



Department of Developmental Services

**REQUEST FOR INFORMATION
RFI T6655**

EXHIBIT 3

Uniform Fiscal System Management (UFSM) Specifications

May 10, 2023

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1. FUTURE FINANCE PROCESSES

The future Uniform Fiscal System should be the integrated system-of-record for all financial information kept by the Department and all 21 regional centers. The purpose of a UFSM system is to streamline, integrate, and automate workflow across regional centers in order for internal and external users to complete essential business tasks. These tasks include core accounting management, Vendor and payment management, budget management, and the management of Regional Center Trust accounts. The ultimate resolution for DDS would be a cohesive financial management business model based on a single financial management technology solution to effectively manage and monitor financial administration.

The future state solution goals for the Department include a variety of process changes and new functionality. At the core of those goals is a desire for consolidated, accurate financial data with increased automation and reporting capabilities. Future state functionality should minimize the need for manual entry and external tracking, as well as allow for a complete financial picture to allow for more streamlined financial administration.

Uniform Fiscal System Modernization (UFSM) Business Capability Model (BCM)

The table below includes the UFSM Business Capability Model and all major business processes related to the Department and Regional Center financial administration. These Level 3 Business Processes tie to the mid-level functional requirements. There are several mid-level functional requirements required for each Level 3 business process to be successfully completed.

Table 1: UFSM BCM

Level 1		
1.0 General Ledger	<ul style="list-style-type: none"> 1.1 Maintain General Ledger 1.2 Manage Reconciliations 	<ul style="list-style-type: none"> 1.1.1 Maintain General Ledger 1.1.2 Manage Journal Entries 1.2.1 Reconcile Bank File 1.2.2 Manage Board of Control Claims 1.2.3 Close Period
2.0 Purchase to Payment – Operations	<ul style="list-style-type: none"> 2.1 Manage Operations Vendors 2.2 Manage Operations Purchasing 2.3 Manage Operations Payment 	<ul style="list-style-type: none"> 2.1.1 Manage Operations Vendors 2.2.1 Manage Purchase Requisitions 2.2.2 Manage Purchase Orders 2.2.3 Manage Contracts 2.2.4 Manage Invoices 2.3.1 Manage Payments

3.0 Purchase to Payment – Purchase of Services (POS)	<ul style="list-style-type: none"> • 3.1 Manage Purchase of Services Service Providers • 3.2 Manage Purchase of Services Purchasing • 3.3 Manage Purchase of Services Payment 	<ul style="list-style-type: none"> • 3.1.1 Manage Rates • 3.1.2 Manage Service Provider Billing • 3.2.1 Manage POS Invoices • 3.3.1 Manage POS Payments
4.0 Consumer Trust	<ul style="list-style-type: none"> • 4.1 Manage Trust 	<ul style="list-style-type: none"> • 4.1.1 Set Up Trust • 4.1.2 Change SSI/SSA Rate • 4.1.3 Manage Benefits and Wages • 4.1.4 Manage Trust Receivables • 4.1.5 Manage Trust Disbursements • 4.1.6 Manage Trust Loans
5.0 Accounts Receivable	<ul style="list-style-type: none"> • 5.1 Manage Accounts Receivable 	<ul style="list-style-type: none"> • 5.1.1 Manage State Claim • 5.1.2 Manage Accounts Receivable
6.0 Fixed Assets	<ul style="list-style-type: none"> • 6.1 Manage Fixed Assets 	<ul style="list-style-type: none"> • 6.1.1 Record and Track Assets • 6.1.2 Retire Assets
7.0 Budget Management	<ul style="list-style-type: none"> • 7.1 Manage Budget 	<ul style="list-style-type: none"> • 7.1.1 Create Budgets • 7.1.2 Maintain Budgets
8.0 Audits	<ul style="list-style-type: none"> • 8.1 Service Provider Audits • 8.2 Regional Center Audits 	<ul style="list-style-type: none"> • 8.1.1 Manage Service Provider Audits • 8.2.1 Manage DDS Audits of Regional Centers

Finance To-Be Processes

From December 2022 through April 2023, the DDS project team comprised of DDS management, subject matter experts (SMEs), Regional Center representatives, and business process consultants created process workflows and mid-level requirements reflective of desired future state. The team developed these process workflows and mid-level requirements by analyzing current state processes and hosting 16 group brainstorming and workshops with subject matter experts and Regional Center representatives to determine desired changes to the current state. These changes and desired future functionality are represented in all future state workflows and mid-level requirements.

The project team has developed 30 workflows with associated mid-level requirements to reflect future state process and functional needs. The processes are summarized in the table below and the process flows can be found in Section 4 To-Be Workflows.

Table 2: Finance Processes

Business	
<p>1.0 General Ledger</p>	<p>1.1 Manage General Ledger</p> <ul style="list-style-type: none"> • 1.1.1 Maintain General Ledger: This process includes the management of the General Ledger and Chart of Accounts by Regional Center and DDS staff. This may include additions or changes to existing Chart of Accounts segments or adjustments to revenues or expenditures. This allows the General Ledger to contain accurate financial information for financial summary reporting. • 1.1.2 Manage Journal Entries: This process includes the use of Journal Entries to perform financial actions that may impact the General Ledger. This would include the application of funds received against an account, or any other financial change that needs to be applied to the financial record. <p>1.2 Manage Reconciliations</p> <ul style="list-style-type: none"> • 1.2.1 Reconcile Bank File: This process allows the reconciliation of financial information from the system to the bank file. This ensures that all transactions performed in the system and all revenues and expenditures are consistent with the transactions held by the bank to the appropriate accounts. • 1.2.2 Manage Board of Control Claims: This process refers to the receipt of funds for a closed period, and the process of applying those funds retroactively and reconciling the funds received. Funds received that need to be applied to a previous or closed period require review and approval from the Board of Control, after which case they may be applied to a designated account. These claims need to be accounted for appropriately. • 1.2.3 Close Period: This process includes all financial closing activities at the end of a period. This may be a monthly close, annual close, or some other designated period. This includes reporting and reconciliation activities to ensure all accounting requirements have been met for that period.
<p>2.0 Purchase to Payment - Operations</p>	<p>2.1 Manage Operations Vendors</p> <ul style="list-style-type: none"> • 2.1.1 Manage Operations Vendors: This process includes the addition of an Operations Vendor to the system Vendor record, including any required financial information associated with the Vendor. This process allows the maintenance of a consolidated Operations Vendor record.

Business Capability Area	Process Summaries
	<p>Operations Vendors include any Vendor providing services or goods directly to the Regional Center, and any non-POS purchases or services.</p> <p>2.2 Manage Operations Purchasing</p> <ul style="list-style-type: none"> • 2.2.1 Manage Purchase Requisitions: This process allows individuals to request the purchase of a good or service for operations purchases. Once approved, purchase requisitions will pre-encumber funds to be spent on said goods or services until which time the purchase is executed. • 2.2.2 Manage Purchase Orders: This process is initiated by the completion of a Purchase Requisition. Once approved, a Purchase Requisition record should become a Purchase Order record to maintain record of the acquisition of goods or services. Approved Purchase Orders are assigned to the Vendor record providing the good or service, and funds are encumbered for the purchase. • 2.2.3 Manage Contracts: Regional centers maintain many types of contracts. This includes operations contracts, POS contracts, DDS contracts with regional centers, and others. This process includes the creation of a new contract, and the assignment of financial information and/or performance metrics to the contract. This process also allows the creation of purchase orders from a contract agreement. • 2.2.4 Manage Invoices: This process includes the development of an invoice resulting from an executed Purchase Order. This invoice will be reviewed and approved in anticipation for final payment processes to the Vendor providing the goods or services purchased. <p>2.3 Manage Operations Payments</p> <ul style="list-style-type: none"> • 2.3.1 Manage Payments: This process includes the batch processing of invoices for payment, creation of the payment files, and ultimate approval and submittal of those payment files to the bank for final payment to Vendors or other operations payees. Payment types may include check payments or EFT payments. This should be tied to the Vendor record to ensure Vendors receive information about payments issued to them after purchase.
<p>3.0 Purchase to Payment – Purchase of Services (POS)</p>	<p>3.1 Manage Purchase of Services Service Providers</p> <ul style="list-style-type: none"> • 3.1.1 Manage Rates: Service Providers for POS purchases will be assigned rates during the Service Provider Enrollment CERMS process. After the initial creation of the Service

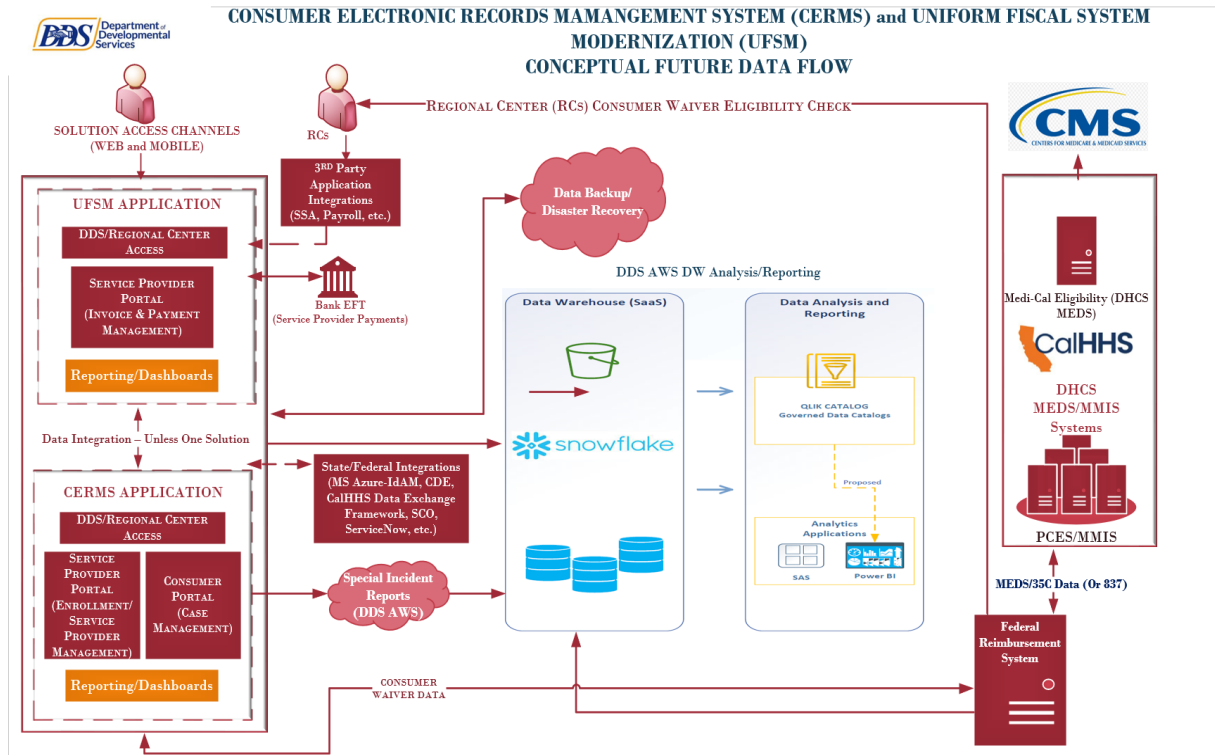
Business Capability Area	Process Summaries
	<p>Provider record, ongoing maintenance of charge rates are maintained by financial staff through this process. Rates must be maintained centrally, and be assigned to a Service Provider for the services rendered. These rates can be changed or adjusted, and those changes should be reflected throughout the system where those rates appear (invoices, payments, etc.).</p> <ul style="list-style-type: none"> 3.1.2 Manage Service Provider Billing: Service Providers will provide their initial billing information during the Service Provider Enrollment CERMS process. After the initial creation of the Service Provider record, ongoing maintenance of billing information are maintained centrally by financial staff through this process. Billing information includes bank account information and preferred payment method for Service Providers. <p>3.2 Manage Purchase of Services Purchasing</p> <ul style="list-style-type: none"> 3.2.1 Manage POS Invoices: This process includes the development and processing of an invoice for a POS-related purchase or request for funds. This may include payments for POS services requested by a consumer or Regional Center, Trust disbursements, or a request for funds through the Self-Determination Program (SDP) process. Invoices should be created and processed for payment. <p>3.2 Manage Purchase of Services Payments</p> <ul style="list-style-type: none"> 3.3.1 Manage POS Payments: This process includes the batch processing of POS invoices for payment, creation of the payment files, and ultimate approval and submittal of those payment files to the bank for final payment to Service Providers, consumers, or other designated POS payee. Payment types may include check payments or EFT payments. This should be tied to the Service Provider record and Consumer record.
<p>4.0 Consumer Trust</p>	<p>4.1 Manage Trust</p> <ul style="list-style-type: none"> 4.1.1 Set Up Trust: Regional centers maintain Trust accounts for some Consumers. These are accounts through which regional centers manage income and disburse payments for residential board and care (B&C) and personal and incident (P&I) expenses. This may be managed on behalf of a consumer. These accounts must include all revenue and expenditure information, as well as track historical Trust spending for the account. 4.1.2 Change SSI/SSA Rate: This process includes the management of SSI/SSA B&C rates for eligible consumers.

Business Capability Area	Process Summaries
	<p>Often, rates change due to cost of living adjustments and apply to all eligible consumers. These rate changes must be reflected both in the Consumer Trust account record and communicated to Service Providers.</p> <ul style="list-style-type: none"> • 4.1.3 Manage Benefits and Wages: This process updates any wage or benefit information for Consumers that may impact their benefits eligibility or amount of expected benefits. The updated wages and changed benefits information must be updated for the Social Security Administration (SSA). • 4.1.4 Manage Trust Receivables: This process includes the acceptance of Trust funds and assignment of those funds to the appropriate Trust account. Trust funds may be received on a recurring or scheduled basis. • 4.1.5 Manage Trust Disbursements: This process includes the calculation of all required disbursements for Trust-related POS or consumer funds to a consumer or consumer payee. This process leads to the development of an invoice for the amount required to be disbursed for the POS and leads to POS payments. • 4.1.6 Manage Trust Loans: In some cases, Regional Centers may be required to provide a loan to consumers for services prior to benefits being received to pay for said services. These loans must be tracked to the Trust account, and flagged for reimbursement once benefits payments are received. This process creates the loan, establishes a funding source for the loan, and marks the loan amount as requiring reimbursement when benefits are received. Any loans not reimbursed will be written off at year end.
<p>5.0 Accounts Receivable</p>	<p>5.1 Manage Accounts Receivable</p> <ul style="list-style-type: none"> • 5.1.1 Manage State Claim: State Claims are records created to indicate the need for state reimbursement for POS spending by a consumer or Regional Center. This record creates an outstanding receivable record and matches any received state claim funds to the appropriate account. This will also reconcile all received funds to the General Ledger. • 5.1.2 Manage Accounts Receivable: This process includes the creation of outstanding Accounts Receivable records and tracking funds received to those records, as well as completing reconciliation activities once funds are received.
<p>6.0 Fixed Assets Management</p>	<p>6.1 Manage Fixed Assets</p> <ul style="list-style-type: none"> • 6.1.1 Record and Track Assets: This process includes the acquisition and tracking of fixed assets. This process may be initiated through the operations purchasing processes, and once the asset is purchased it will be acquired formally as an

Business Capability Area	Process Summaries
	<p>asset. This process also includes inventory maintenance of new assets.</p> <ul style="list-style-type: none"> 6.1.2 Retire Assets: This process disposes or retires existing fixed assets, as well as crediting any funds received through the disposal or sale of the asset.
<p>7.0 Budget Management</p>	<p>7.1 Manage Budget</p> <ul style="list-style-type: none"> 7.1.1 Create Budgets: This process includes the creation of Regional Center budgets. This may be an operating budget or other type of budget, including Self-Determination Program (SDP) budget management. 7.1.2 Maintain Budgets: This process maintains the budgets created in 7.1.1. Budget maintenance includes any changes or additions to the existing budget and reconciles changes to the General Ledger.
<p>8.0 Audits</p>	<p>8.1 Service Provider Audits</p> <ul style="list-style-type: none"> 8.1.1 Manage Service Provider Audits: This process includes the creation of audit records and management of the audit process for any Service Provider undergoing an audit from a Regional Center or DDS. Audits include interaction with the Service Provider portal to allow Service Providers to submit audit information through the portal. This process also pulls financial reports for audit purposes from the system. <p>8.2 Regional Center Audits</p> <ul style="list-style-type: none"> 8.2.1 Manage DDS Audits of Regional Centers: DDS performs regular audits on regional centers. DDS will use system financial reports to inform some of the audit process, as well as request additional audit information from regional centers through the system.

