.e., agency staff salaries):** For payroll expenditures, timesheets, cancelled checks or bank transaction records, payroll and tax records must all be available. Furthermore, all timesheets should be signed contemporaneously (as soon as possible after the end period of the timesheet) by both, the employee or hired staff person and if applicable, the consumer and/or family member attesting that services were actually performed.
3. **Contracts for staff:** For all expenditures for contracted staff persons, there must be a valid signed contract in place, approved vendor invoices, and cancelled checks. The approved vendor invoices should indicate the units of service or specific goods provided, the dates of the service or provision of goods, and the types of services or goods provided.

Family Reimbursement/Cash Subsidy: Required Documentation for FSS Expenditures:

For Family Reimbursement/Cash Subsidy Program expenditures, FSS providers must collect receipts and other written evidence from the family that verifies that the item was purchased, paid, and received.

Examples of documentation includes: cancelled checks; copies of money orders; invoices stamped as paid; purchase orders indicating "paid in full" evidencing the purchase price, when the item was bought and paid, and when the item was received; written evidence substantiating that the consumer received the goods and/or services such as initialed documentation (shipping slip, paid invoice, etc.).

Record Retention:

All FSS records including service documentation, reports, and expenditure documentation must be retained for the balance of the year in which the transaction occurred and for six (6) additional years thereafter.

Fiscal Reviews of FSS Contracts:

OMRDD's Bureau of Compliance Management will conduct reviews of FSS contracts to determine if the FSS provider is complying with the terms and conditions of the FSS contract, the FSS Guidelines and this memo. FSS review questions may include but are not limited to the following:

- Is the FSS provider adequately documenting the provision of FSS services under the FSS contract?
- Is the FSS provider maintaining adequate documentation for FSS expenditures?
- Is the FSS provider adequately accounting for and reporting on FSS funds received?
- Is the FSS provider using FSS funds appropriately (i.e., Are the FSS funds being used for activities that directly benefit the program's participants/families in accordance with the purposes outlined in the FSS contract)?
- Is the FSS provider submitting all required FSS reports in a timely manner and are these reports adequately completed, accurate, and backed up by sufficient documentation that supports the information reported?
- Does the FSS provider's Agency Quarterly Fiscal Summary (CQR-1) and Consolidated Fiscal Report (CFR) reporting reconcile to the FSS provider's accounting records?
- Are overall FSS contract payments and expenditures reasonable and authorized by the FSS contract?

OMRDD may seek to recover FSS contract payments that do not meet the criteria outlined in this memo.

For additional information pertaining to the Family Support Services program, you may contact your local district office (DDSO) Family Support Services Coordinator. For information on the Consolidated Fiscal Report (CFR), contact the OMRDD CFR Processing Unit at (518) 402-4275.