

EXHIBIT M

FINANCIAL REQUIREMENTS

Grantee shall ensure compliance with the fiscal requirements of the RFA Solicitation HHS0015355, as follows:

- A. Maintain an appropriate contract administration system to ensure that all terms, conditions, and specifications are met during the term of the Contract through the completion of the closeout procedures.
- B. Compliance with the requirements of the United States Health & Humans Services (HHS), Substance Abuse and Mental Health Services Administration (SAMSHA), Substance Use Prevention, Treatment and Recovery Services (SUPTRS), Assistance Listing Number (ALN)93.959.
- C. Develop, implement, and maintain financial management and control systems that meet or exceed the requirements of the [Texas Comptroller Uniform Statewide Accounting System](#) (USAS).
 - 1. Financial planning, including the development of budgets that adequately reflect all functions and resources necessary to carry out authorized activities and the adequate determination of costs;
 - 2. Financial management systems that include accurate accounting records that are accessible and identify the source and application of funds provided under each contract of this Contract, and original source documentation substantiating those costs are specifically and solely allocable to a Contract and its contract and are traceable from the transaction to the general ledger;
 - 3. Effective internal and budgetary controls;
 - 4. Comparison of actual costs to budget; determination of reasonableness, allowableness, and allocability of costs;
 - 5. Timely and appropriate audits and resolution of any findings;
 - 6. Billing and collection policies; and
 - 7. Mechanism capable of billing and making reasonable efforts to collect from clients and third parties.
- D. Compliance with applicable Code of Federal Regulation (CFR) Requirements including:
 - 1. SUPTRS Block Grant: 45 CFR Part 96, Subpart C, link: [45 CFR Part 96](#) and related restrictions on expenditures of the grant are documented in 45 CFR, §96.135.
 - 2. 45 CFR 96.30(a) related to documentation of the underlying expenses related to Fee-For-Service billings and the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing block grant.¹
 - 3. Federal Uniform Grant Guidance for Title 2, Grants and Agreements, Subtitle A. Office

¹ <https://www.samhsa.gov/grants/oversight>

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of Management and Budget Guidance for Grant and Agreements, Chapter II Office of Management and Budget Guidance, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards for , link: <https://www.hhs.texas.gov/business/grants/federal-uniform-grant-guidance>

- E. Compliance with the Federal Funding Accountability and Transparency Act Reporting, located at System Agency's website: <https://www.hhs.texas.gov/business/grants>
- F. Compliance with Texas Grant Management Standards, located at Texas Comptroller of Public Accounts, link: <https://comptroller.texas.gov/purchasing/grant-management/>
- G. Access the Transactions List report in CMBHS to identify the amount of federal funds allocated to this award for each transaction.
- H. Any unexpended balance associated with any other HHSC-funded contract may not be applied to this Contract.
- I. Submit claims and make payments in the following manner:
 - 1. Submit claims in CMBHS after services are rendered; no later than monthly.
 - 2. Ensure all claims for each state fiscal year (September – August) are submitted in CMBHS by September 30th. Claims submitted after September 30th may be denied.
 - 3. All claims for the September service period of the current fiscal year must be submitted by October 15th. Claims submitted after this date may be denied due to the grant budget period being closed.
 - 4. Provide additional supportive documentation to support the claims if requested by the HHSC. All requests for additional information shall be provided by the deadline requested.
- H. Submit claims in accordance with treatment and payment restrictions in the following manner:
 - 1. Submit claim for only one intensity of service and service type (either outpatient or residential) per client per day; and
 - 2. Do not submit a claim for an intensity of service and service type if another HHSC-funded Treatment Grantee is providing and billing HHSC for another intensity of service and service type.
 - 3. The following are the exception to subsection 2:
 - a. A client may receive;
 - i. Ambulatory detoxification, or
 - ii. Opioid substitution therapy services, at the same time the client receives SUD outpatient or residential treatment services.
 - b. If two Grantees provide services to the same client under this exception, the

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Grantees must coordinate services and both Grantees must document the service coordination in CMBHS System.