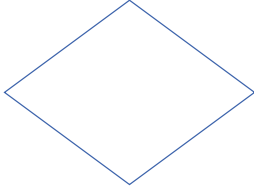

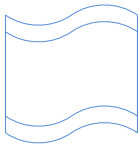
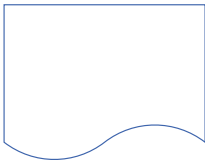

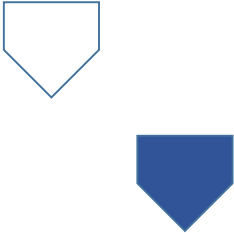
2. FUTURE CASE MANAGEMENT TECHNOLOGY AND SYSTEMS



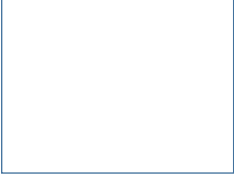


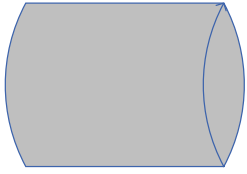

The diagram below describes the future systems and conceptual data flows to support the To-Be vision for case management and financial management. The corresponding financial management workflows are contained in Section 4 To-Be Workflows.



3. TO-BE WORKFLOW LEGEND

All the To-Be business process workflows that appear in the next section were created using Microsoft Visio. Each workflow shape is associated with a standard concept. These concepts are outlined below.

Symbol		
	Decision	A 'decision' shows a decision point, shown as yes/no or other types of decisions. Each path emerging from the decision is labeled with one of the possible answers.
	Event Start/End	An event that indicates where a particular process starts or ends. The start event starts the flow of the process and does not have any incoming sequence flow but can have a trigger. The end event ends the flow of the process, and thus will not have any outgoing sequence flows.
	Interface	The interface icon represents data communications going from one electronic system to another.
	Document	Any document used/created in the process. This includes forms and reports. If the document is a form – indicate form name and/or number.
	Connector (On Page)	This object is used to connect process steps within the same business process to avoid crossing sequence lines for readability.
	Connector (Off Page)	<p>This object is used to connect process steps on different pages in order to demonstrate inter-process dependencies and downstream impact.</p> <p>*Note: Blue off page connector icons are related to CERMS processes, while white off page connector symbols are related to UFSM processes.</p>

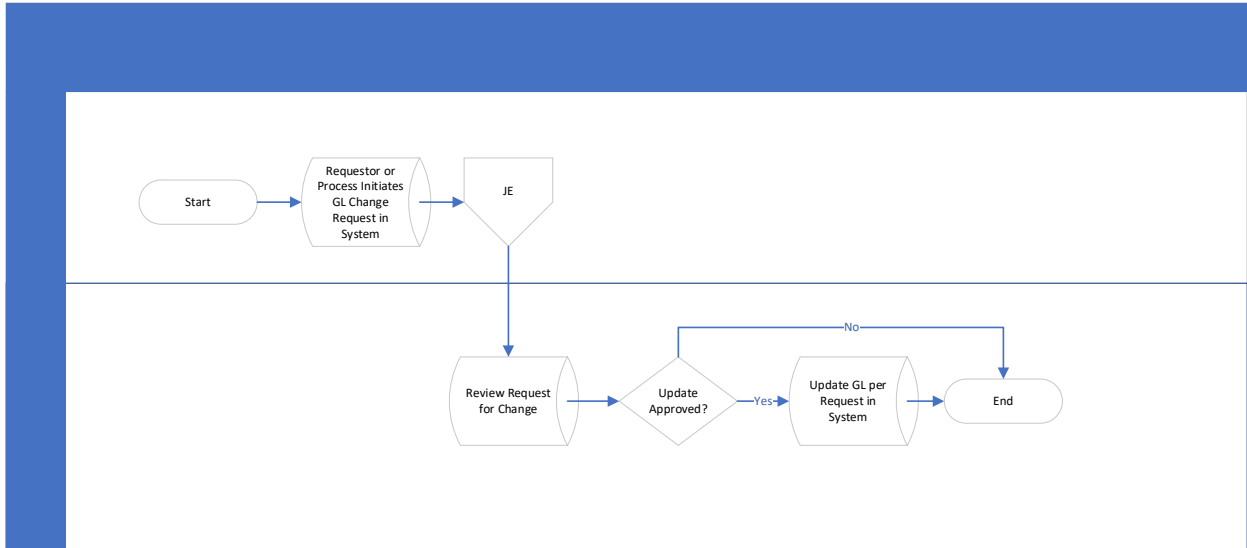
Symbol	Name	Definition
	Sequence Flow	This connecting object shows the order in which activities are performed in a process. Sequence flows are represented with a solid graphical line.
	Association	An association is used to indicate associations between data objects, text, and other artifacts with flow objects.
	Manual Task	A manual task is work that is performed manually. A task is a type of activity.
	Sub-Process	The icon identifies when the process continues to a different, unrelated process.
	System Task	A system task is work that is performed by or with the assistance of a system. A task is a type of activity. The name of the system should be identified within the task. Note: Excel spreadsheets should use the system task symbols.
	Grey Symbols	A gray in symbol indicates when a system task, decision or activity is automated, and does not require manual interaction.
	Unshaded Symbols	An unshaded symbol indicates when a system task, decision or activity is a manual interaction.

4. TO-BE WORKFLOWS

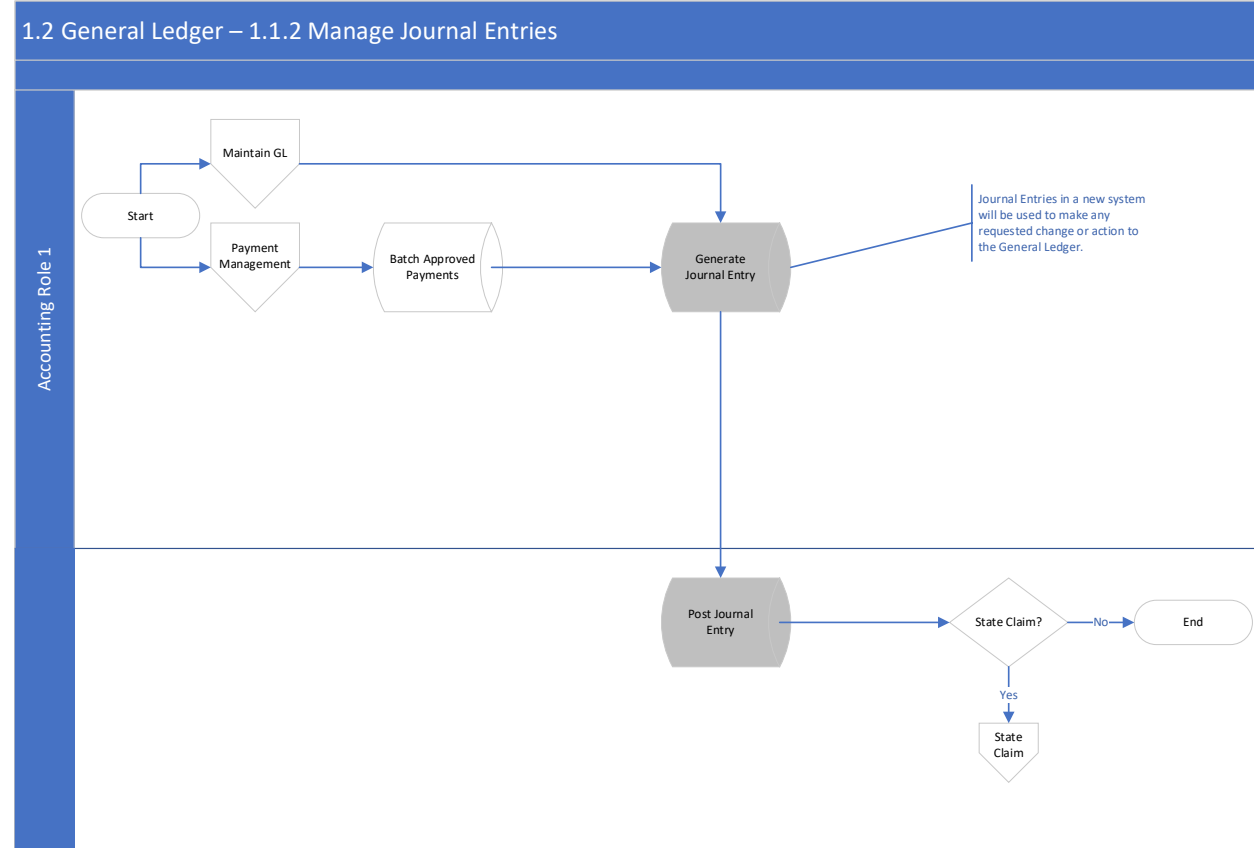
The below include the To-Be workflows reflective of the UFSM To-Be BCM discussed above.

