



Public Health

Finance

July 21, 2022

What is Finance?

- Finance is the procurement (to get, obtain) of funds and effective (properly planned) utilization of funds.
- Is generally defined as the art and science of managing money.

Presentation Outline

- **Funding Sources**
- **State Comprehensive Planning and Budget Contract/ Emerging Threats**
- **Budgets**
- **Other Grants and Sources**
- **Managing Program Revenues and Expenses**
- **Challenges**
- **Relationship with your Finance Officer**

Funding Sources

- Federal Awards (often passed through the State)
- State Funds
- Local Agreements
- Private Funds (Foundations, Charities)
- First Party Payments (fees for services paid directly by the service recipient), for example EH collections.
- Third Party Payments (Medicaid, Medicare, Private Insurance)
- Federal Cost-based Reimbursement
- Federally Provided Vaccine – Value of VFC Vaccine
- Donations

MCHD Funding Sources 2021

Funding Sources:

	<u>2021 Actual</u>	
State CPBC	\$1,771,768	32.2%
State Emerging Threats	\$1,164,779	21.1%
Third party fees (Medicaid, Blue Cross, Private)	502,963	9.1%
County Appropriations (Maintenance of Effort)	521,506	9.5%
School Clinics and Other Grants	827,277	15.0%
Environmental Health Fees	288,897	5.3%
Medicaid Cost Base Reserve	356,134	6.5%
Other	<u>73,418</u>	<u>1.3%</u>
Total Revenues	\$5,506,742	100%
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MDHHS CPBC Agreement

- Comprehensive Planning, Budgeting, and Contracting (CPBC) Agreement
 - Mandated Services (8)
 - Categorical Services
 - Basic Services
 - Annual State Allocation funding
 - Caseload requirements
 - Project Work Plans
- Initial Allocations received in June
- Budgets Due in EGRAMS in July
- Any budget amendments requested by the Local Health Department (LHD) must be communicated to the MDHHS project Grant Contract Administrator so that it can be opened in EGRAMS during the next scheduled contract amendment.

Maintenance of Effort MOE

- Financial obligation between the County and the State
- Set during the 92/93 fiscal year
- Originated as a 50/50 cost share mechanism to leverage Essential Local Public Health Services (ELPHS) revenue from the State for mandated services

Essential Local Public Health Services (ELPHS) Funds

- LPHD mandated (cost shared) programs:
 - Food Protection
 - Private / Public Water Supply
 - On-site Sewage Disposal
 - Hearing Screening
 - Vision Screening
 - Sexually Transmitted Disease Control / HIV
 - Immunization
 - Infectious Disease Control
 - And.... Administration

MDHHS Emerging Threats

- Includes all COVID and PFAS grant
- Separate from the MDHHS CPBC grant in EGRAMS
- States approval process is less and amendments can be done more timely
- All report requirements same as MDHHS CPBC.

EGRAMS

- EGRAMS is a database software developed and maintained by MDHHS to manage the programs included in the contract or grant.
- Program Budgets are submitted and amended
- Financial Status Reports, (FSR's) are reported quarterly or monthly
- Must include a completed fiscal questionnaire
- Must include an estimated Maintenance of Effort, (MOE), report

EGRAMS Management

- All programs must have the following:
- Program Director-Assigns users to the program
- Authorizing Official-Submits all Budgets and Amendments
- Finance Officer-Populates and submits FSRs, populates budgets
- Grant Writer (optional) populates the Work Plan and reports outcomes on a quarterly basis

MDHHS CPBC Allocation (eGrams)

Breast & Cervical Cancer Control (BCCCP) Coordination	13,375.00
Public Health Emergency Preparedness (PHEP) 10/1/17-6/30/18	87,323.00
Body Art Fixed Fee	0.00
Children's Special Hlth Care Services (CSHCS) Care Coordination	0.00
icSHCS Medicaid Outreach	0.00
icSHCS Medicaid Elevated Blood Lead Case Mgmt	0.00
Children's Special Hlth Care Services (CSHCS) Outreach & Advocacy	40,000.00
:Communities Uniting for Suicide Prevention	190,000.00
Enabling Services Children - MCH	0.00
Enabling Services Women - MCH	0.00
Food ELPHS	0.00
Family Planning Services	43,337.00
General Communicable Disease ELPHS	0.00
Hepatitis A Response	5,000.00
Hearing ELPHS	0.00
HIV Ryan White Part B	245,451.00
HIV Prevention	45,000.00
Housing Opportunities for People Living w with HIV/AIDS	70,813.00
Immunization Action Plan (IAP)	30,336.00
Immunization ELPHS	0.00
Immunization Field Services Rep	127,982.00
Informed Consent	0.00
ELPHS Food	54,141.00
ELPHS Hearing	22,811.00
ELPHS MDHHS Other	114,808.00
ELPHS On-site Wastewater Treatment	61,366.00
ELPHS Vision	22,810.00
ELPHS Private and Type III Water Supply	22,943.00

