

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUREAU OF IMPROVEMENT AND INTEGRITY
FINANCIAL COMPLIANCE UNIT



CONTRACT COMPLIANCE REVIEW
HOPE ON HAVEN HILL
JULY 20, 2018

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUREAU OF IMPROVEMENT AND INTEGRITY
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I. ACRONYMS AND DEFINITIONS

Acronyms

BII
BOD
CMS
DHHS
DFA
ED
FFY
HHH
RSA
QI
TANF

Definitions

Bureau of Improvement and Integrity
Board of Directors
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Division of Family Assistance
Executive Director
Federal Fiscal Year
Hope on Haven Hill
Revised Statute Annotated
Quality Improvement
Temporary Assistance for Needy Families

II. EXECUTIVE SUMMARY

On October 25 - 27, a team of staff from the NH Department of Health and Human Services (DHHS), Division of Family Assistance (DFA) and Bureau of Improvement and Integrity (BII) conducted a contract compliance site review of the Hope on Haven Hill (HHH).

DFA administers federal funds received from the Temporary Assistance for Needy Families (TANF) and from the Centers for Medicare & Medicaid Services (CMS). DFA uses these federal funds for the provision of substance use disorder treatment services. These services include residential and/or supportive housing and wraparound services to pregnant women and/or parenting women who are experiencing substance use disorders. These recipients must have income at or below 185% of the Federal Poverty level; and are homeless or at risk of becoming homeless in Strafford County.

A federal directive, OMB Circular A-133, Section 400(d) requires DHHS to monitor the activities of contract agencies receiving TANF funds. This ensures that federal funds are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. As one element of the monitoring process, DHHS conducts site reviews of contract agencies. The Uniform Guidance regulations, section 200.331 also has similar requirements. These reviews are conducted in accordance with the Exhibit C, Section 9.1 of the contract. This section of the contract states:

“During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.”

The project team conducting the review consisted of several DHHS staff members. HHH received advance notification of the review in the form of a letter. The letter described the planned review and requested certain financial information be forwarded to DHHS prior to the visit.

HHH provides services that include:

- Residential services;
- Outpatient services;
- Assists with basic needs
- Transportation; and
- Offers recovery resources.

The review focused primarily on contract and administrative rule compliance. It also included a general financial review and interviews of clients, staff, the Executive Director (ED) and Board of Directors (BOD). The project team identified strengths and opportunities for improvement throughout the evaluation process.

For the period ending June 30, 2017, the agency appeared to have sufficient financial health. We found that the agency had inadequate formal policies and procedures. In addition, the agency had insufficient documentation regarding some Medicaid reimbursed billings.

Human Resource: Our review identified the following deficiencies in the area of Human Resources:

- Documentation of required trainings in employee HR files.
- Documentation of staff development plans in employee HR files.

Billing: Our review identified the following deficiencies in the Medicaid billing practices:

- Required documentation on progress notes.
- Required documentation on treatment plans.

Miscellaneous Deficiencies:

- The Agency should provide on a quarterly basis a detail of the child care and transportation costs to ensure compliance.
- The agency should develop narratives that describe the required specific types of counseling and education offered to clients.
- Invoices submitted to DHHS for reimbursement must match the expense descriptions included on the approved budget.
- There should be a BOD orientation manual.

The agency should have formal written policies and procedures for the following business areas:

- Safe sleep practices
- Treatment plans include all of the required documentation
- A written corrective action plan (when applicable) to the Department for review and approval no later than 10 days from receiving notice of noncompliance from the Department
- Treatment of co-occurring disorders is in accordance with scope of law and practice
- Ensuring audit findings are addressed and corrective action taken
- Seeking out proposals for major purchases
- Requiring petty cash to be periodically counted on a surprise basis
- Indirect cost allocation methodology
- Marking invoices paid to prevent duplicate payment
- Reconciling bank statements on a monthly basis
- Reviewing the sanctioned list when making purchases
- Creating a threshold of dollar amount for an asset to be capitalized

III. AGENCY BACKGROUND INFORMATION

According to the website, “Hope on Haven Hill is a level 3.5 substance use treatment organization serving homeless, pregnant and newly parenting mothers who are in recovery. Hope on Haven Hill has an eight (8) bed residential facility and outpatient services, including a developing intensive outpatient program.”

