PUBLIC HEALTH FINANCE

Gail Brink, CPA
Finance Director, Kent County Health Department
OBJECTIVES

- Primary Sources of Revenue
- Types of Expenditures
- MDHHS Comprehensive Agreement
  - Initial Allocation/Award
  - Amendments
- Grants and Grant Requirements
- Budgeting
- Challenges/Opportunities
Primary Sources of Revenue

- 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)
- Third Party Payments (Medicaid, Medicare, Private Insurance)
- Federal Cost-based Reimbursement
- Federally Provided Vaccine – Value of VFC Vaccine
- Local Appropriation
TYPES OF EXPENDITURES

- 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
MDHHS COMPREHENSIVE AGREEMENT

- Comprehensive Planning, Budgeting and Contracting (CPBC) Agreement
  - Mandated Services
  - Categorical Services
  - Funding based on Annual State Allocation
  - Case Load requirements
  - Project Work Plans

- FY19 Initial Allocation received in June

- Budgets Due in EGrAMS in July

- Any budget amendments requested by the LHD must be communicated to the MDHHS project Grant Contract Administrator (see attachment III of the contract) so that it can be opened in EGrAMS during the next scheduled contract amendment
The Michigan Department of Health and Human Services (MDHHS) is one of 22 departments of the government in the State of Michigan. The department is the largest in the state government and is responsible for health policy and management of the state's publicly funded health service systems. The MDHHS utilizes the EGrAMS software to implement the MI E-Grants program.

EGrAMS is an Electronic Grants Administration & Management System to aid users in the grants process. The System is password protected and only authorized users can access the system.

To access MI E-Grants, you should have a valid User ID. To apply to become an authorized user, you first need to create a User profile (see left side bar). Once created, your request will be reviewed, and if accepted, you will be notified by email.

The options in the left pane of the home page do not require a valid User ID. Move the mouse over the options to view additional details for each option. For additional information, click on the book icon at the top of the page.

If you have any problem accessing the application, please contact Brenda Roys, MI E-Grants Helpdesk at (517) 373-1207 or at RoysB@michigan.gov. Please include your full name and complete telephone number (with area code) when you contact the MI E-Grants Helpdesk.
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**Documents**

- Attachment I – Instructions for the Annual Budget
- Attachment III – Program Specific Assurances and Requirements
- Footnotes – includes:
  - CSHCS Rates
  - HIV Rate
  - Body Art
  - Immunizations (AFIX, Nurse Education, VFC, VFC/AFIX) Rates
- Maintenance of Effort
- Comprehensive Applicable Laws, Rules, Regulations, Policies, Procedures and Manuals

**Forms:**
- Immunizations Fixed Fees Spreadsheet
- Body Art Spreadsheet
- CSHCS Medicaid Outreach Rates
- Etc.
MDHHS COMPREHENSIVE AGREEMENT

- Budget amendment is necessary if moving $10,000+ or 15% (whichever is greater) from one category to another
  - Exception for PHEP and CRI which is limited to a 15% variance before a budget amendment is required

- All budget amendments must be requested by June 2\textsuperscript{nd} of each year ("final" amendment)
Grants generally fall into these main categories:

- Federal – USDA, HHS, CDC
- State – MDHHS, DEQ
- Foundations
  - Large National – Robert Woods Johnson
  - State – BCBSM, Michigan Health Endowment Fund
  - Local – Spectrum Health Foundation, Community Foundations
Grant Opportunities should be evaluated prior to submitting the application.

- Have a clear understanding of grant objectives, funding, spending restrictions, timing, and match requirements
- Ask some questions:
  - Does it fit within the Health Department’s mission
  - Is the project something the Health Department is ready to take on
  - What resources are needed to complete the project
  - To what extent does the grant pay for indirect costs
OTHER GRANT TIPS

- Determine if partners are required. If so, is there a solid commitment from these partners
  - Sub-recipient agreements are required
  - If sub-recipient agreements, regular monitoring is required

- Grant programs involving federal dollars are subject to additional compliance and potentially a Single Audit

- Successful grant projects will create strong relationships with grantors, and will assist with securing future funding request
FEDERAL GRANT GUIDANCE
2 CFR, PART 200 ("SUPER CIRCULAR")

- 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
- Supplementing vs Supplanting
  - Supplement: “to add to or complete”
  - Supplanting: “to take the place of”
GRANT CLOSEOUT

- Make sure goods and services have been received prior to the end of the grant and that payment is completed
- Do not make unusual expenditures at the end of the project (i.e., large supply purchase)
A budget is a financial plan that lists expected expenses and income during a particular period.

All programs need a budget

Essential components of a program budget:
- Program Requirements/ Work Plan and Contract
- Expected Program Revenues
- Required Resources (staff, supplies, etc.)
- Historical program data and trends, if available
- Consideration of external factors
  - State funding allocations
  - Competition
  - The economy
Program budget management is critical

It is critical that Program staff work closely with Finance Staff
  ➢ Develop spending plans that outline program work to be done
  ➢ Notify Finance staff of any changes
  ➢ In most cases, Finance is required to notify grantor of changes in planned spending.
  ➢ Finance ensures that expenditures are allowable under the grant.

Program Director/Manager responsibilities
  ➢ Ensure that proposed workplan is being completed
  ➢ Review budget variances monthly, at a minimum
  ➢ Identify and explain significant budget variances
  ➢ Make recommendations and manage staff to address anticipated budget variances
BUDGET PROCESS - STATE

1. Develop Program Budget
   • Contact Program Coord.

2. Enter Budget into eGrams
   • Submit Budget to State

3. Budget Approved by State
   • Electronically Sign CPBC Contract
CHALLENGES/OPPORTUNITIES

• Financial Challenges
  ➢ Uncertainty of Grant Funds
  ➢ Staffing
  ➢ Legacy Costs (Health and Retirement)
  ➢ High Indirect costs
  ➢ Flat county appropriations
  ➢ Inconsistent State funding

• Unfunded and Underfunded mandates
  ➢ Should be a 50/50 funding arrangement with the State.
  ➢ Most Health Departments are closer 30-35% State, 65-70% Health Department

• State/Federal requirements/bureaucracy

• Participate in MALPH Forums

• Get involved in various State workgroups
THANK YOU!

- Questions?

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