1.0 General Ledger

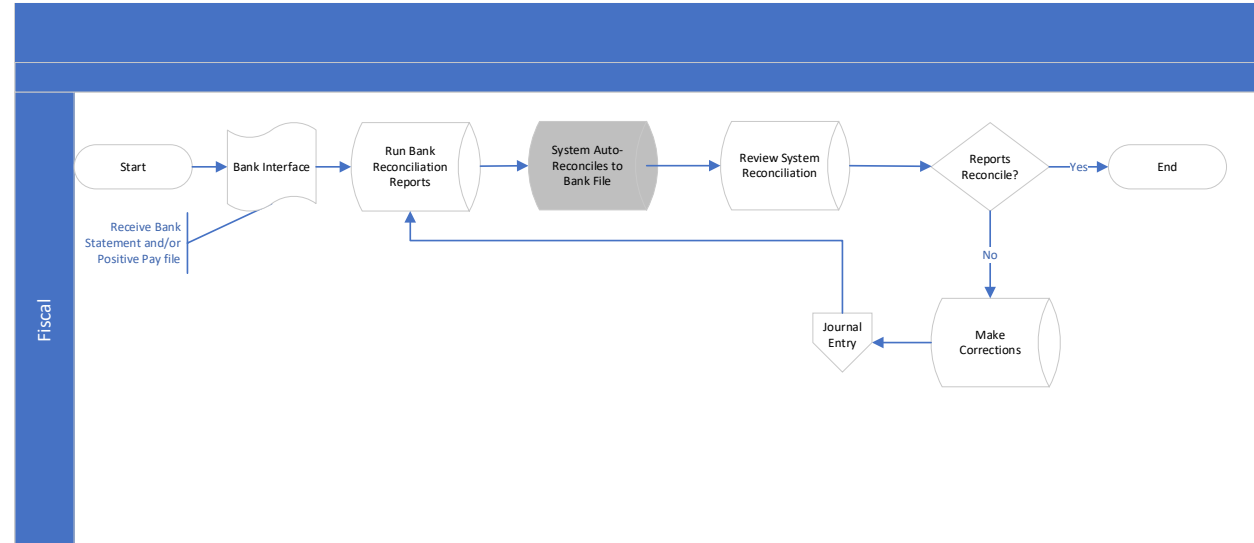
1.1.1 Maintain General Ledger



1.1.2 Manage Journal Entries

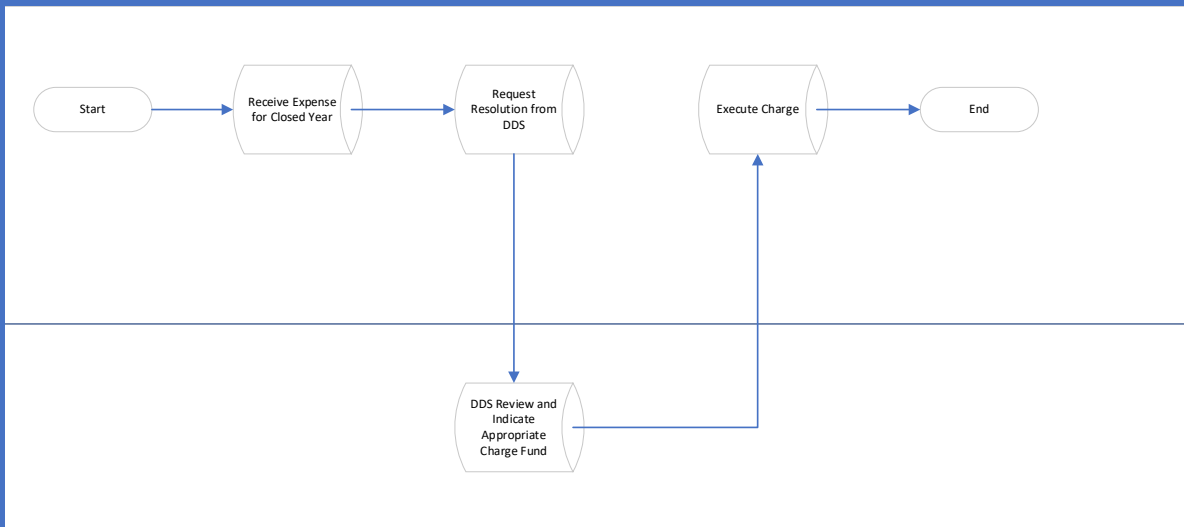


1.2.1 Reconcile Bank File



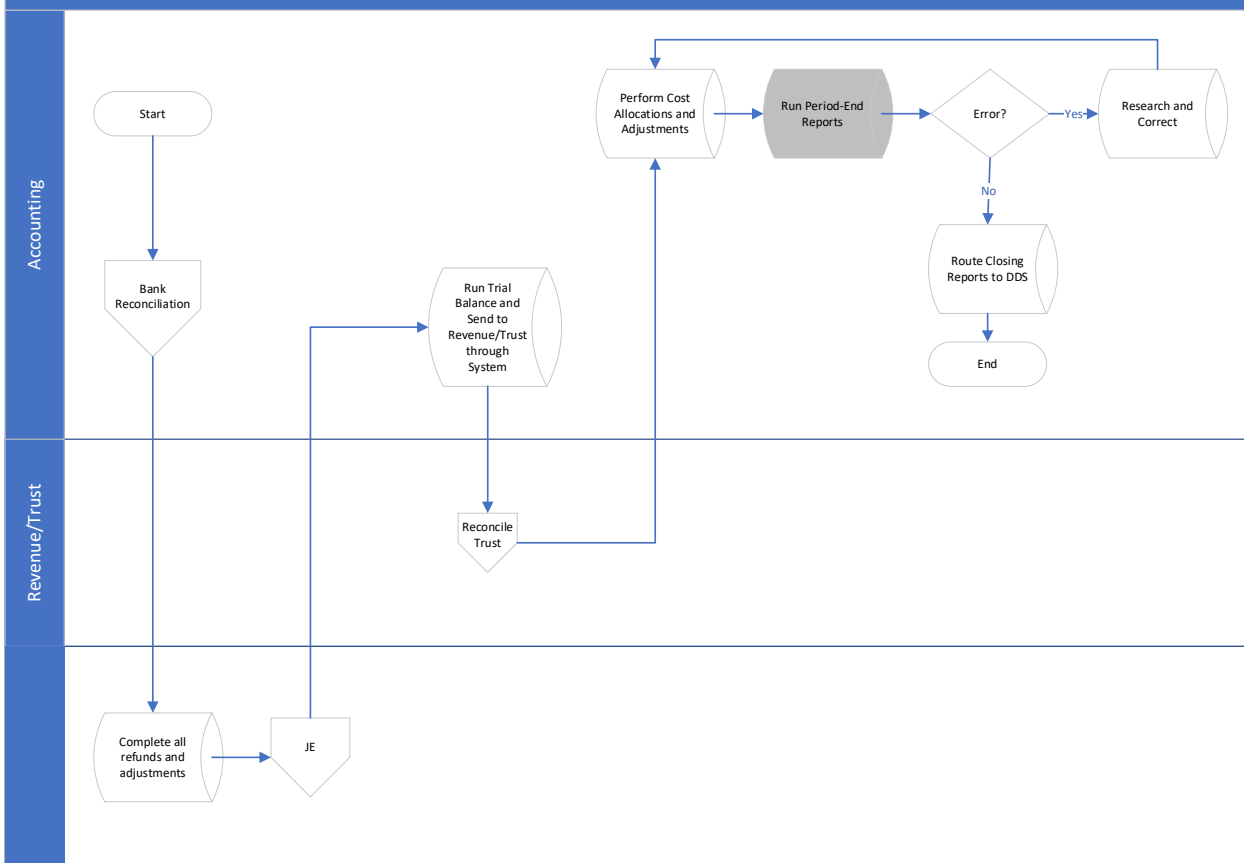
1.2.2 Manage Board of Control Claims

1.0 General Ledger – 1.2.2 Manage Board of Control Claim



1.2.3 Close Period

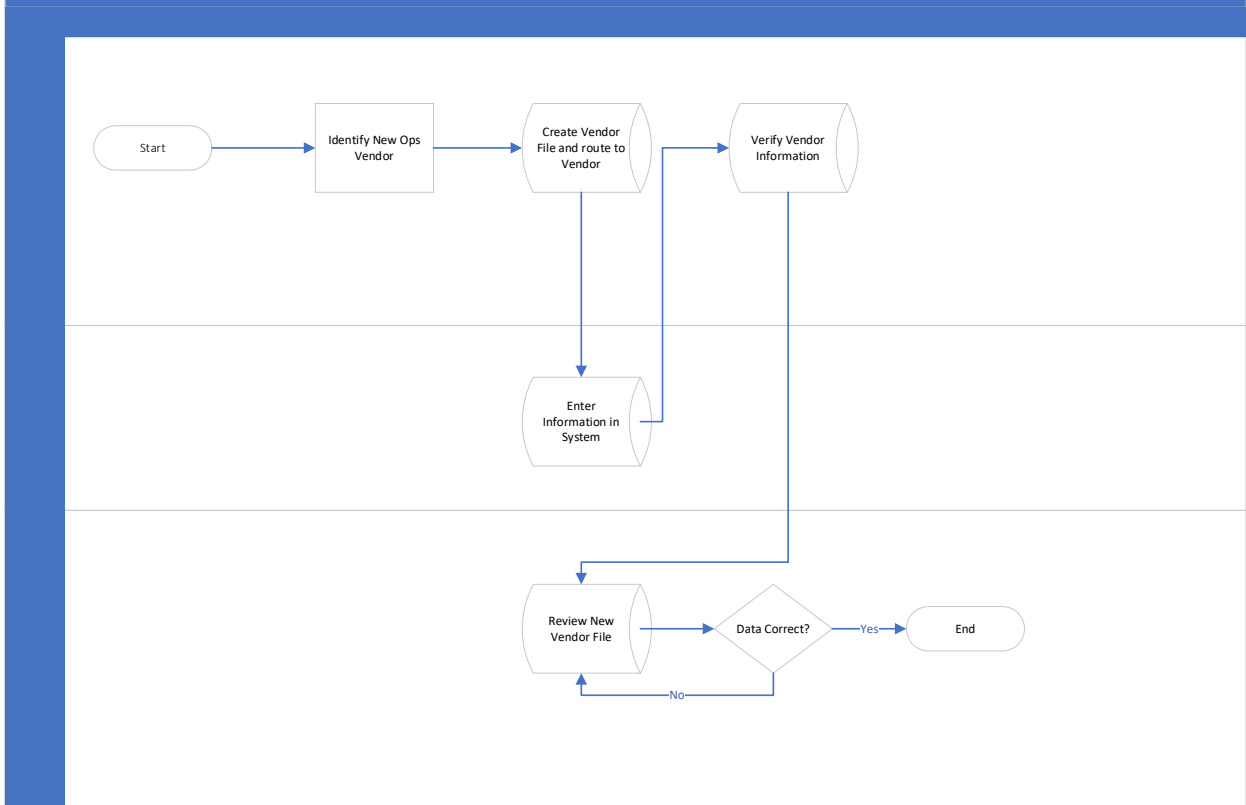
1.0 General Ledger – 1.2.3 Close Period



2.0 Purchase to Payment (Ops)

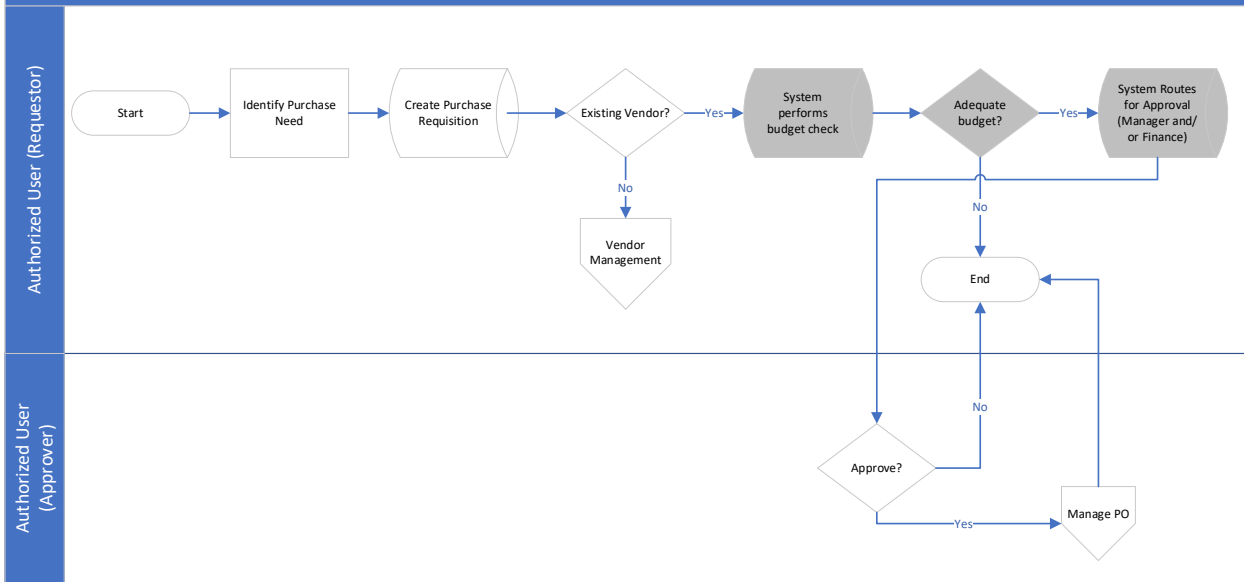
2.1.1 Manage Operations Vendors

2.0 Purchase to Payment (Ops) – 2.1.1 Manage Operations Vendors



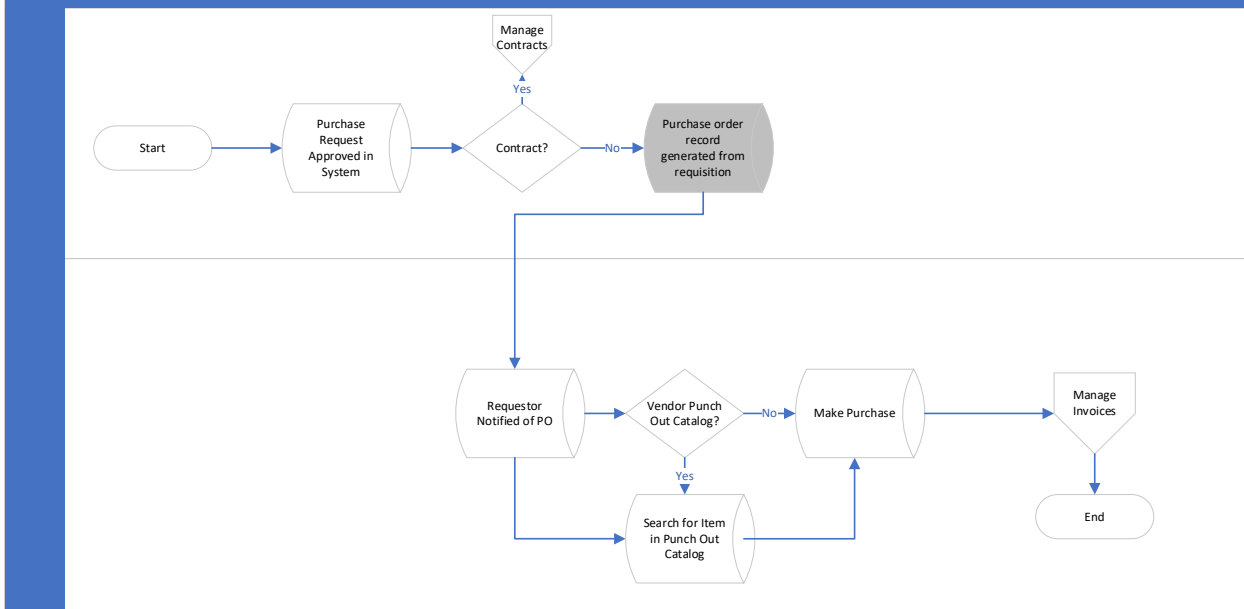
2.2.1 Manage Purchase Requisitions

2.0 Purchase to Payment (Ops) – 2.2.1 Manage Purchase Requisitions



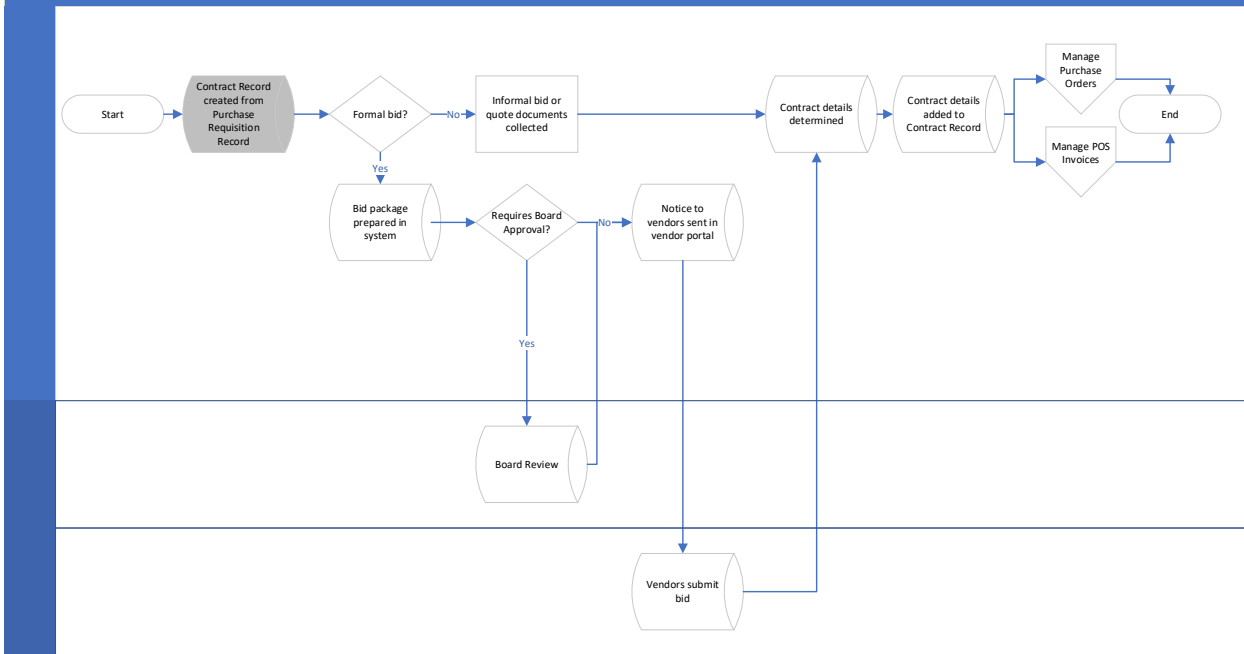
2.2.2 Manage Purchase Order