- I. Except as indicated by the CMBHS financial eligibility assessment, Grantee shall accept reimbursement or payment from System Agency as payment in full for services or goods provided to clients or participants and Grantee shall not seek additional reimbursement or payment for services or goods, to include benefits received from federal, state, or local sources, from clients or participants.
- J. Accept the following related to Treatment Service Unit Rates documented in **Exhibit K, Treatment Fee-for-Service Unit Rates**:
 1. If unit rates are adjusted during the awarded contract term, HHSC will provide Grantee notice through a broadcast message via email. All broadcast messages will be maintained in Grantees Contract file, and document the following:
 - a. Treatment Program/Service Type unit rate adjustments;
 - b. Treatment Program/Service Type unit rate adjustments effective date; and
 - c. Treatment Program/Service Type method for receiving payments for the unit rate adjustment.
 2. There may be a delay between the effective date of the unit rate adjustment and those updated rates being reflected in CMBHS. In the event of a difference in the posted adjusted rate and the rate in CMBHS, the posted rate controls and payment will be adjusted as described in **Subsection 3**.
 3. The HHSC effective date of the unit rate adjustment will determine the method(s) to implement the unit rate adjustment, as follows:
 - a. During the fiscal year close-out, HHSC may conduct reconciliation to extract paid claims data for services provided by Grantee during the unit rate adjustment approval period. System Agency may calculate the difference between Grantee's payment utilizing the unit rate in CMBHS versus the revised unit rate. System Agency will thereafter issue Grantee a final reconciliation payment for the difference between the two service unit rates. Grantee's fiscal year payment may not exceed the total fiscal year allocation set forth in awarded contract.
 - b. HHSC may revise the service unit rates in CMBHS to ensure all service claims during the approved service period may be reimbursed at the revised rate.
 - c. System Agency reserves the right to utilize different method(s) to process unit rate adjustments.
 - d. Method(s) used to process unit rate adjustments will be described in the broadcast message.

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K. Comply with the following regarding facility clinic numbers:

1. All HHSC facility licenses require a SAMHSA Inventory of Substance Use and Mental Health Treatment Facilities (IT-F) number, HHSC references this number as the clinic number. Grantee is required to obtain the IT-F number and provide to HHSC.
2. Grantee is responsible for providing the clinic number for each HHSC facility license that will be providing services for the awarded contract. For HHSC facility outpatient license, Grantee is allowed to have multiple satellite locations under one HHSC Facility license. However, each satellite location is required to have a unique clinic number.
3. The requirements to set-up clinic locations are as follows:
 - a. Obtain the IT-F number by submitting a request through [I-TF Login \(samhsa.gov\)](https://www.samhsa.gov).
 - b. Complete and submit the **Exhibit L, Clinic Request Form** and a valid HHSC license for each location and/or satellite location via CMBHS item upload module.
 - c. Contact the CMBHS helpdesk to complete the set-up. The **Exhibit Q, Clinical Management for Behavioral Health Services (CMBHS) Requirements** documents the contact information.
 - d. Once clinic location set-up is complete, Grantee may submit claims for services rendered.

L. Comply with the following regarding property inventory and protection of assets:

1. Maintain an inventory of equipment and supplies defined as controlled assets, and property described in this grant agreement and submit to the assigned grant agreement manager, upon request. At a minimum, the inventory report shall include the following:
 - a. Description of the property;
 - b. Serial number or other identification number;
 - c. Source of funding for the property (including the Federal Assistance Identification Number);
 - d. Who holds title;
 - e. Acquisition date and cost of the property;
 - f. Percentage of Federal participation of the project costs for the Federal award under which the property was acquired;
 - g. Location use and condition of the property; and
 - h. Any ultimate disposition data including the date of disposal and sale price of property.
2. Maintain, repair, and protect assets under this grant agreement to ensure full availability and usefulness of the assets.

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3. If Grantee is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to the assets provided or obtained under this Grant agreement, use the proceeds to repair or replace those assets.
- M. Grantee will not encumber assets such as equipment purchased with HHSC funds as collateral without prior approval from HHSC.
- N. In the event of bankruptcy, Grantee must:
1. Sever the HHSC property, equipment, and supplies in possession of Grantee from the bankruptcy, and title must revert to the HHSC.
 2. When directed by the HHSC, return all property, equipment and supplies purchased with HHSC funds to the HHSC.
 3. Ensure subgrant agreements, if any, contain a specific provision requiring that in the event of the subgrantee's bankruptcy, the subgrantee must sever the HHSC property, equipment, and supplies in possession of the subgrantee from the bankruptcy, and title must revert to the HHSC.
- O. Comply with the following regarding program income and match:
1. Contribute five percent (5%) matching funds.
 2. The match shall be reported on the Fee-For-Service Financial Status and Match Report (FSR); see **Exhibit R**.
 3. Adhere to the Program Income requirements in the Texas Grants Management Standards (TxGMS).
 4. Not use program income as match without prior approval of the contract manager assigned to the Contract.
 5. If the match ratio requirement is not met by the beginning of the last three months of the term of the Contract, System Agency may withhold or reduce payments to satisfy match insufficiency or demand a refund of the amount of the match insufficiency.
- P. Comply with the following regarding overtime compensation:
1. Except as provided in this section, Grantee will be responsible for any obligations of premium overtime pay due employees. Premium overtime pay is defined as any compensation paid to an individual in addition to the employee's normal rate of pay for hours worked in excess of normal working hours.
 2. Funds provided under this Contract may be used to pay the premium portion of overtime only under the following conditions:
 - a. With the prior written approval of HHSC;
 - b. Temporarily, in the case of an emergency or an occasional operational bottleneck;
 - c. When employees are performing indirect functions, such as administration, maintenance, or accounting;