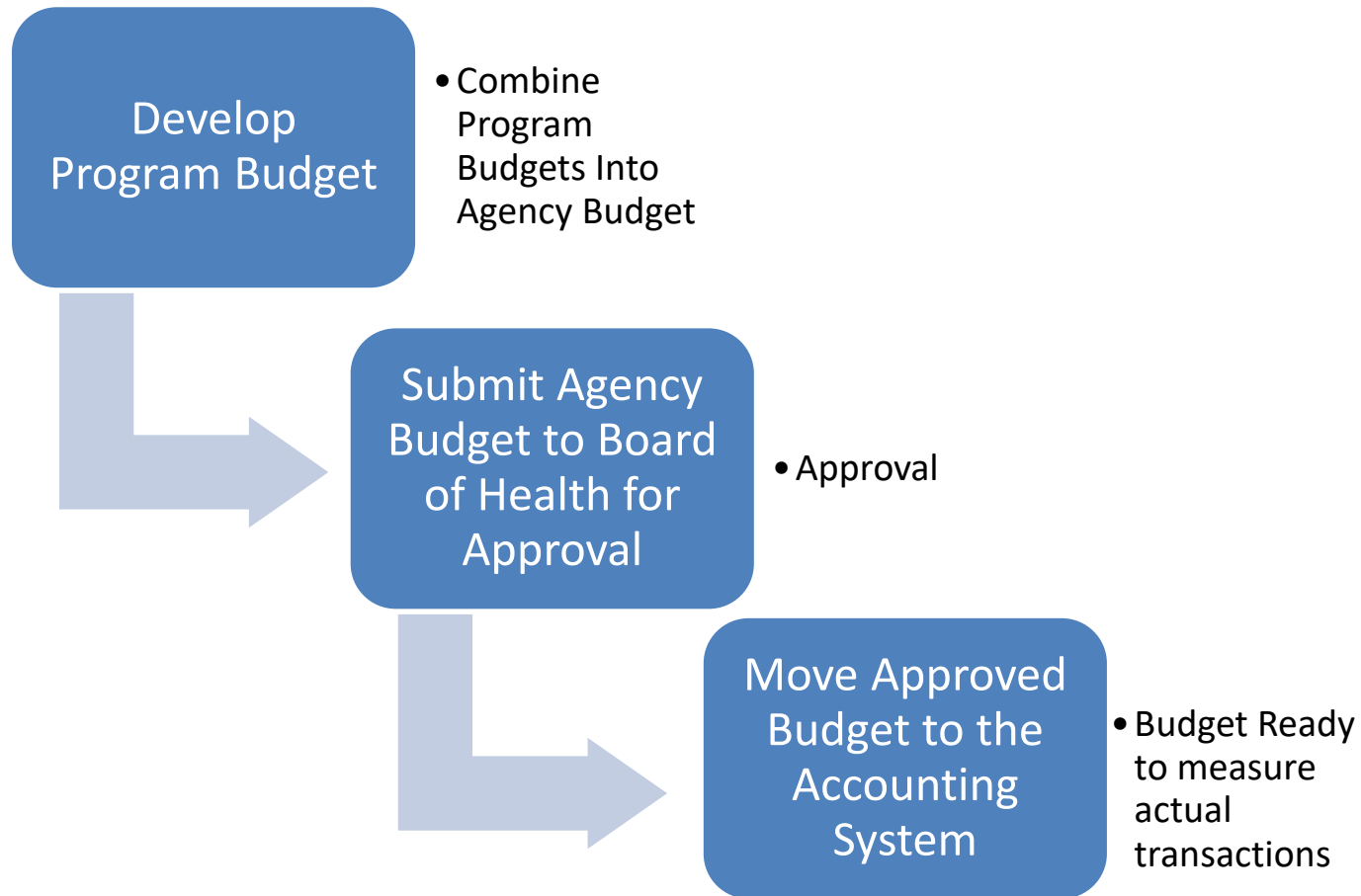
Use of Funds

- Become familiar with your own organization's structure of expense categories.
- MDHHS Categories:
 - Salaries
 - Fringe Benefits
 - Capital Expenditures (items costing \$5,000 +)
 - Contractual (Subcontracts/Subrecipient)
 - Supplies & Materials (includes printing & postage)
 - Travel (mileage, lodging, registration fees, meals)
 - Communication Costs (telephone, internet, websites)
 - County/City Central Services (central support activities)
 - Space Costs (building space)
 - All Others (training, insurance, laundry & cleaning, advertising)
 - Indirect Cost/Cost Allocation