2.0 Purchase to Payment (Ops) – 2.2.2 Manage Purchase Orders (PO)



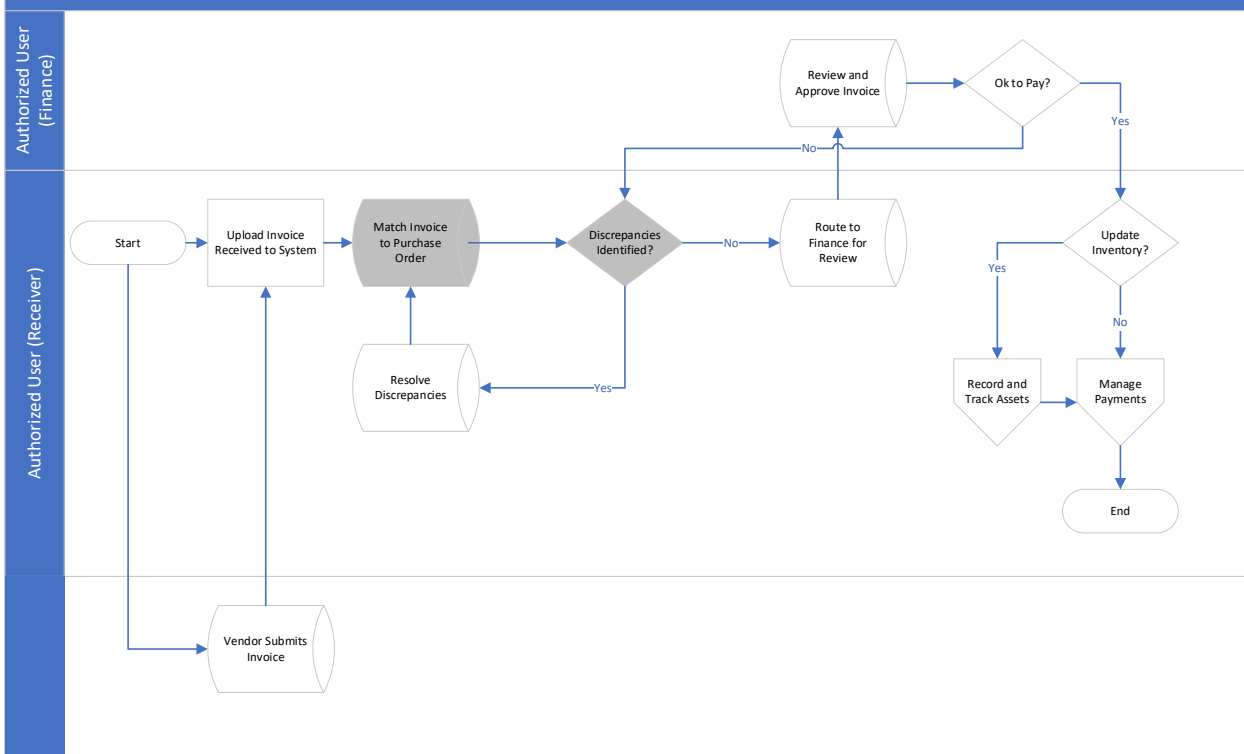
2.2.3 Manage Contracts

2.0 Purchase to Payment (Ops) – 2.2.3 Manage Contracts



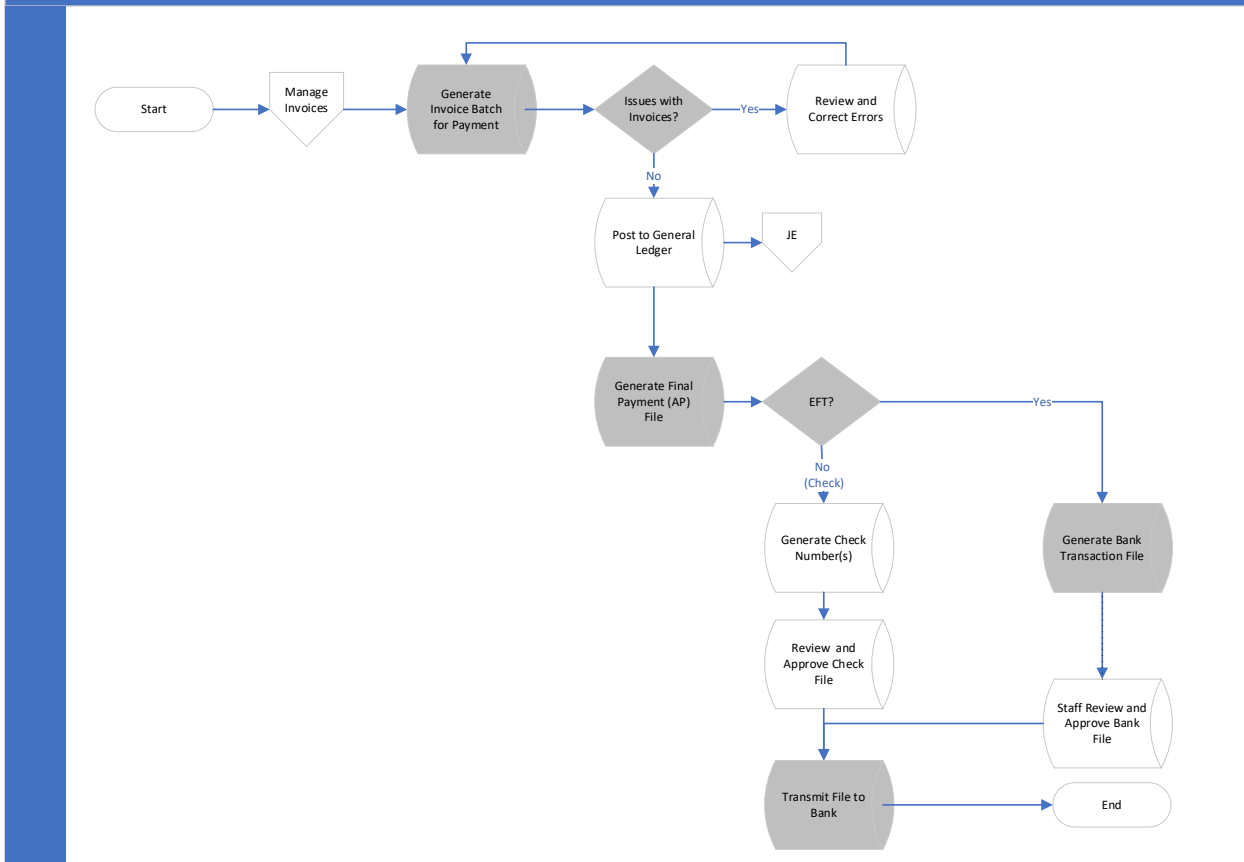
2.2.4 Manage Invoices

2.0 Purchase to Payment (Ops) – 2.2.4 Manage Invoices



2.3.1 Manage Payments

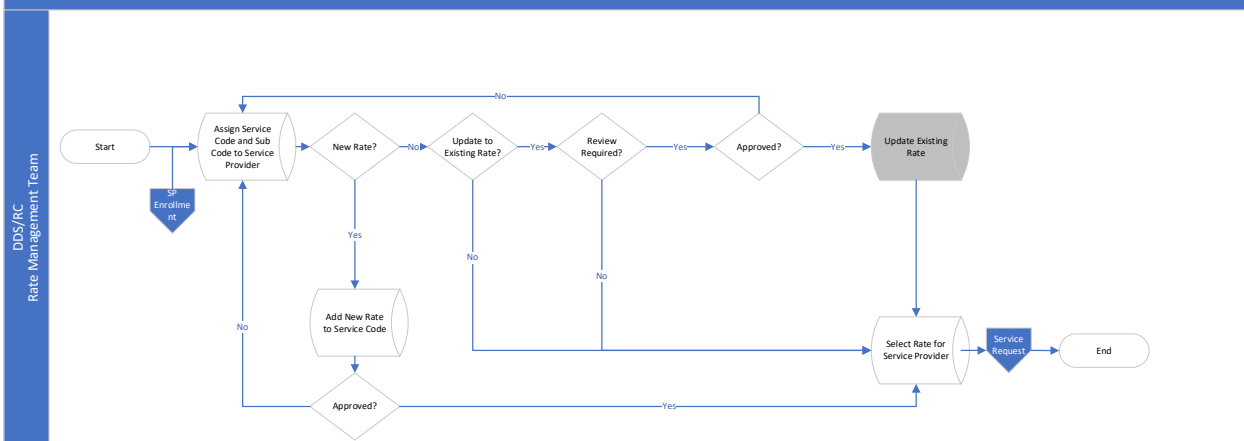
2.0 Purchase to Payment (Ops) – 2.3.1 Manage Payments



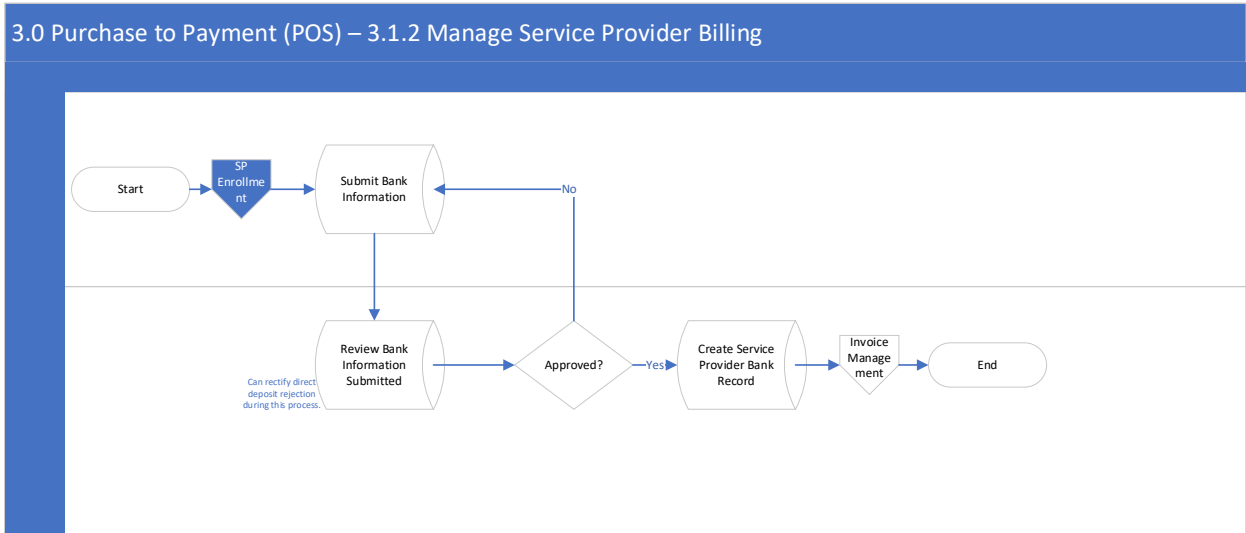
3.0 Purchase to Payment (Purchase of Services/POS)

3.1.1 Manage Rates

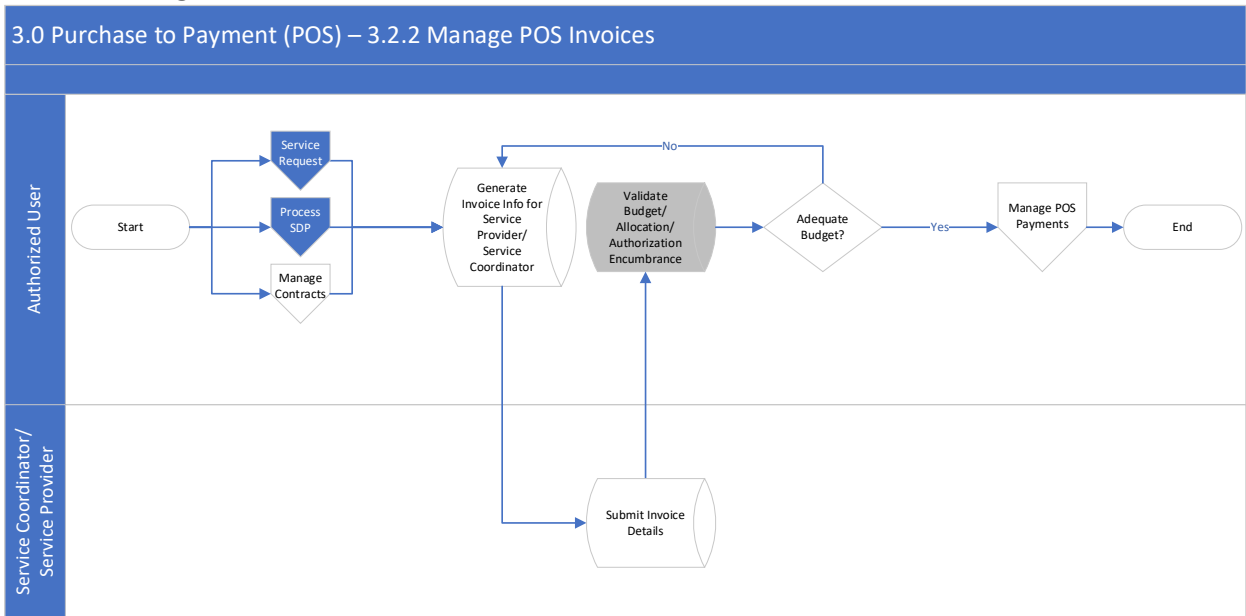
3.0 Purchase to Payment (POS) – 3.1.1 Manage Rates



3.1.2 Manage Service Provider Billing

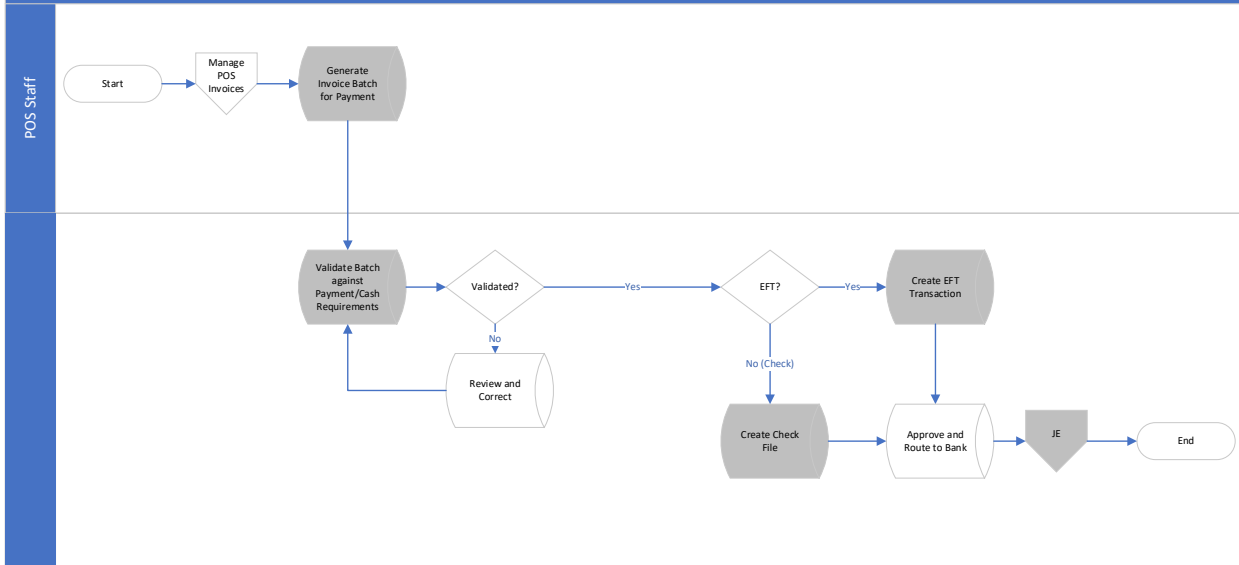


3.2.2 Manage POS Invoices



3.3.1 Manage POS Payments

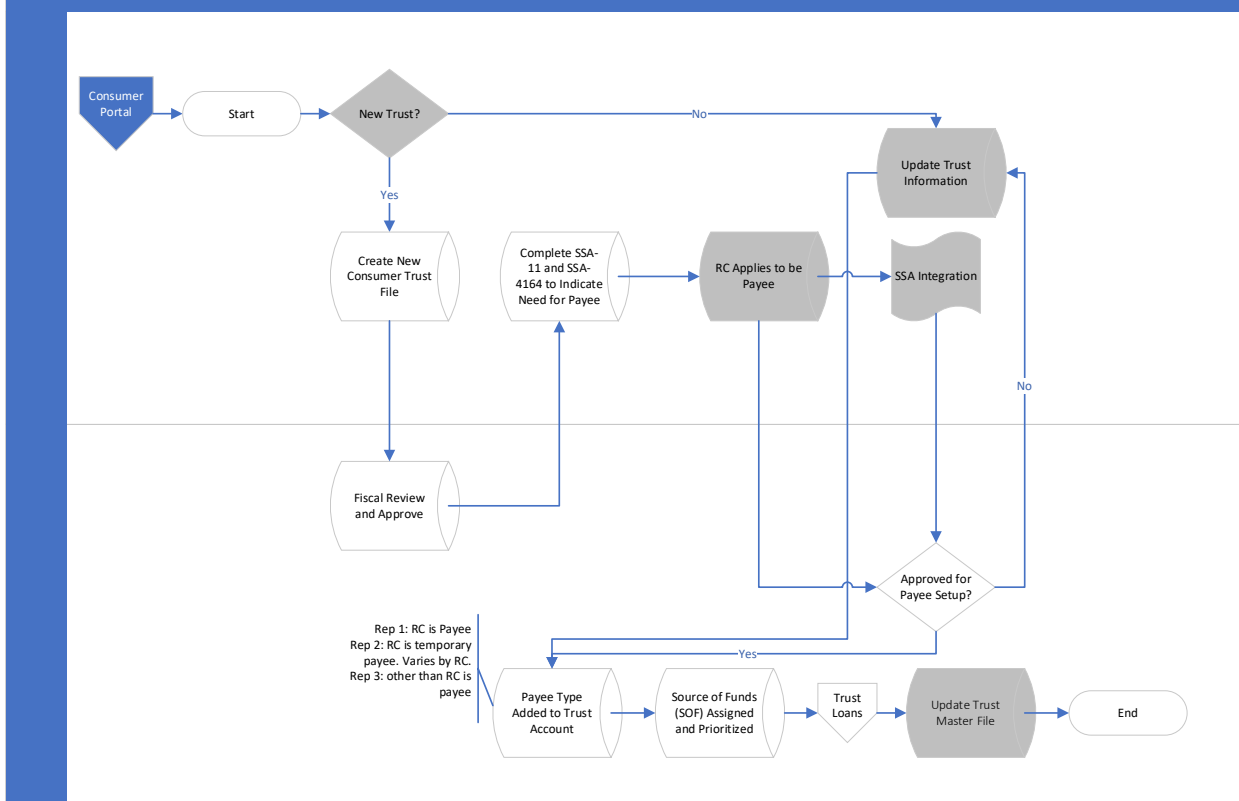
3.0 Purchase to Payment (POS) – 3.3.1 Manage POS Payments