“HHH’s residential facility opened in December of 2016 and was immediately filled to its capacity to serve eight women and shelter their babies with them. HHH is one of only two residential centers in NH serving this population. On a daily basis, residents are engaged in an intensive program, which includes group and individual therapy, 12 step programs, smoking cessation seminars, parenting education, recovery support activities, educational and job training and case management for their transition out of treatment.”

“In addition, the organization has just launched its outpatient counseling services, providing individual and group counseling for individuals with substance use disorder.”

According to the agency website (<http://www.hopeonhavenhill.org>) the mission statement is:

“To provide a nurturing therapeutic home environment for pregnant women with substance use disorder who are seeking recovery. By providing a safe home with comprehensive addiction treatment services, family therapy, parenting classes, advancement in education and life coaching we will support families in their recovery from addiction. An enriched self-esteem, confidence and a tool belt full of life skills will promote independence and sustained sobriety.”

IV. PURPOSE, SCOPE AND METHODOLOGY OF REVIEW

A team of DHHS staff conducted a review of HHH on October 25 – 28, 2017. DHHS receives federal funds from TANF and CMS and contracts with local agencies such as HHH for services and supports. Strengths and opportunities for improvement were identified throughout the review process.

The purpose of the review was to:

- Assess compliance with state administrative rules and DFA contracts;
- Review documentation supporting claims submitted to DFA for reimbursement;
- Identify opportunities for technical assistance from DFA; and
- Identify best practices.

The scope included the review of:

- Program descriptions;
- Required components of personnel files;
- Agency policies and procedures;
- Interviews of clients, staff and BOD;
- Billing invoices and payroll; and
- Client records.

V. OBSERVATIONS AND RECOMMENDATIONS

Requirement: According to Exhibit A 1.2 “The Contractor shall ensure appropriate use of funds consistent with the Federally mandated purposes of the TANF program pursuant to 45 CFR 260.20 which may include:”

- Exhibit A Section 1.2.1 - “Food, clothing, shelter, utilities, household goods, personal care items up to 4 months to an individual family;”
- Exhibit A Section 1.2.2 - “Child care and transportation up to 4 months unless parent is employed, then case services can be extended;”
- Exhibit A Section 1.2.3 - “Services such as substance use disorder treatment, counseling, case management, peer support, job retention and job advancement including training and education and other employment-related services that do not provide basic income support and;”
- Exhibit A Section 1.2.4 - “Non-medical services not covered by Medicaid or private health insurance such as dental services, auto registration, personal care, and books and tuition subject to department approval.”

Observation: The Agency did not provide adequate documentation to ensure only four months of childcare and transportation services were provided.

Recommendation: The Agency should provide on a quarterly basis a detail of the child care and transportation costs to ensure compliance.

Contract Agency Response: Six months ago HHH created a system for tracking childcare and transportation costs to ensure compliance. Beginning with this contract we will provide this quarterly report to DHHS. We have assigned our new contracting and billing manager (Office Manager) to this task.

Requirement: According to Exhibit A Section 2.8, “The Contractor shall admit both women and their children, who are under the age of 5 or not yet eligible for public school enrollment, into treatment services, as appropriate, allowing the child(ren) to remain in the mother’s care. The Contractor shall ensure:”

- Exhibit A Section 2.8.1 – “Safe Sleep environments for infants aimed at reducing the risk of Sudden Unexpected Infant Death syndrome, including Sudden Infant Death Syndrome (SIDS).”
- Exhibit A Section 2.8.2 – “Written policies are developed that describe the practices to be used to promote Safe Sleep, in accordance with recommendations for the American Academy of Pediatrics (AAP) when infants are napping or sleeping. For detailed information on safe sleep refer to <http://cfoc.nrckids.org/StandardView/3.1.4.1and> <http://pediatrics.aappublications.org/content/pediatrics/128/5/e1341.full.pdf>
- Exhibit A Section 2.8.3 - Developmentally appropriate childcare shall be available to children, either through on-site care or through arrangements with

an off-site licensed childcare provider. It is not expected the on-site facility be licensed but should follow NAEYC guidelines in regards to developmentally appropriate childcare.”

