



## FRESNO COUNTY DEPARTMENT OF BEHAVIORAL HEALTH Budget Modification Request Guide

### **Purpose**

A Budget Modification Request (BMR) provides Contracted Providers (Providers) the opportunity to proactively anticipate their expenditures and modify their existing budget structure for the benefit of services to those we serve. Consequently, all BMRs must be submitted at least 30-days prior to their requested effective date and Providers shall not assume approval of changes without written approval of the Director of Behavioral Health (Director). Expenditures outside of contracted budget categories or line-item amounts incurred without an approved BMR shall not be reimbursed by the Department of Behavioral Health (DBH).

Within the BMR submittal, it is the responsibility of the Provider to supply explanation and justification to proactively plan for all expenses required to achieve program goals and objectives. This document establishes guidelines and requirements to assist Providers in preparing BMRs as necessary to carry out the program scope of work.

Changes to the contract budget, within authority of the Director, may be made based on anticipated expenditures by written approval of the DBH Director. All changes must be in accordance with the Board of Supervisor's approved Agreement as they are the sole entity with authority to contract on behalf of the County.

The following guidelines provide clarification on requirements and procedures of a BMR.

### **When a Board Amendment is Required**

1. Substantial changes to budgeted FTEs are requested.
2. There are significant deviations from the Board approved budget or scope of work.
3. There is a change to the scope of work.
4. There is a change that will result in less services being provided.
5. Master or Multi-Vendor Agreements requesting to shift appropriations between separate Provider budgets with written approval of all impacted Providers.

### **When a BMR is Required**

#### **Expense Category Budgets**

1. Expenses are anticipated to exceed an expense category budget, and changes do not significantly deviate from the Board approved budget.
2. To re-establish a previously approved change from a prior fiscal year (e.g., savings in utilities appropriations transferred to persons-served direct supports).

#### **Line Item Budgets**

1. Expenses are anticipated to exceed a line item in the budget
2. To re-establish a previously approved change from a prior fiscal year (e.g., savings in utilities appropriations transferred to leases).

### **Modification Parameters**

1. Modifications to the Board adopted agreement budget may be made in accordance with approved terms and all dollar amounts are considered cumulative.



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2. Modifications to a line item or expense category, within the same fiscal year (FY), in opposition to previous changes (e.g., decreased then later increased) will require additional justification. (Example: BMR #1 was approved for an increase to Operating Expenses. BMR #2 requests a decrease to Operating Expenses).
3. BMR effective date shall reflect the month during which the expense is anticipated and must be estimated prospectively.

### **Allowable BMR Submittal Frequency**

1. BMRs submitted after the effective date and/or date of expenditure will not be approved.
2. BMRs shall be submitted to DBH no later than thirty (30) days prior to the desired effective date of the request. BMRs submitted beyond this date may be denied and/or the effective date will be extended.
3. No more than one (1) BMR may be submitted per quarter of any given fiscal year (FY).
  - Fiscal Year: July 1<sup>st</sup> – June 30<sup>th</sup>
  - 1<sup>st</sup> Quarter: July 1<sup>st</sup> – September 30<sup>th</sup>
  - 2<sup>nd</sup> Quarter: October 1<sup>st</sup> – December 31<sup>st</sup>
  - 3<sup>rd</sup> Quarter: January 1<sup>st</sup> – March 31<sup>st</sup>
  - 4<sup>th</sup> Quarter: April 1<sup>st</sup> – June 30<sup>th</sup>

March 31<sup>st</sup> is the final date to submit BMRs for the FY. Submissions after this date, regardless of effective date, will not be processed for review and consideration without Director exception to the deadline. Exception to the deadline does not imply approval of the BMR.

4. Any emergency resulting in potential unanticipated expenditures shall be immediately communicated to the assigned Staff Analyst with a cc to the DBH Director. Requests for exception to regulations/parameters above shall be considered on an individual basis.