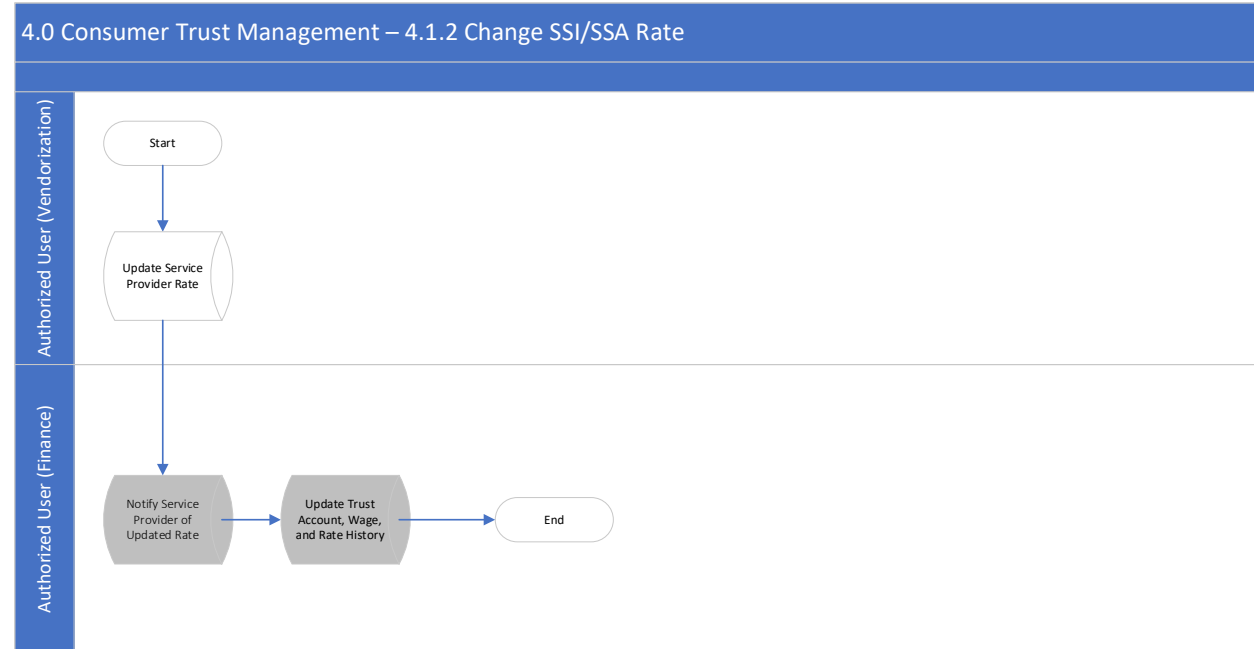
4.0 Consumer Trust

4.1.1 Set Up Trust

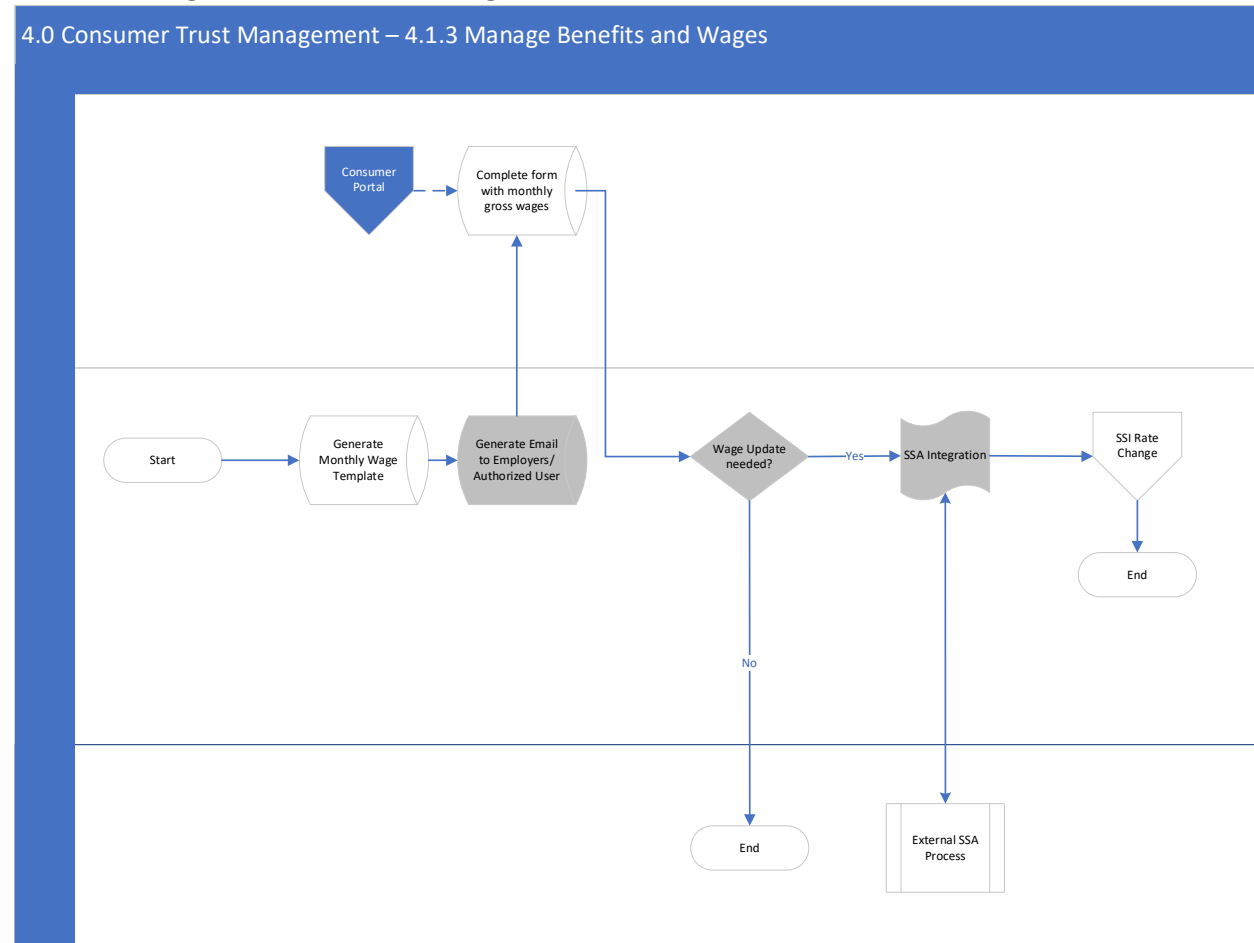
4.0 Consumer Trust Management – 4.1.1 Set Up Trust