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- d. In performance of tests, laboratory procedures, or similar operations that are continuous in nature and cannot reasonably be interrupted or otherwise completed; or
- e. When lower overall cost to HHSC will result.

Q. Comply with the following regarding Budget Program Adjustments (BPAs):

- 1. Grantee may request the following types of budget revisions by submitting the HHSC Budget Program Adjustment form to HHSC Contract Manager:
 - a. Request to transfer funding between Program ID; and
 - b. Request funding changes (less/more funding).
- 2. HHSC will review the request to determine if the request is allowable under the RFA, and if the request is approved or denied by HHSC. The estimated timeline for HHSC to review and provide written communication on the results of the BPA request is 30 calendar days from receiving an accepted form.
- 3. Each Fiscal Year (FY), the deadline to submit BPA's is March 1st.

R. Comply with the following regarding Financial Status Reports (FSRs)

- 1. Comply with **CFR §96.30, Fiscal and Administrative Requirements** and submit Financial Status Reports (FSR) using the HHSC FSR template(s), **Exhibit R and R-1**, and a general ledger for each awarded Program by the deadlines documented in the Scopes of Grant Project Services, **Exhibit P, Treatment Services Scope of Grant Project Services and Exhibit P-1, Comprehensive Case Management Services (CCMS) Scope of Grant Project Services**.
- 2. Each fiscal year, the FSR shall document all expenditures to support the claim payments received during the reporting period and document the expenses contributed to the match requirement. The FSR reporting periods are:
 - a. Quarter 1- September 1- November 30.
 - b. Quarter 2: December 1- February 28th (29th on leap year).
 - c. Quarter 3- March 1- June 30.
 - d. Quarter 4: July 1- August 31.
- 3. Grantee is required to create and maintain separate cost centers for each Program allocated funding.
- 4. Grantee is required to submit the general ledger with the FSR for each allocated Programs cost center, which supports the data reported in the Program's FSR.
- 5. Grantee shall report program income received and utilized on the Program's FSR.

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HHSC requires the following data in the “comments” section of the FSR for the program income:

- a. description,
 - b. funding source, and
 - c. dollar amount
6. HHSC will review the FSR and general ledger to verify all expenses are allowable in accordance with the RFA. Grantee shall respond to all requests for additional documentation within the requested deadlines.

S. Comply with the following regarding financial statements:

1. Grantee is required to provide HHSC the date the Grantee’s financial fiscal year ends. This date will indicate the due date to provide the financial statement deliverable documented in **Section (O) (2)**.
2. Six months after the Grantee’s fiscal year end date, Grantee is required to provide the fiscal year financial statements, which include the income statements and balance sheet (Statement of Net Position).
3. HHSC will evaluate Grantee’s financial statements to determine financial viability to provide the services of the awarded contract.
4. HHSC may request additional deliverables to determine financial viability.
5. Grantee shall provide all requested deliverables by the deadline.

T. Comply with and accept the following regarding program treatment service types:

1. Not exceed awarded allocation and manage allocations by using the waitlist to ensure funding is available through each fiscal year of this funding cycle. The HHSC allocation is based on the capacity information provided in the RFA application and the needs of the community. HHSC funding will not exceed the capacity on the HHSC Healthcare Regulatory (HCR) license.
2. The funding shall be expended in accordance with the HHSC approved Implementation Plan, in accordance with the **Exhibit P, Treatment Services Scope of Grant Project Services**.
3. Contractors will revise the Implementation Plan when a service type is discontinued, or funds are moved from one program to another to align with community needs.