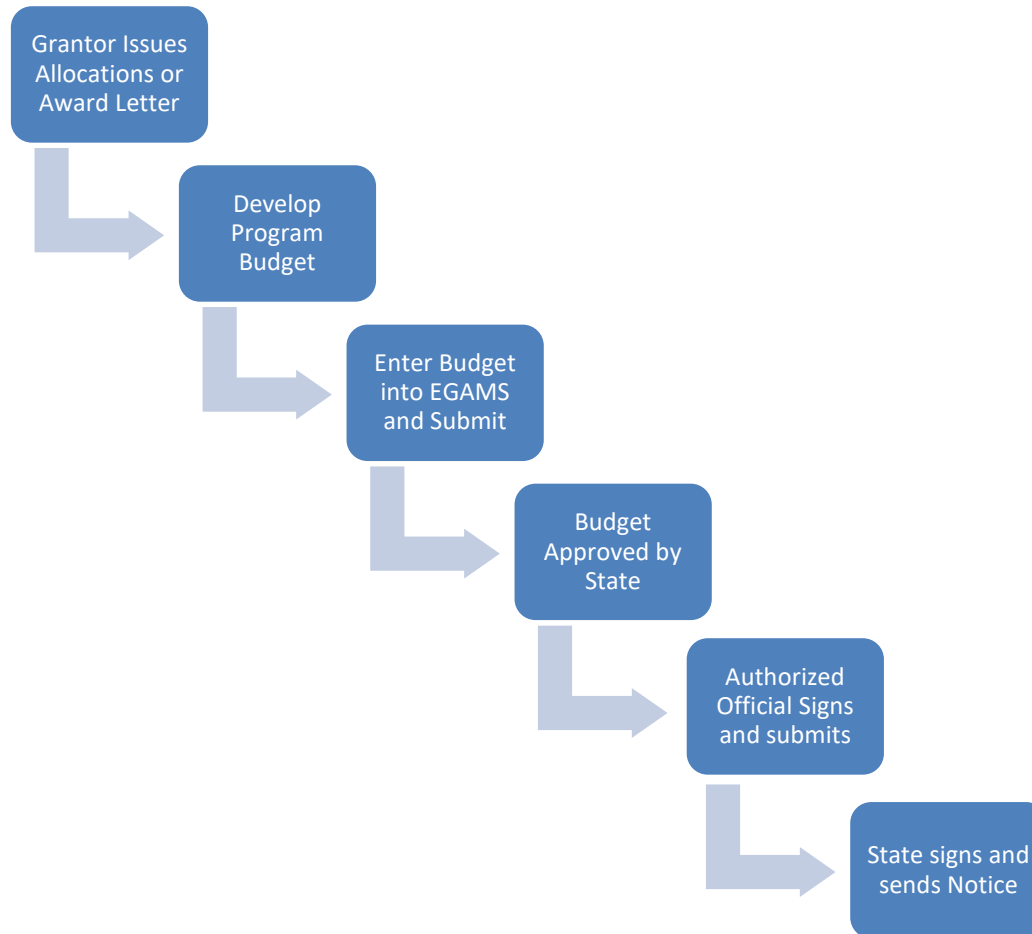
Budgets in EGRAMS

- All positions for the program are listed: includes FTE%, annual salary and cost charged to the program.
- Fringe Cost must be listed as a Composite rate or individual benefits. All benefits must be listed.
- Contractual or Sub-recipient must include name and address, (most programs require an agreement with requirements in the contract language).
- Vast majority of programs currently allow admin cost as a cost allocation.