4.1.2 Change SSI/SSA Rate

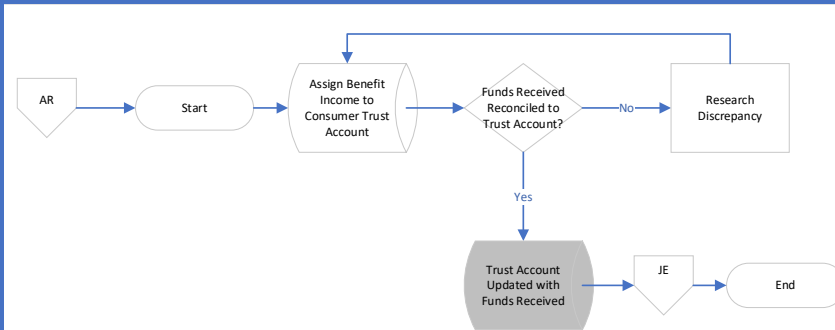


4.1.3 Manage Benefits and Wages



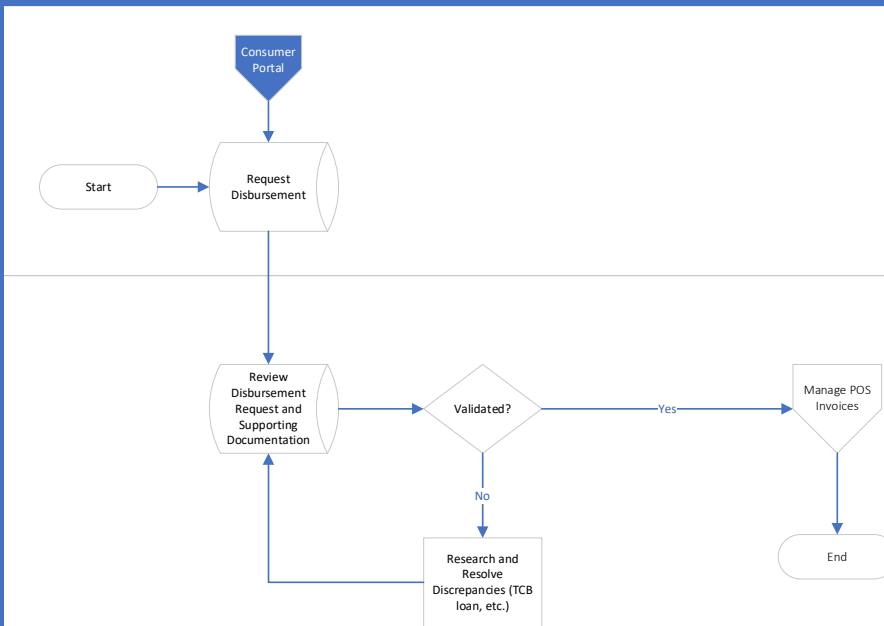
4.1.4 Manage Trust Receivables

4.0 Consumer Trust Management – 4.1.4 Manage Trust Receivables

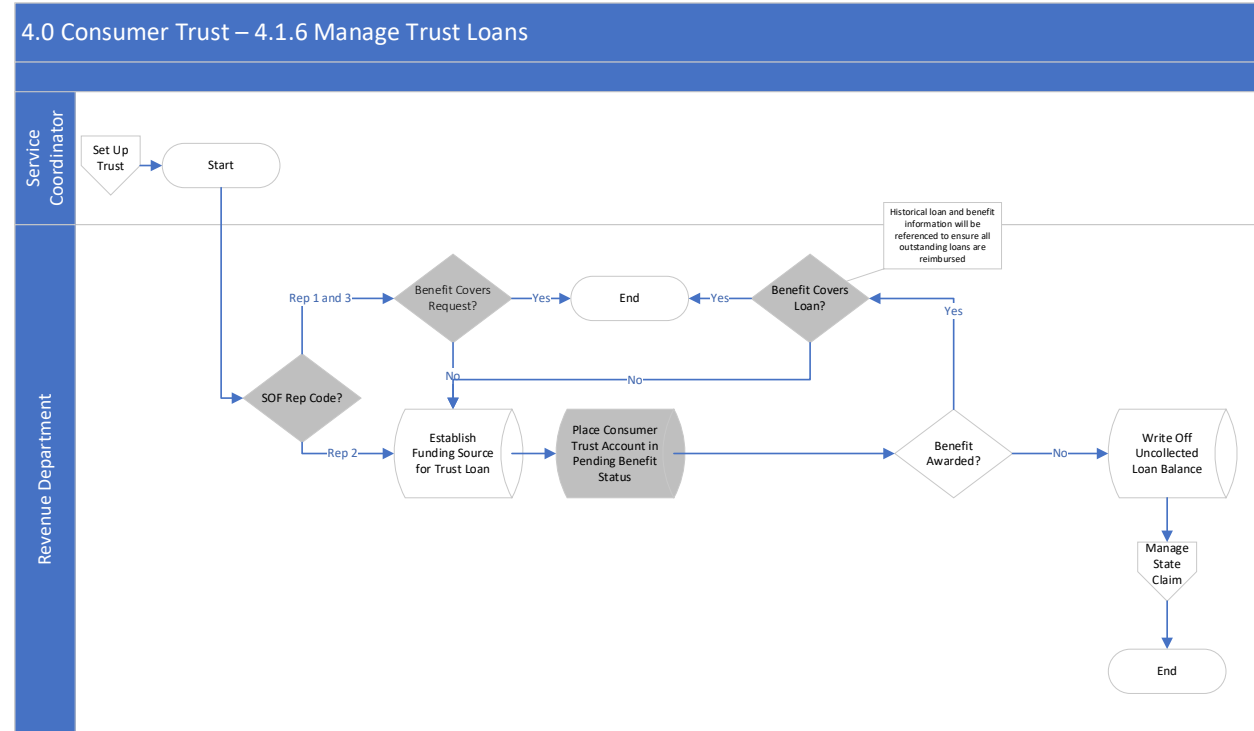


4.1.5 Manage Trust Disbursements

4.0 Consumer Trust Management – 4.1.5 Manage Trust Disbursements



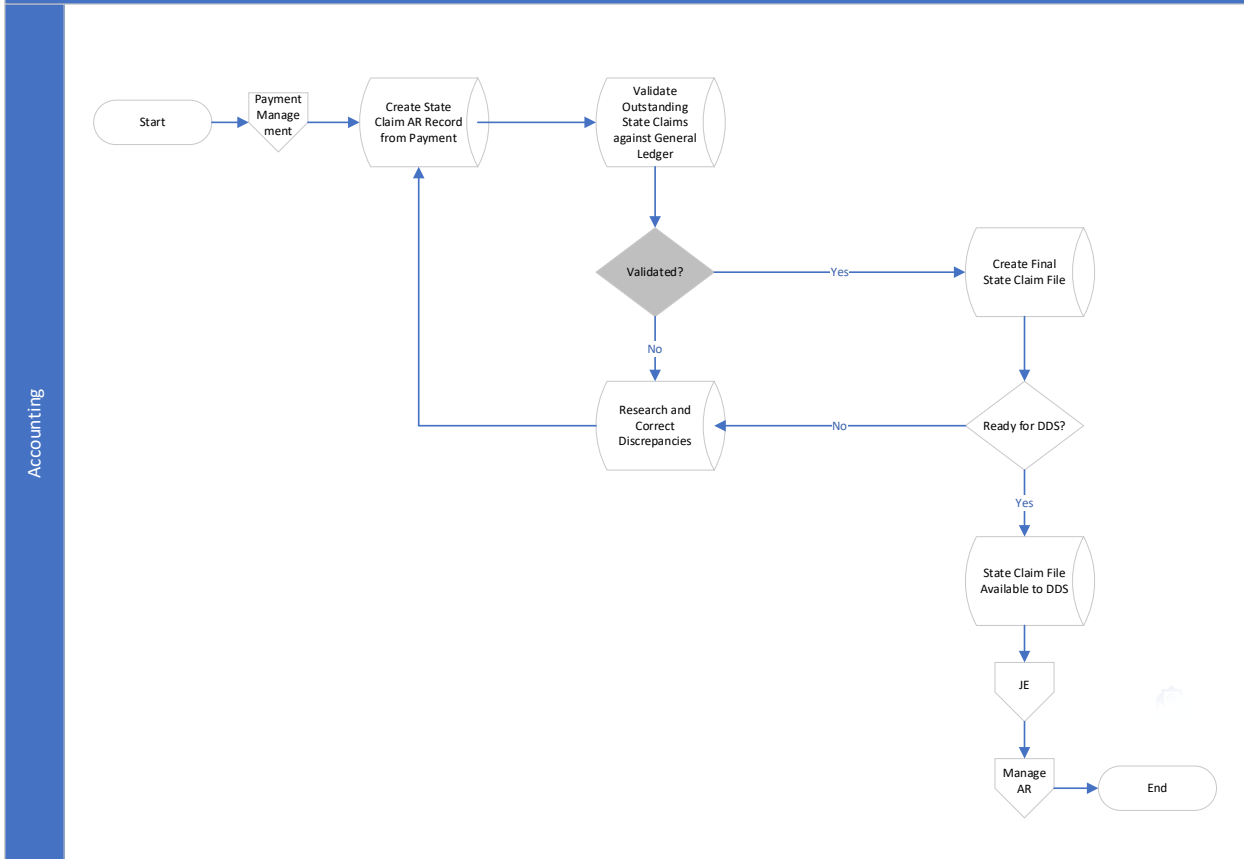
4.1.6 Manage Trust Loans



5.0 Accounts Receivable

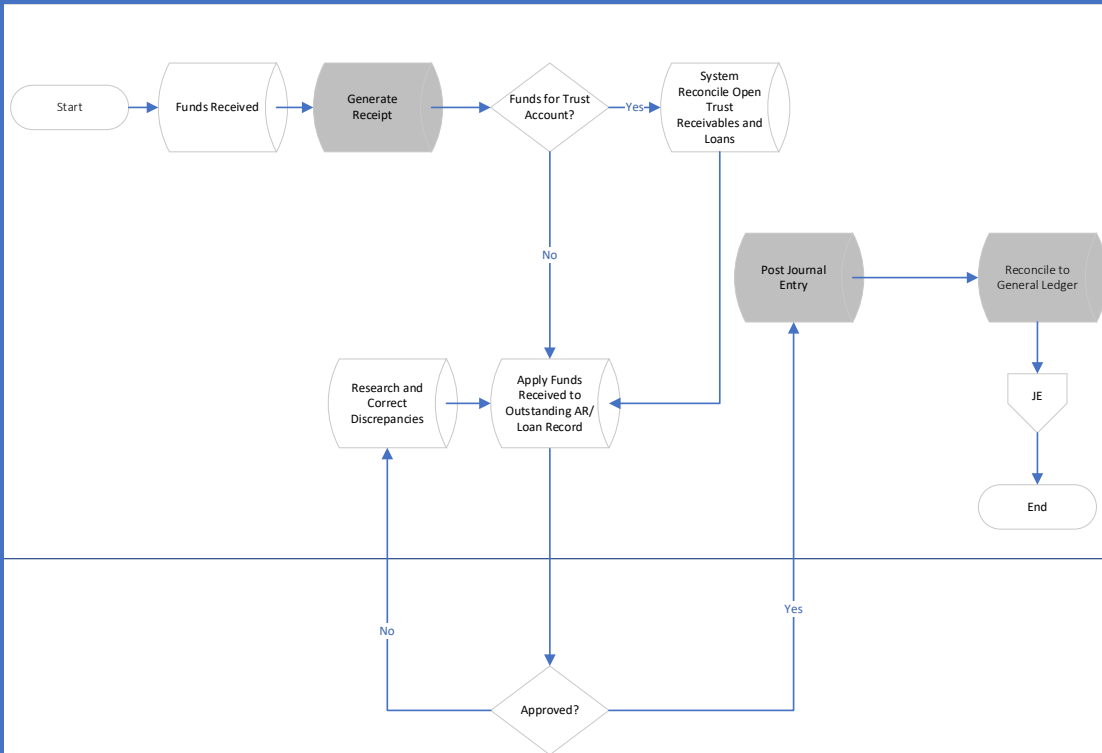
5.1.1 Manage State Claim

5.0 Accounts Receivable – 5.1.1 Manage State Claim Process



5.1.2 Manage Accounts Receivable

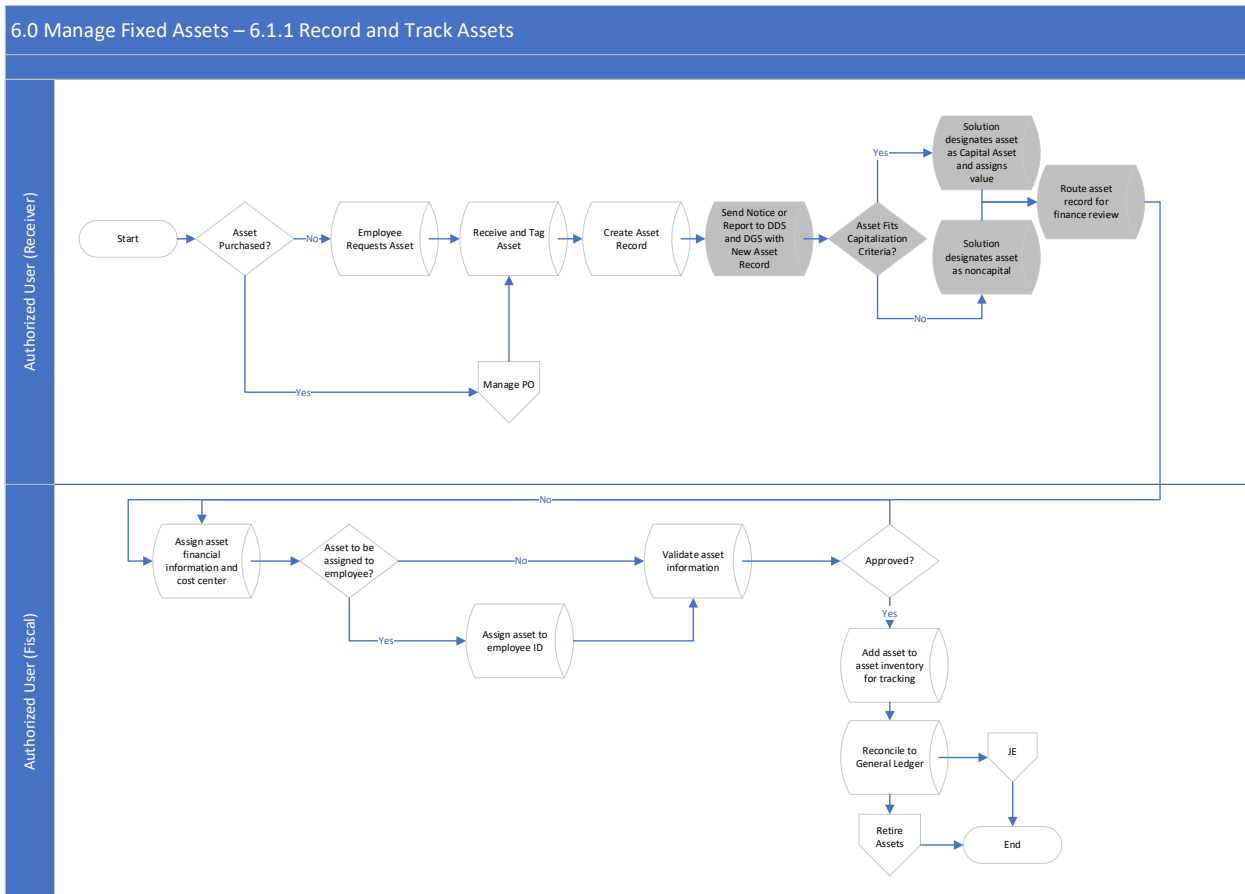
5.0 Accounts Receivable – 5.1.2 Manage Accounts Receivable



6.0 Fixed Asset Management

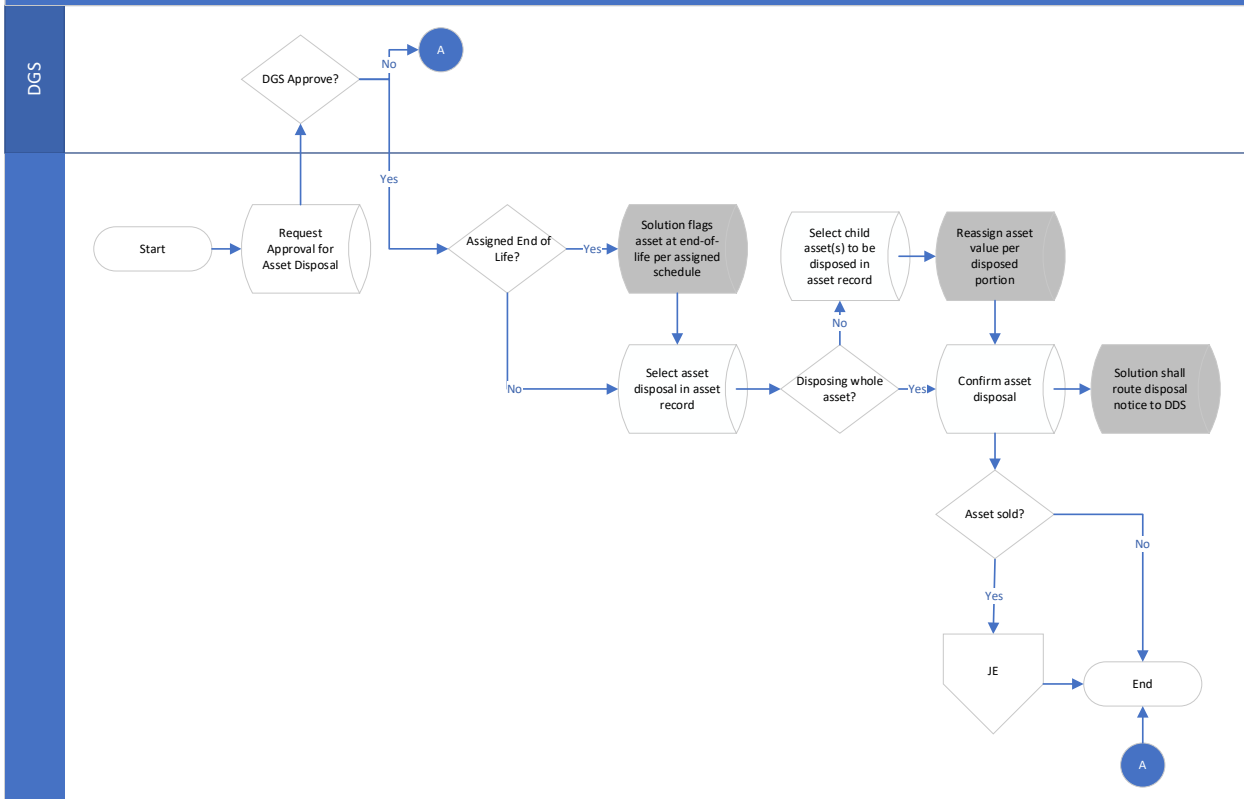
6.1.1 Record and Track Assets

6.0 Manage Fixed Assets – 6.1.1 Record and Track Assets



6.1.2 Retire Assets

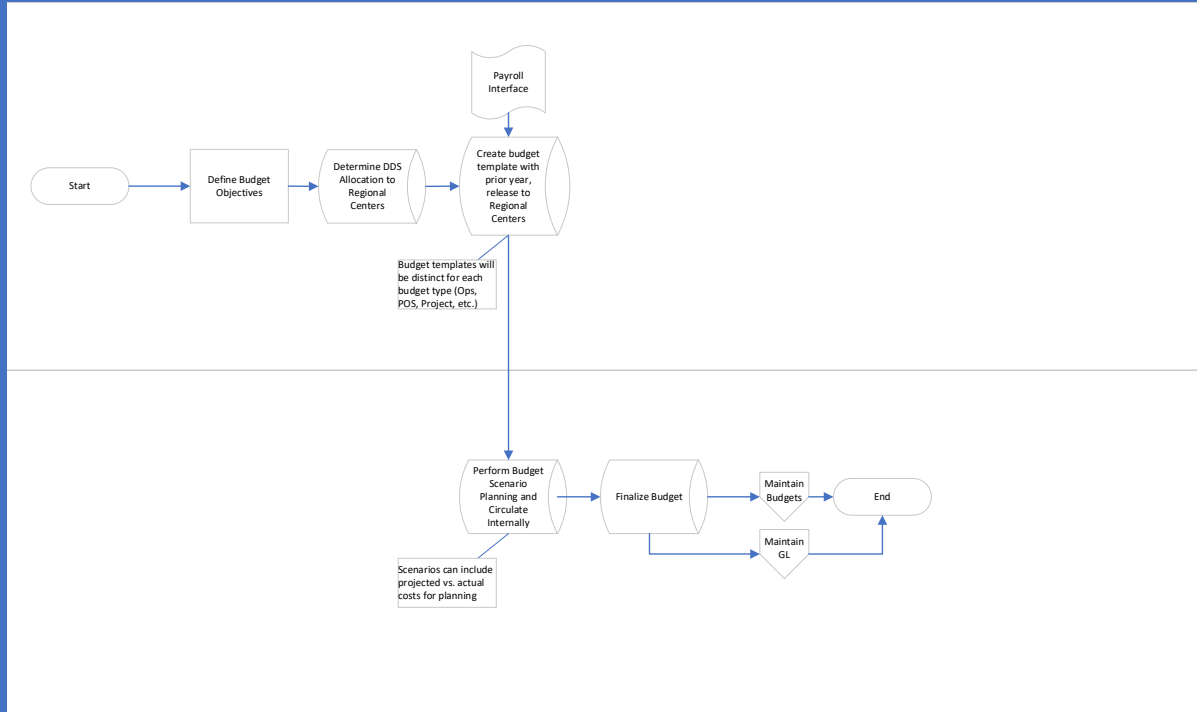
6.0 Fixed Asset Management – 6.1.2 Retire Assets



