

## **POLICY 4.5**

### **FISCAL PROCEDURES**

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#### **4.5.2 Times Frames Regarding CSA Pool Fund Reimbursement**

##### **4.5.2.1 Purpose**

*To provide guidance to local Children's Services Act (CSA) programs regarding the fiscal process related to pool fund reimbursement.*

##### **4.5.2.2 Authority**

- A. [2.2-2648.D.3](#) of the Code of Virginia requires the State Executive Council for Children's Services (SEC) to "Provide for the establishment of interagency programmatic and fiscal policies developed by the Office of Children's Services, which support the purposes of the Children's Services Act (§ 2.2-5200 et seq.), through the promulgation of regulations by the participating state boards or by administrative action, as appropriate."
- B. Section [2.2-2648.D.19](#) of the Code of Virginia requires the State Executive Council for Children's Services (SEC) to "Establish and oversee the operation of an informal review and negotiation process with the Director of the Office of Children's Services and a formal dispute resolution procedure before the State Executive Council, which include formal notice and an appeals process, should the Director or Council find, upon a formal written finding, that a CPMT failed to comply with any provision of this Act. 'Formal notice' means the Director or Council provides a letter of notification, which communicates the Director's or the Council's finding, explains the effect of the finding, and describes the appeal process to the chief administrative officer of the local government with a copy to the chair of the CPMT. The dispute resolution procedure shall also include provisions for remediation by the CPMT, which shall include a plan of correction recommended by the Council and submitted to the CPMT. If the Council denies reimbursement from the state pool of funds, the Council and the locality shall develop a plan of repayment."

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### 4.5.2.3 Definitions

"Final Year-End Report" means the last request for reimbursement submitted by a locality to the OCS for the previous fiscal year.

"Fiscal Agent" means the individual designated by the locality as responsible for the final approval and submission of CSA financial documents to the Office of Children's Services.<sup>1</sup>

"Fiscal Year" means the period that begins on the first day of July through the last day of June of the succeeding year.

"Good Cause" means a substantial reason or legal justification for failing to appear, act, or respond to an action. The burden of establishing good cause rests on the locality requesting a waiver from the September 30 final year-end report.

- Good cause may include:
  - A state of emergency declared by the President, Governor, or appropriate local authority that results in the closure of local government offices on September 30 or that otherwise limits a locality's ability to submit reimbursement requests before the September 30 deadline.
  - A documented failure of local information technology systems that prevents submission of reimbursement requests. Such failures occurring before September 30 should be communicated to the Office of Children's Services as soon as practicable upon discovery.
  - A failure of the OCS system of record for submitting reimbursement requests.
  - Instances where provider invoices to localities are delayed pending resolution of appeals of Medicaid denials of payment.
- Good cause does not include:
  - Failure to adopt, implement, and carry out local procedures to reconcile actual CSA reimbursements against expected reimbursements using local general ledgers, Pool Fund Distribution History, and the Pool Transaction History reports on the CSA website ([www.csa.virginia.gov](http://www.csa.virginia.gov)).
  - Failure of the local fiscal agent to approve reimbursements submitted by the local report preparer.
  - Failure to obtain and/or process invoices received from service providers for services provided through June 30 of the previous fiscal year. Fiscal years are divided into four quarters (July 1 - September 30; October 1 – December 31; January 1 – March 30; and April 1 – June 30).

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<sup>1</sup> The OCS information technology systems allow only a single individual to serve as the fiscal agent at any given time. Localities should contact OCS if the currently designated local CSA fiscal agent cannot complete approval of reimbursement requests. OCS will assist the locality in establishing an alternate fiscal agent.

"Report Preparer" means the individual designated by the locality to process local CSA expenditures such that they may be submitted to the Fiscal Agent for approval and submission to the Office of Children's Services.<sup>2</sup>

"Waiver" means an extension of the time frame in which a locality may submit the final year-end report.