Observation: It is unclear if the agency follows the Safe Sleep practices.

Recommendation: The agency should modify the admissions handbook to include the safe sleep practices to make the clients aware of the procedures and insure compliance.

Contract Agency Response: HHH has followed Safe Sleep practice since opening. All residents are informed of the policy, sign a document verifying they have had the policy explain to them and given a copy in writing upon admission. All recovery and clinical staff (especially those working staff throughout the evening hours) are regularly trained and reminded about our Safe Sleep policy. The policy has been embedded in the Residents Handbook and will continue to be there, but with this audit finding, HHH will now create a separate stand-alone document, have it posted and ensure every resident sees and signs the policy.

Requirement: According to Exhibit A Section 2.9.2, “Provide counseling and education about HIV, Hepatitis C, (HepC), and Tuberculosis (TB), which shall include, but not be limited to:”

- Exhibit A Section 2.9.2.1 – “The risks of needle sharing.”
- Exhibit A Section 2.9.2.2 – “The risks of transmission to sexual partners and infants.”
- Exhibit A Section 2.9.2.3 – “Steps that can be taken to ensure that HIV, HepC, and TB transmission does not occur.”
- Exhibit A Section 2.9.2.4 – “Referral to HIV, HepC, or TB treatment services, if necessary.”
- Exhibit A Section 2.9.2.5 – “Referrals for prenatal care for pregnant women.”

Observation: None of the records that were reviewed included notes regarding the following:

- Needle sharing;
- The risk of transmission to sexual partners and infants;
- Preventative steps to ensure that HIV, HepC, and TB transmission does not occur
- Referral to HIV, HepC, or TB treatment services, if necessary and;
- Referrals for prenatal care for pregnant women

Recommendation: The agency should develop narratives that describe the required specific types of counseling and education offered to clients.

Contract Agency Response: RN Kerry Norton, Founder and Chief Operating Office trains all staff annually and new staff upon hire, in HEP C, HIV and TB transmission precautions and practices and how to talk to residents about dangers of needle sharing and steps they can take to prevent transmission. She includes education about HIV, HEP C and TB in the group sessions about healthy living, which are held weekly. From this point on HHH counselors and group facilitators will document individual sessions and group sessions where this information is shared. When we identify that a resident is in need of treatment for these illnesses to medical professionals immediately.

Upon admission all clients are given the HIV Risk Assessment and counseled and educated on their risks and given a CDC pamphlet that is appropriate based on the finding. This is documented in Best Notes on the nursing admission and printed and placed in the paper chart. Further, clients are provided with ongoing education in health groups.

Upon admission residents are given several pages of information about all the services they will be provided with at HHH. A thorough description of treatment, recovery and life skill programs and service they will be engaged in while at HHH is provided to each resident and also part of the Resident Handbook.

In addition there are brochures, posters and materials about the ranges of services offered by HHH (IOP, recovery coaching, treatment, mindfulness training, smoking cessation, parenting education, yoga, conflict resolution, problem solving, meditation, nutrition, etc.

Requirement: According to Exhibit A Section 2.11, “The Contractor shall develop substance use disorder treatment plans for all clients based on clinical evaluation data and must address all ASAM (2013) domains. The Contractor shall:”

- Exhibit A Section 2.11.1 - “Update the treatment plans based on any changes in ASAM domain no less frequently than every four (4) sessions or every four (4) weeks, whichever is less frequent.
- Exhibit A Section 2.11.2 – “Ensure treatment plan goals, objectives and interventions are written in terms that are specific, measurable, attainable, realistic and timely.”
- Exhibit A Section 2.11.3 – “Ensure treatment plans include medication assisted treatment, when appropriate.”

Observation: The treatment plans that were reviewed had updates, goals, objectives and interventions written in terms that were measurable and timely.

Recommendation: The agency should have written policies and procedures to insure that the treatment plans include all of the required documentation.