### **Submission Requirements**

1. BMR shall be completed in its entirety prior to review.
2. Amounts shall reflect projections through the end of the FY (June 30<sup>th</sup>).
3. "Section 2: Employee Salaries & Benefits" must be completed for all budgeted positions (filled or vacant) for modification requests including salaries and benefits or FTEs.
4. When requesting FTE changes (i.e., increases/decreases to FTE or renaming positions) a Vendor Position Request Form and additional information are required. Please consult with your assigned Staff Analyst as soon as changes are anticipated.
5. Supporting documentation shall be provided at the same time as the BMR submission, organized in the order it appears on the BMR form and clearly labeled.
6. Depreciation: Provider shall submit a full depreciation schedule of all items for the term of the contract or the depreciation life of said item(s) and identify the depreciation method(s) applied. Any new/unbudgeted item(s) to be depreciated must be pre-approved through a BMR and an updated schedule shall be provided.
7. Additional information requested by DBH shall be supplied within five (5) working days of the request. If additional time is necessary, Provider shall inform DBH of the delay within this five-day timeframe. If additional information is not received, DBH may deny that request or extend the approval timeline



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### Review & Approval

1. Approval/denial will be based on information provided within the timeframe(s) stated above. Any decision by the DBH Director is final.
2. Previously approved BMRs (including amendments) will be taken into consideration when reviewing current requests.
3. The DBH Director has the sole discretion to deny or fully/partially approve all requests. Possible reasons for denial may include, but are not limited to:
  - a. Supporting documentation not provided
  - b. Insufficient justification
  - c. Request does not support program goals
  - d. Unapproved uses of funding
  - e. Request requires a formal amendment by the Board of Supervisors
4. At the discretion of the Director, the Provider may be allowed to resubmit their BMR if denied due to lack of supporting documentation; however, a new BMR effective date will be required with the new submission.

*\*DBH reserves the right to add and/or revise processes, requirements and documents pertaining to BMRs at any given time and/or without advance notice as deemed appropriate by the Department.*



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### Division Responsibilities

Upon receipt of a BMR, receiving division shall share the email with all other reviewing divisions to complete a concurrent review. A joint meeting between the assigned contract Staff Analyst and Finance Division Staff Analyst shall be scheduled within 10 days of receipt of BMR. A follow-up meeting with the Division Manager and Business Manager shall be scheduled within 10 additional days to provide final recommendation. A final decision shall be communicated to Providers within 30 days of receipt.

#### **Assigned Contract Division**

1. Review the BMR for completeness including any supporting documentation provided.
2. Review and verify that the request supports program goals and objectives.
3. Review and verify that the request can be approved through a BMR and does not require a formal Board amendment.
4. Complete the "Contracts" column and "Reviewed by" sections of the "Justification" tab.
5. Teleconferences/meetings shall be arranged between the assigned Staff Analyst, Finance Division, and the Provider as deemed necessary by any responsible party. The assigned Staff Analyst will schedule all meetings involving Providers.
6. When Executive Team support is deemed necessary, Staff Analyst will forward the BMR, analysis detail, and recommendation(s) to the Division Manager.
  - a. Division Manager will consult/collaborate with Business Manager before sending to Executive Team (as applicable).
7. Staff Analyst will communicate final decision to Provider after approval of the Director and all signatures are received.

#### **Finance Division**

1. Finance Division shall schedule the initial teleconference/meeting with the Staff Analyst prior to requesting additional information from the Provider, or seeking Executive Team support.
2. When Executive Team support is deemed necessary, Finance Division will forward the BMR, analysis detail, and recommendation(s) to the Business Manager.
  - a. Business Manager will consult/collaborate with Division Manager before sending to Executive Team.
3. Provide final recommendation to approve/deny the BMR to Business Manager with summary.
4. Business Manager will initiate signature process in AdobeSign with all applicable parties. DBH Director will render the final decision.
5. The DBH Director's final decision will be documented on the review/signature page of each BMR. All BMRs will be saved by the Finance Division through the term of the agreement.