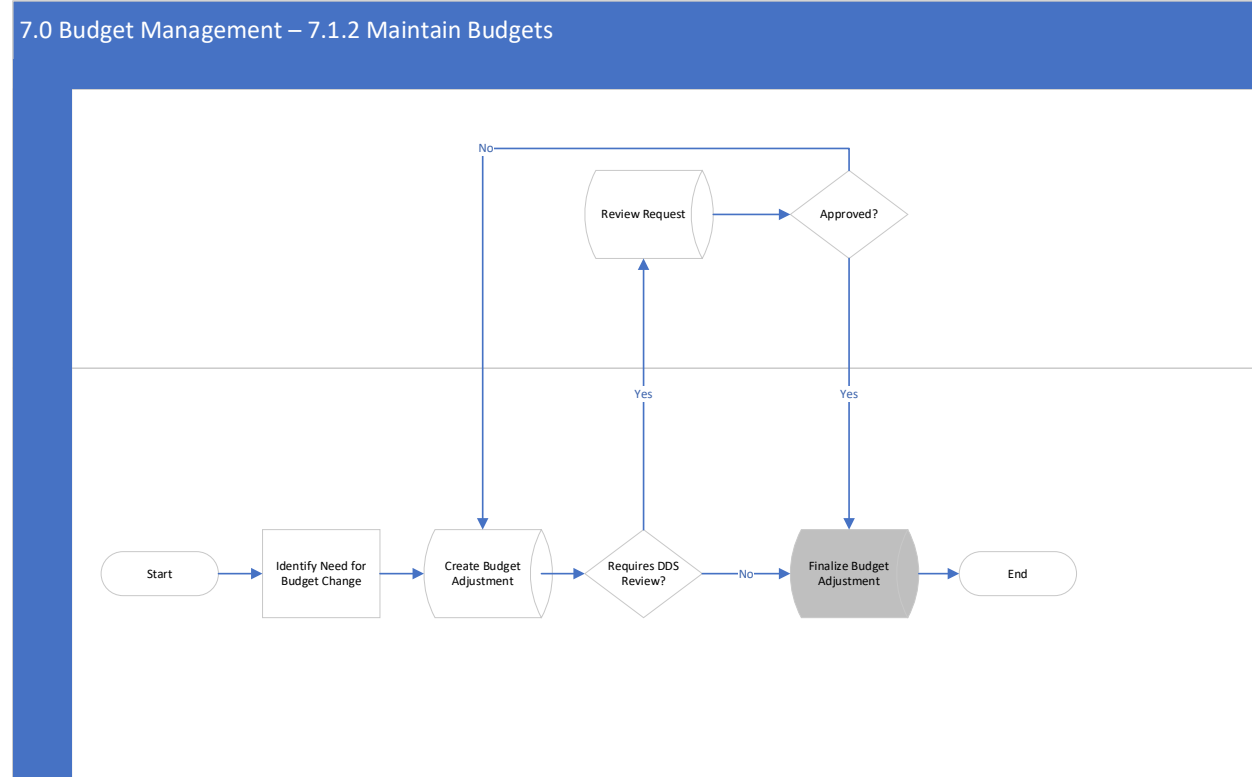
7.0 Budget Management

7.1.1 Create Budgets

7.0 Budget Management – 7.1.1 Create Budgets

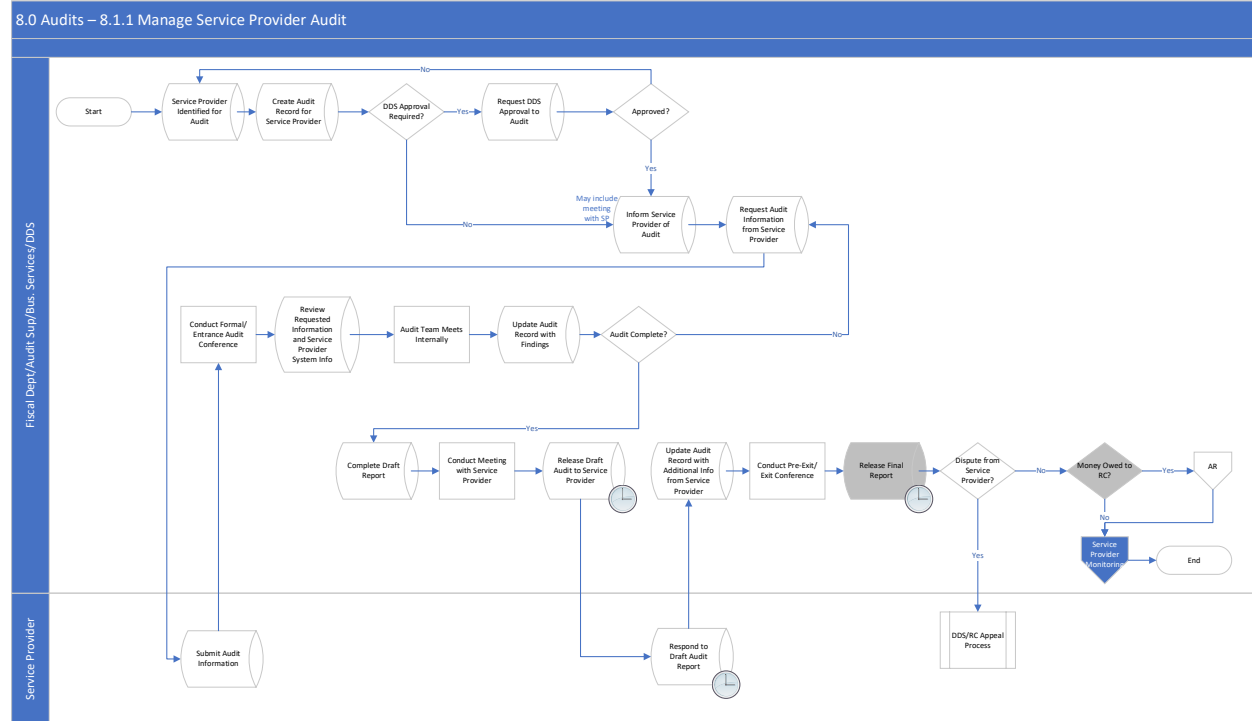


7.1.2 Maintain Budgets



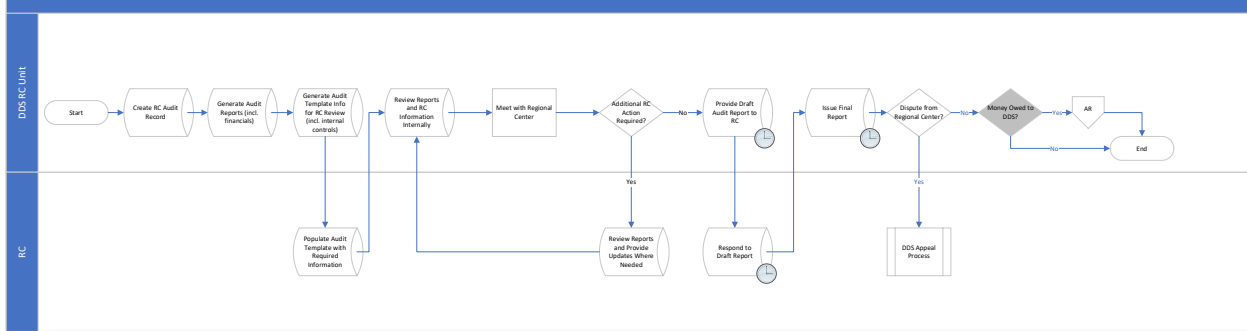
8.0 Audits

8.1.1 Manage Service Provider Audits



8.2.1 DDS Regional Center Audits

8.0 Fiscal Audits – 8.2.1 Manage DDS Audit of RC



5. CURRENT FISCAL PROCESSES (Additional Info/Supplemental)

From March 2022 through October 2022, the DDS project team comprised of DDS management, subject matter experts (SMEs), and business process consultants, documented and analyzed the current state, or “as-is” financial management processes.

The project team performed individual research and information gathering, participated in over 20 team meetings, conducted facilitated sessions and interviews with three (3) levels of stakeholder groups including a group of internal DDS stakeholders, a stakeholder group from six (6) represented Regional Centers (RCs) and the Association of Regional Center Agencies (ARCA), and a stakeholder group from all twenty-one (21) RCs, participated in four (4) site visits for day in the life (DITL) sessions, modeled the required business processes, and identified process issues and existing challenges.

The project team developed 32 “as-is” financial processes and narrative descriptions. The processes are summarized in the table below. The process flows and narrative descriptions are Section 7 As-Is Narrative and Workflows.

Table 3: Finance Processes


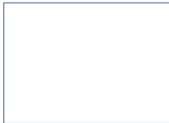
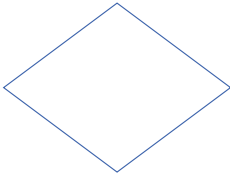

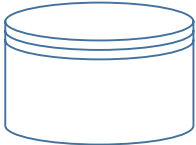
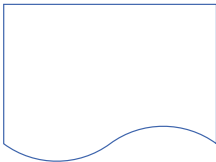
Process	Process Summary
<p>1.0 General Ledger</p>	<p>A general ledger (GL) represents the record-keeping system for an organization's financial data, with debit and credit account records validated by a trial balance. GL processes include:</p> <ul style="list-style-type: none"> • Updating, maintaining, and creating accounts to support organizational and program objectives • Process Journal Entries (JE) to move funds between accounts (debit/credit) • Account reconciliation, including back reconciliation <p>The GL activity is tracked by account numbers. The account numbers have been standardized for all RCs with the Chart of Accounts (COA). The COA is a collection of one or more types of codes used to classify financial and budgetary transactions. The RCs are currently able to assign GL subaccount numbers in UFS.</p> <p>Below are the As-Is business process workflows associated with the General Ledger:</p> <ul style="list-style-type: none"> 1.1 Maintain General Ledger 1.2 Manual Journal Entry 1.3 Bank Reconciliation 1.4 Month-end Close 1.5 Reconcile Consumer Trust Accounts





Process	Process Summary
<p>2.0 Purchase to Payment</p>	<p>Vendor Management for Operations (Ops) and Purchase of Service (POS) includes the creation and approval of Vendor records in UFS for all operations (non-POS) and services (POS) related purchases. After receiving approval through a Vendorization process, the Service Providers, referred to as Vendors, are added to the Vendor record. A Vendor record is required to generate a payment for goods or services. This process is often initiated by receipt of an invoice for purchase of goods or services.</p> <p>Below are the As-Is business process workflows associated with Purchase to Payment:</p> <ul style="list-style-type: none"> 2.0a Operations (Ops) 2.1a Vendor Management 2.2a Purchase Requests 2.3a Purchase Orders 2.4a Invoice Management 2.5a Payment Management 2.0b Purchase of Services (POS) 2.1b Vendor Management 2.1b.1 Rate Management 2.1b.2 Enroll in eBilling 2.2b Service Authorizations 2.3b Invoice Management 2.4b Payment Management 2.5b SDP
<p>3.0 Consumer Trust</p>	<p>Consumer trust management includes processes for RCs to receive and manage income and disburse payments for residential board and care (B&C) and personal and incidental (P&I) expenses. The set-up trust process includes all activities required to set up a consumer trust in UFS.</p> <p>Below are the As-Is business process workflows associated with Consumer Trust:</p> <ul style="list-style-type: none"> 3.1 Set Up Trust 3.1.1 SSI Rate Change 3.1.2 Wage Maintenance 3.1.3 Recurring Receivables/Cash Receipts 3.4 Disbursements 3.3 Loans 3.4 Money Management

Process	Process Summary
4.0 Accounts Receivable	<p>Accounts Receivable (AR) includes the claiming and receipt of funds through the State Claim process, the establishment of the receipt of funds in UFS, and the processing of all funds received to the RCs bank account. The process includes the claiming and reconciliation of all funds from state sources for consumers.</p> <p>Below are the As-Is business process workflows associated with Accounts Receivable:</p> <p>4.1 State Claim 4.2 AR Setup</p>
5.0 Fixed Assets	<p>A fixed asset refers to a tangible piece of property or equipment that an organization owns and uses in its operations. Record and Track Assets includes receiving, tagging, and tracking of all fixed assets.</p> <p>Below are the As-Is business process workflows associated with Fixed Assets:</p> <p>5.1 Record and Track Assets 5.2 Retire Assets</p>
6.0 Budgets	<p>Budget activities include the creation of budget documentation, budget forecasting, development of a budget narrative, and maintenance of a budget through the fiscal year. Budget information should synchronize with all financial transactions through the year.</p> <p>Below are the As-Is business process workflows associated with Budgets:</p> <p>6.1 Create and Maintain Budgets</p>
7.0 Audits	<p>DDS and RCs perform regular and unscheduled audits for Vendors and RCs through the year.</p> <p>Below are the As-Is business process workflows associated with Audits:</p> <p>7.1 RC Audit of Vendor 7.2 DDS Audits of RCs 7.3 DDS Audit of Vendors</p>

6. AS-IS WORKFLOW LEGEND (Additional Info/Supplemental)

All the As-Is business process workflows that appear in the next section were created using Microsoft Visio. Each workflow shape is associated with a standard concept. These concepts are outlined below.

Symbol	Name	Definition
	Start/End	An event that indicates where a particular process starts or ends. The start event starts the flow of the process and does not have any incoming sequence flow but can have a trigger. The end event ends the flow of the process, and thus will not have any outgoing sequence flows.
	Process or Task	A process or task is reflective of work that is performed to achieve and complete a business process.
	Decision	A 'decision' shows a decision point, shown as yes/no or other types of decisions. Each path emerging from the decision is labeled with one of the possible answers.
	Sequence	This connecting object shows the order in which activities are performed in a process. Sequence flows are represented with a solid graphical line. Each flow has only one source and only one target.
	Database/ System	Represents any system used to perform a process step or task.
	Document	Any document used/created in the process. This includes forms and reports. If the document is a form – indicate form name and/or number.

Symbol		
	Connectors (On Page)	This object is used to connect process steps within the same business process to avoid crossing sequence lines for readability.
	Connectors (Off Page)	This object is used to connect process steps on different pages in order to demonstrate inter-process dependencies and downstream impact.
	Message Flow	A message flow is used to indicate an associated communication or notification that goes along with a specific process step or task.
	Association	An association is used to indicate associations between data objects, text, and other artifacts with flow objects. Associations can be unidirectional or bidirectional and are used to show the inputs and outputs of activities.

7. AS-IS NARRATIVE AND WORKFLOWS (Additional Info/Supplemental)

The below are the current processes used by regional centers and DDS to perform core financial functions.

1.0 General Ledger

General Ledger Maintenance includes any change or update to the GL accounts. Changes may include adding sub-accounts, modifying, closing, and deleting GL accounts as needed.