Contract Agency Response: HHH has recently hired the former billing administrator for the Providers Association and HR expert as our new Office Manager. This summer she is reviewing all policies and procedures, updating employee and client files and developing a plan for unscheduled reviews for ongoing training for the staff. She will take the lead in quality assurance. She has been assigned the responsibility for creating written policies and procedures for requirements for documentation. She is mid-way through this exercise and will provide DHHS with a suite of updated policies September 1, 2018.

Requirement: According to Exhibit A Section 2.16, “The Contractor shall provide annual training to clinical staff on HCV/HIV/TB & STDs. The Contractor shall:”

- Exhibit A Section 2. 16.1 -“Ensure in-service training is available to staff; or”
- Exhibit A Section 2.16.2 - “Ensure staff attend an offsite training as approved by the Department; and”
- Exhibit A Section 2.16.3 – “Provide a list of staff that attended and completed the trainings”

Observation: There was no training documentation on HCV/HIV/TB & STDs in the staff records that were reviewed.

Recommendation: Submit documentation of required trainings. If the trainings have not taken place then provide the trainings and submit the descriptions and attendance sheets of those receiving the training.

Contract Agency Response: Attached is a list of the trainings we require staff to take and when this contract commences, the new Office Manager will keep a quarterly record of training and attendance records and submit to DHHS.

Requirements: According to Exhibit A Section 2.17, “The Contractor shall prioritize clients being served & ensure the safety of clients by”

- Exhibit A Section 2.17.1 – “Assessing all clients for risk of self-harm at all phases of treatment as well as at discharge. Ensuring appropriate staffing levels and continuity of care is maintained in a state of an emergency”
- Exhibit A Section 2.17.2 – “Creating safety and emergency procedures

within 3 months of the contract effective date on the following:

- **Medical emergencies**
- **Infection control and universal precautions, including use of protective clothing and devices**
- **Reporting employee injuries**
- **Fire monitoring, warning, evacuation, and safety drill policy and procedures**
- **Emergency closings.**
- **Exhibit A Section 2.17.4 – “Ensuring all staff receive training for emergency and disaster situations through continuous staff development that includes, but is not limited to:**
 - **Adult and infant Cardiopulmonary Resuscitation (CPR)**
 - **Use of Naloxone.**
 - **Fire and safety policies and procedures.**
 - **Universal precautions”**

According to Exhibit A Section 5.4 “The Contractor shall provide safety and emergency procedures in Section 2.10.3 to the Department no later than 60 days from the contract effective date.”

Observations: There are written safety in the workplace procedures included in the employee handbook. However, these procedures do not include assessing clients for risk of self-harm at all phases of treatment as well as discharge.

One out of 5 Human Resource (HR) records reviewed included CPR training.

One out of 5 HR records reviewed indicated training on the safety program.

No HR records reviewed included training for use of Naloxone, fire and safety policies and procedures and Universal precautions. However, there is a formal narcain policy and procedures.

Recommendations: Submit copies of safety and emergency procedures including medical emergencies and infection control. Universal precautions including use of protective clothing and devises, reporting employee injuries, fire monitoring, warning, evacuation, and safety drill policy and procedures and emergency closing.

Submit documentation of trainings. If trainings have not taken place provide the trainings and submit the descriptions and attendance sheets of those receiving the training.

Contract Agency Response: We have provided safety and emergency procedures. We have trained the staff in these procedures and have had training form local fire departments. We will submit a list of future trainings and attendance sheets once scheduled.

While we have trained and continue to train staff on the use of Naloxone, fire and safety policies and procedures and Universal precautions, but have neglected to document these trainings, going forward we will document and provide evidence of training.

We will expand our training in CPR this year and make sure all staff is trained and the training is documented.

After the audit visit, we initiated staff requirement for CPR and can provide any of these documents. These are done upon hire during orientation and annually.

Requirement: According to Exhibit A Section 2.19, “The Contractor shall provide a written corrective action plan to the Department for review and approval no later than 10 days from receiving notice of noncompliance from the Department, if the Contractor is found out of compliance with any portion of this agreement including, but not limited to, reporting requirements and/or time frames specified in the contract.”

Observation: There is currently no written corrective action plan due to DHHS.

Recommendation: The agency should develop a formal policy that states it will provide a written corrective action plan to the Department for review and approval no later than 10 days from receiving notice of noncompliance from the Department.