Budget Process – Board of Health



Budget Process - State



Signed MDHHS CPBC

- Agreement Boilerplate Language
- Program Specific Assurances and Requirements: List of each Program and the Program Requirements
- Notes
- Fiscal Questionnaire

Federal Grant Guidance

2 CFR, Part 200 (“Super Circular”)

- Title 2 CFR Part 200, “Uniform Administrative Requirements , Cost Principles and Audit Requirements for Federal Awards”
- Costs charged to federal awards must be allowable, allocable, reasonable and necessary
- Federal rules in brief: “If it isn’t documented, it didn’t happen”
 - Keep a start – to - finish record for each grant
 - Documentation is required
 - All financial activity will be audited annually

MCHD Policy Statement

- Marquette County Health Department, (MCHD) makes every effort to determine that costs are reasonable, allowable and allocated in a consistent manner across all programs within the department. All costs must be in accordance with the requirements of Title 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards,” and the federal and state awards to which they apply. Costs unallowable in programs will not be spread to programs and have been adjusted for in allocating costs as indicated in the cost allocation plan. All costs are properly allocable to the specific programs on a basis of a beneficial causal relationship between the expenses incurred in the program to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently. All pay vouchers are approved by the Board of Health monthly

Grants

Grant Sources

- Grants generally fall into these main categories
 - Federal – USDA, HHS, CDC
 - State – MDHHS, MDEQ
 - Foundations
 - Large – Roberts Woods Johnson
 - State – BCBS, Michigan Health Endowment Fund
 - Local – Community Foundations, United Way, Agencies

Is it the Right Fit

- Grant Opportunities should be evaluated prior to submitting the application.
 - Have a clear understanding of grant objectives, funding, spending restrictions, timing, and match requirements
 - Then ask some questions:
 - Does it fit with your mission
 - Are you ready to take on this project (size, requirements, etc.)
 - What resources are needed to complete project
 - To what extent is Indirect costs covered by grant
 - All other considerations

Components of a Grant Proposal

- Demographics-Need
- Narrative-What is to be accomplished and why you can achieve it.
- Work Plan-Goals and Objectives-How it will be done.
- Budgets- How are the activities to be funded.

Accounting System

- Chart of Accounts-Codes
- 1 Balance Sheet is used to Account for all Programs
- Reporting Units, RU, are used for each program and a Revenue and Expenditure Report is generated for each RU.
- Modified Accrual Accounting is used

Revenue and Expenditure Report

- When properly closed the report should not show a profit or a loss. “You cannot make a profit or a loss on a grant.”
- Should illustrate the period actual transactions against a budget to come up with a variance. This is called “budget performance”.
- This Budget Performance is one way to monitor program spending.

Program Budget Management

- Use budget reports as a form of communication.
- Hold Quarterly Budget meeting with Directors and Coordinators.
- Keep an eye on the programs as year end nears.
- Identify and explain significant budget variances.
- Make recommendations and manage staff to address anticipated budget variances.

State Comprehensive Planning and Budget Allocations

- Budget amendment is necessary if moving \$10,000+ or 15% (whichever is greater) from one category to another unless otherwise specified
- All budget amendments must be requested by June 2nd of each year (“final” amendment)

Administrative Cost

- Like taxes, is part of life.
- Should include all cost not able to directly charge a program.
- Includes: cost of admin staff, IT, accounting, HR, insurances, space cost, legacy cost, BOH cost, and other cost that benefit all programs and cannot be directly charged.
- Allocated to all programs

Federal DeMinimis Rate

- Limits Administration cost charged to a federal programs
- Calculated as 10% of a modified, (minus items like BOH costs) Direct Costs.
- With more federal dollars coming through the State is becoming more prevalent.

Balance Sheet Assets

- Assets equals Liabilities plus Fund Balance
- Balance Sheet illustrates the Financial Position of your department at any given date.
- Assets include Cash balances, a very important barometer on the financial health of the department.
- In addition Accounts Receivable illustrates the 3rd party billing or uncollected amounts and the grants on a reimbursement style.

Balance Sheet Liabilities and Fund Balance

- Liabilities illustrates the debt of your expenses, (short-term)
- Liabilities illustrates the amount of differed revenue you have to spend,(many grants pay 1/12 or quarterly based on a the full budget amount).
- Fund Balance represents all revenues less expenditures
- Fund Balance, normal to be minimal

Challenges



- Financial challenges (MCHD)
 - Burdened by legacy (health and retirement) costs
 - Staffing is at minimum levels
 - Staff turnover
 - High indirect (overhead) costs, programs limiting
 - Stagnate County appropriations
 - Inflationary costs, Personnel and Materials
 - Ever increasing State and Federal requirements and the bureaucracy that comes with it.

Resources

- Fellow Health Officers
- MALPH web-site
- State Partners
- Your Division Directors
- Your Civil Counsel
- Your Finance Officer

Relationship with your Finance Officer

Benefits

- Can help with Compliance
- Can help with grant compilation and EGRAM submittal
- Can help with staffing issues and staffing management
- Can help in analysis
- Can help with policy and procedures

Thank You Questions??

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