#### 4.5.2.4 Pool Fund Reimbursements

- a) ~~Final claims for reimbursements for prior year payments will not be accepted after the first quarter of the next fiscal year. (Adopted June 30, 1995)~~
- b) ~~With the exception of the final year-end report referenced above, request for reimbursement of local pool expenditures must be submitted no later than thirty (30) days after the close of the quarter in which the expenditure was paid. Localities may continue to report as often as monthly, but must report at least every quarter. A report should be submitted at the end of the quarter even if it indicates no expenditures were made during that quarter. The state fiscal agent will be monitoring local compliance with this requirement and will advise local administrative officials if there is non-compliance. (Adopted June 30, 1995)~~
- c) ~~Effective for the quarter ending September 30, 1995, localities that have not submitted their Quarterly Services Utilization report will have their pool reimbursements held in abeyance until the quarterly report is submitted. A notice will be mailed to the local fiscal agent advising that the reimbursement request is considered incomplete until the past due statistical data is received. The quarterly report will be mailed to the same address as the fiscal reports beginning with the September 30 report due on or before October 15. The CSA Evaluation staff will be sending each locality a revised minimal report format including a submission timetable and at that time will again remind localities of the fiscal impact of not submitting the statistical data. (Adopted June 30, 1995)~~
- d) ~~Effective April 30, 1999 a locality may request a waiver to the September 30 final year-end report requirement, either by written request for an extension to the OCS prior to the September 30 cutoff date, or post September 30, only if local governments demonstrate mitigating circumstance beyond their control. (Adopted April 30, 1999)~~
- e) ~~Expenditures and Refunds are reported according to the following expenditure reporting categories:~~
  - ~~Foster Care – IV E children in Licensed Residential Congregate Care ; pool expenditures for costs not covered by IV E (i.e., non room and board)~~
  - ~~Foster Care – all others in Licensed Residential Congregate Care~~
  - ~~Residential Congregate Care – CSA Parental Agreements ; DSS Noncustodial Agreements~~
  - ~~Non-Mandated Services/Residential/Congregate~~
  - ~~Educational Services – Congregate Care~~

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<sup>2</sup> Localities should contact OCS if the currently designated local CSA report preparer(s) is/are unable to prepare reimbursement requests. OCS will assist the locality in establishing additional report preparers.

- ~~Treatment Foster Care — IV-E~~
- ~~Treatment Foster Care~~
- ~~Treatment Foster Care — CSA Parental Agreements ; DSS Noncustodial Agreements~~
- ~~Specialized Foster Care — IV-E ; Community Based Services~~
- ~~Specialized Foster Care~~
- ~~Family Foster Care — IV-E ; Community Based Services~~
- ~~Family Foster Care Maintenance only~~
- ~~Family Foster Care — Children receiving maintenance and basic activities payments; independent living Stipend/Arrangements~~
- ~~Community Based Services~~
- ~~Community Transition Services — Direct Family Services to Transition from Residential to Community~~
- ~~Special Education Private Day Placement~~
- ~~Wraparound services for students with disabilities~~
- ~~Psychiatric Hospitals/Crisis Stabilization Units~~
- ~~Non-Mandated Services/Community Based~~

*(Adopted 1994, Revised 1995, 1996, 1997, 1998, 1999, 2000, 2009, 2012)*

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~~f) Each Pool Fund Reimbursement Request requires certification of compliance with CSA requirements per the following: "The expenditures and refunds reported herein were incurred in accordance with provisions of the CSA, and have not been reported on a previous claim. Documentation is maintained to support the expenditure and refund amounts reported, and to demonstrate that each expenditure and refund was made on behalf of a specific child (or list of specific children) and complies with the CSA Manual, COV and Appropriation Act requirements including utilization management and FAPT criteria." (Adopted 1995, Revised 1999)~~

- A. *The Office of Children's Services will not accept final claims for reimbursements for prior year payments after September 30 of the next fiscal year.*
- B. *Localities may submit requests for reimbursement to the Office of Children's Services monthly but must report at least every quarter. A reimbursement report shall be generated and submitted for each calendar month, even if it indicates no expenditures were made during that month.*
- C. *A locality may request a waiver to the September 30 final year-end report requirement specified in 4.5.2.4.A. by:*
  - 1. *Submitting a written request to the OCS Executive Director before or after the September 30 cutoff date.*
  - 2. *The OCS Executive Director will grant or decline a waiver based on their determination that "good cause" exists.*
  - 3. *If a locality does not agree with the OCS Executive Director's determination of "good cause," they may request an appeal of the decision through the State Executive Council's dispute resolution policy (Policy 3.4).*
- D. *Localities shall adopt and implement procedures to reconcile actual CSA reimbursements against expected reimbursements using local general ledgers and the Pool Fund Distribution History, the Pool Transaction History, and other available reports on the CSA website ([www.csa.virginia.gov](http://www.csa.virginia.gov)).*
- E. *Localities shall adopt procedures to address position vacancies, including temporary unavailability, in the roles of Report Preparer and/or Fiscal Agent that impact the timely submission of the CSA reimbursement requests.*

#### **4.5.2.5 Policy Review**

*This policy will be subject to periodic review by the State Executive Council for Children's Services.*

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