Contract Agency Response: We have developed the above recommended policy.

Requirement: According to Exhibit A Section 2.20, “The Contractor shall continue conducting activities specified in the corrective action plan described in Section 2.19, as monitored by the Department, until such time the Contractor comes into compliance with contract requirements.”

Observation: There is currently no written corrective action plan due to DHHS.

Recommendation: The agency should develop a formal policy that states that the Contractor shall continue conducting activities specified in the corrective action plan, as monitored by the Department, until such time the Contractor comes into compliance with contract requirements.”

Contract Agency Response: We have developed the above recommended policy.

Requirement: According to Exhibit A Section 5.4 “The Contractor shall provide sample staff development curriculum used in trainings described in Section 2.10.5 to the Department no later than 60 days after the contract effective date.”

Observation: DHHS did not see staff development plans in the HR records reviewed.

Recommendation: Submit any staff development plans the agency has completed.

Contract Agency Response: Hope on Haven Hill has a policy on training and will be writing a parallel policy on staff development within 60 days.

Requirements: According to He-W 513.04 (e) “SUD treatment and recovery support service providers shall ensure that any SUD group treatment and recovery support services described in He-W 513.05 below are delivered in accordance with the following:”

- He-W 513.04 (e) 1 – “Services shall only be covered when 2 or more individuals are present for a group service;”
- He-W 513.04 (e) 2 – “Groups shall consist of no more than 12 individuals; and”
- He-W 513.04 (e) 3 – “Groups of 8 or more individuals shall require the presence of 2 or more applicable practitioners.”

Observation: The group notes that were reviewed did not indicate how many individuals were included in the group.

Recommendations: All group notes must indicate the numbers of participants.

All staff should receive training on the proper documentation needed on progress notes.

Contract Agency Response: From this point on all documentation of groups will include the number of participants. The new Office Manager will provide monthly trainings on documentation beginning July 20, 2018.

Requirements: According to He-W 513.04 (g) “All SUD treatment and recovery support service providers shall treat co-occurring disorders in accordance with scope of law and practice.”

Observation: Currently there is no formal policy to assure that treatment of co-occurring disorders in accordance with scope of law and practice.

Recommendation: Develop a formal policy to assure that treatment of co-occurring disorders in accordance with scope of law and practice.

Contract Agency Response: HHH will draft and approve a policy to assure that treatment of co-occurring disorders in accordance with scope of law and practices shall be provided.

Requirements: SUD treatment and recovery support services providers shall maintain supporting records. According to He-W 513.10 (b)

1 “Supporting documentation shall include A complete record of all physical examinations, laboratory tests, and treatments including drug and counseling therapies, whether provided directly or by referral;

2 Progress note for each treatment session, including:

- a. The treatment modality and duration;
- b. The signature of the primary therapist for each entry;
- c. The primary therapist’s professional discipline; and
- d. The date of each treatment session; and

3 A copy of the treatment plan that is:

- a. Updated at least every 4 sessions or 4 weeks, whichever is less frequent;
- b. Signed by the provider and the recipient prior to treatment being rendered; and
- c. Signed by the clinical supervisor, prior to treatment being rendered, if the service is an outpatient or comprehensive SUD program.”

He-W 513.10 (c) states “The recipient’s individual record shall include at a minimum:

- (1) The recipient’s name, date of birth, address, and phone number; and
- (2) A copy of the evaluation described in He-W 513.05(u)(3).

According to He-W 520.03 Record Keeping Requirements, “Providers shall maintain clinical records to support claims submitted for reimbursement for a period of at least 6 years from the date of service or until the resolution of any legal action(s) commenced in the 6 year period, whichever is longer”.

Observation (Questioned Costs): DHHS did not request the entire record. The notes that were reviewed included:

- a. The treatment modality and duration.
- b. The signature of the primary therapist for each entry.
- c. The primary therapist’s professional discipline.
- d. The date of each treatment session.

However, of the record sections reviewed, progress notes were missing.

Eight out of twelve treatment plans were signed by the recipient. Also eight out of twelve had clear updates of plan within timeframes.

Recommendations: The agency should develop a table of contents for the client records.

The agency should pay back the claims that do not have all of the required documentation.

The agency should request training on how to document services.

Contract Agency Response: HHH will develop a table of contents for each client record. This requirement will be included in the policy that outlines what must be in each client record. Going forward HHH will audit files regularly and claims will be paid back if files are not being kept accordingly.

The new Office Manager will be providing training immediately and then every month of record keeping and documentation. She will do unannounced spot checks on each file to ensure all have been properly documented.

She will do a review of the claims against documentation and if remedial action is needed she will notify DHHS.

Requirement: According to Exhibit B #3 “Payment for said services shall be made as follows:”

• Exhibit B Section 3.1 – “The Contractor will submit by the tenth working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month”

Observations: DHHS reviewed the expenses that were included on the submitted invoices for three months. The invoices submitted for payment did not match the actual costs incurred. However, the actual costs incurred were higher than the submitted invoices.

There is an approved budget included in the contract. The line items included on the invoices submitted for payment did not match up with line items on the budget.

Recommendation:

Invoices submitted to DHHS for reimbursement must match the expense descriptions included on the approved budget.

The approved budget indicates a match requirement of the agency. When the expenses incurred are greater than the actual costs, the excess costs should be shown on the submitted invoice as match. There should be a three column invoice. One will be the total expenses for the month, the second will be the requested amount and the last one will be the match amount.

Contract Agency Response: HHH will submit invoices to DHHS for reimbursement that match the expense descriptions included on the approved budget. HHH will provide the Department with a three-column invoice, which will highlight the total expense for month, the requested amount and the match amount. The Office Manager will take responsibility for this practice going forward.

The information and recommendations in the following section are for technical assistance and best practices.

At the time of the review, it does not appear that the BOD has a formal orientation manual.

Recommendation: There should be a BOD orientation manual. It should include:

- All applicable State administrative rules.
- Overview of responsibilities (fiduciary and programmatic)
- Organizational chart including BOD subcommittees
- The mission statement
- Current list of BOD members
- All brochures of the agency.
- Copy of the By-Laws.
- Copy of the current contracts.
- Policies and procedures

This process will assist BOD members to acclimate to their role and understand their responsibilities.

Contract Agency Response: Since the interview for this audit, the BOD has developed an orientation manual complete with all of the above-identified items. Attached please see the Table of Contents for the Board Manual, the manual is more than 50 pages and can be provided if desired.

According to the internal control questionnaire completed at the time of the review, the following procedures are not documented or followed:

1. There is no formal process at the BOD level to ensure audit findings are addressed and corrective action taken.
2. There is no policy on seeking out proposals for major purchases.
3. The petty cash fund is not periodically counted on a surprise basis.
4. There is no formal indirect cost allocation methodology.
5. Invoices are not marked paid to prevent duplicate payment.
6. Bank reconciliations are not completed on a monthly basis.
7. No one reviews the sanctioned list when making purchases.

Recommendation: Develop formal policies for the following:

- Ensuring audit findings are addressed and corrective action taken.
- Seeking out proposals for major purchases.
- Requiring petty cash to be periodically counted on a surprise basis.
- Formal indirect cost allocation methodology.
- Marking invoices paid to prevent duplicate payment.
- Reconciling bank statements on a monthly basis.
- Reviewing the sanctioned list when making purchases.

Contract Agency Response: HHH has enacted most of the policies listed above since the audit review. Since that time we have hired an Office Manager and a Bookkeeper as well as an administrative assistant and they follow policies around the handling of petty cash, reconciliation of accounts, proper depositing and check cash in etc. We have in place: audit processes, checks and balances processes, a petty cash policy, a policy for major purchases which requires three bids before decision, bank statement review policy and will now develop a policy for reviewing sanctioned lists when making purchases and process for allocation of indirect costs.

At the next board meeting in August we will present the additional policies to the board and include all in the Board Handbook and in the Staff Handbook.

According to the accounting policies and procedures submitted there is currently no capitalization policy of fixed assets.

Recommendation: Develop a formal policy creating a threshold of dollar amount for an asset to be capitalized.

Contract Agency Response: We will bring this policy to the BOD for approval at its August 8, 2018 meeting and submit the policy to DHHS upon completion.