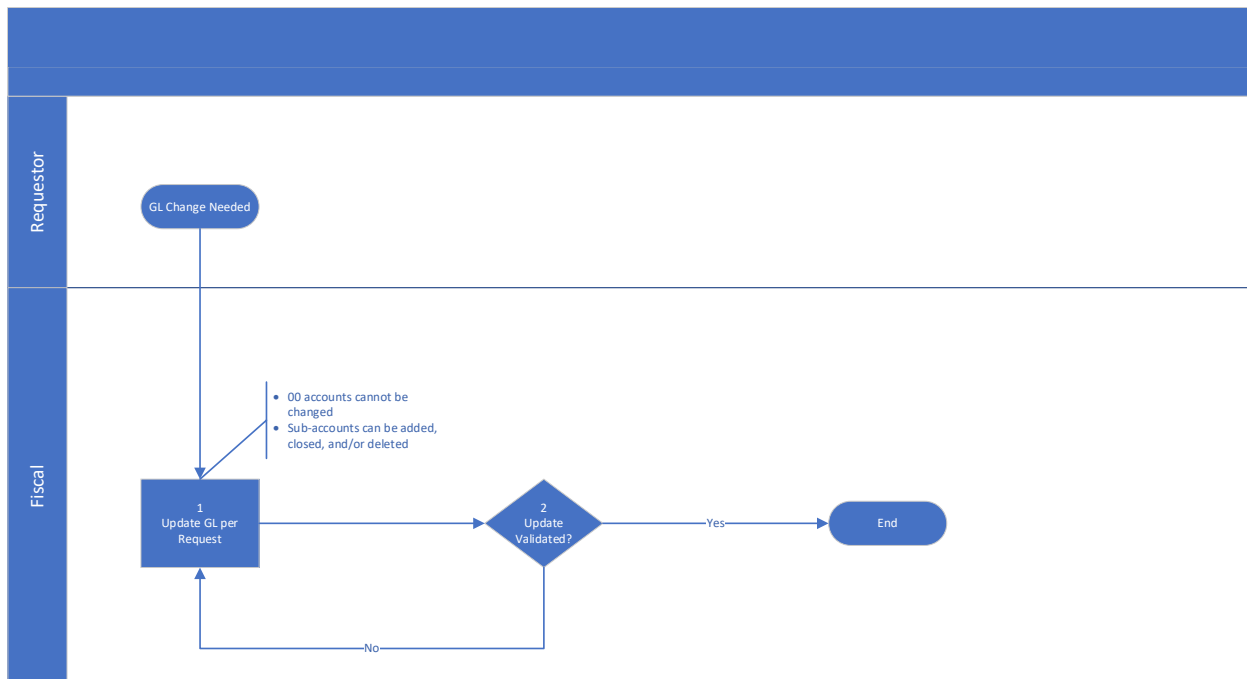
The GL activity is tracked by account numbers. The account numbers have been standardized for all RCs with the Chart of Accounts (COA). The COA is a collection of one or more types of codes used to classify financial and budgetary transactions.

The COA in UFS is organized by control account numbers developed by DDS. All control accounts numbers end in double zero (00). RCs may establish their own subordinate accounts under the control account numbers such as increasing the sequence of the two ending digits to 01, 02, 03 and such.

Within the subordinate account, RCs must identify the account type (Asset, Liability, Revenue, Expense) and the if the account is claimable to the state or not. The subordinate account numbers, although dependent upon the control account numbers, are treated by UFS as independent account numbers.

The following workflow and narrative exhibits depict the current business processes for 1.1 Maintain General Ledger.

1.1 Maintain General Ledger



Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start				GL Change (Add, Modify, Close, Delete) Needed	
1	Update GL per Request	Fiscal	Fiscal unit staff makes updates based on request including sub-accounts, closed and or deleted entries. Note: 00 accounts cannot be changed		UFS
2	Update Validated?	Fiscal	Fiscal unit staff validates the updates were made correctly. If yes, go to process end If no, return to step 1 to correct	1	

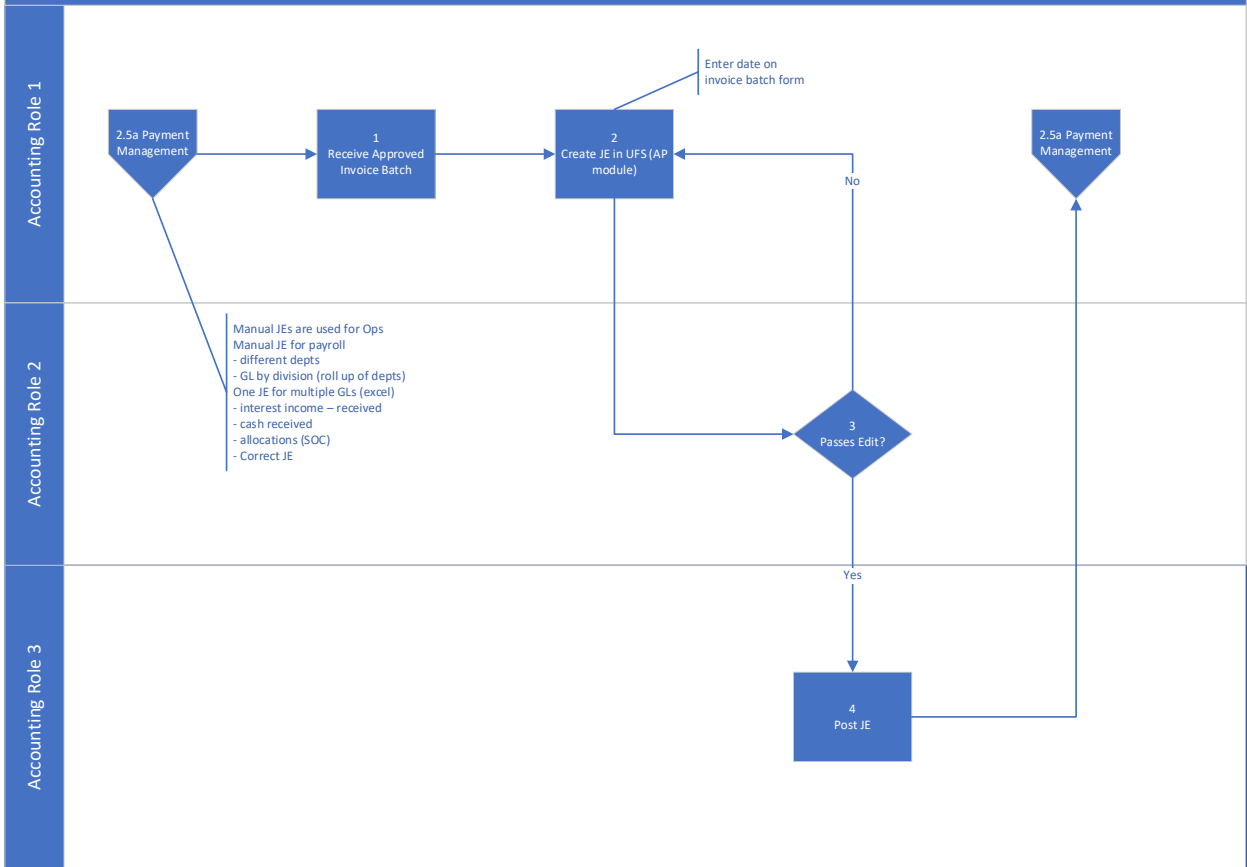
1.2 Manual Journal Entries

A journal is a concise record of all transactions a business conducts; journal entries detail how transactions affect accounts and balances. All financial reporting is based on the data contained in journal entries (JE), and there are various types to meet business needs. The purpose of a journal entry is to record every business transaction properly and accurately. If a transaction affects multiple accounts, the journal entry will detail that information as well.

In UFS, most GL accounts are set up to have automatic JEs. However, some transactions require manual journal entry (MJE). UFS uses a batch journal entry process to complete JEs. JEs may be entered for a variety of reasons, including payment processing, receipt of cash, or error corrections.

The following workflow and narrative exhibits depict the current business process for 1.2 Manual Journal Entries.

1.2 General Ledger - Manual Journal Entries (JEs)



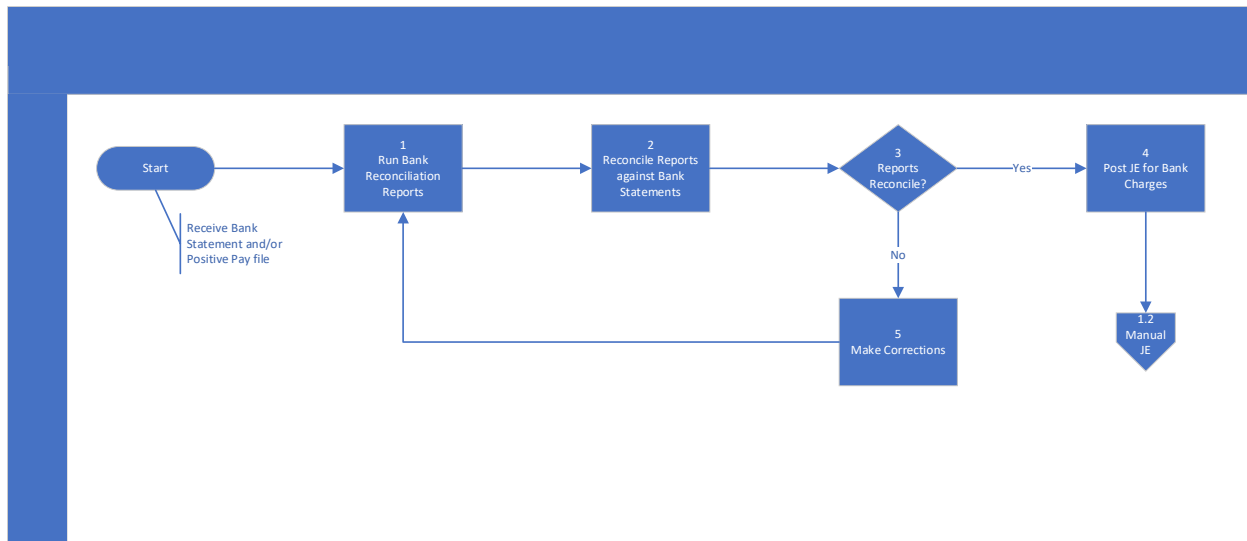
Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start				2.5a Payment Management	Some RCs may use Excel for tracking and reporting.
1	Received Approved Batch Invoice	Accounting Role 1	Accounting staff must create a manual JEs for the following: <ul style="list-style-type: none"> - Ops and Payroll information needed to complete Accounts Payable processes. - GL by division (roll up of departments) - One JE for multiple GLs (excel) - Interest income – received - Cash received - Allocations, Share of Cost (SOC) - Correcting JE (POS) for limited reasons 		None
2	Create Manual JE	Accounting Role 1	Accounting staff enters the date on invoice batch form and creates a manual JE in the Accounts Payable (AP) module in UFS.	1	UFS
3	Passes Edit?	Accounting Role 2	A different accounting staff member (to ensure checks and balances) verifies that the JE is correct and matches the documentation. If it passes the edit go to step 4. If not, go back to step 2 to correct JE.	2	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
4	Post JE	Accounting Role 3	A third accounting staff member (to ensure checks and balances) posts the JE to GL in UFS. A manual JE requires 2 approvals prior to posting.	3	UFS
End	2.5a Payment Management		Proceed to 2.5a Payment Management Process.	4	

1.3 Bank Reconciliation

A bank reconciliation is the process of matching the balances in the official accounting records for a cash account to the corresponding information on a bank statement. The goal of this process is to identify any differences between the two, and to book changes to the accounting records as appropriate. In UFS, this is a manual process where the bank statement or positive pay file is reconciled with UFS transaction reports.

The following workflow and narrative exhibits depict the current business processes for 1.3 Bank Reconciliation.



Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start		Controller, accounting staff, and audit team		Receive Bank Statement and/or Positive Pay file	Some RCs may use Excel for tracking and reporting.

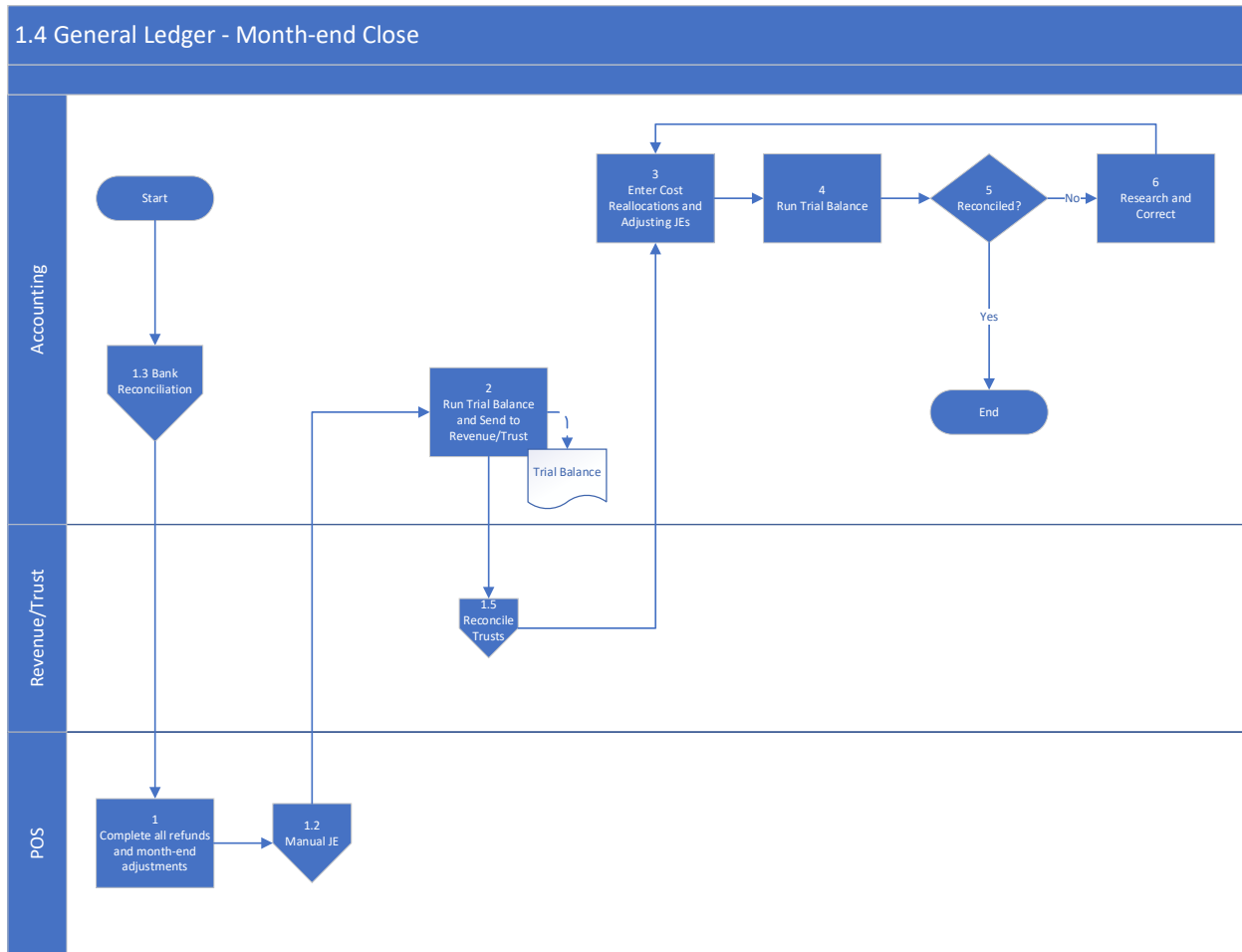
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
1	Run Bank Reconciliation Reports	Fiscal	Fiscal staff member runs the bank reconciliation reports (Accounting Trial Balance and Outstanding Check Report). Note: If RC is using a third-party tool (Nedasoft) additional reports and/or automated reconciliation maybe available.	Start	UFS Nedasoft
2	Reconcile Reports against Bank Statements	Fiscal	Fiscal staff reconciles reports against the bank statements and/or positive pay. Some third-party tools (Nedasoft) may automate this step.	1	UFS Nedasoft
3	Reports Reconcile?	Fiscal	If the reconciliation report and the bank statements reconcile then go to step 4 If not, go to step 5 to make corrections.	2	UFS
4	Post JE for Bank Charges	Fiscal	Fiscal staff posts the JE for bank charges following the 1.2 Manual JE process.	3	UFS
5	Make Corrections	Fiscal	Fiscal staff makes all the necessary corrections and process restarts at step 1.	3	UFS
End	1.2 Manual JE		Proceed to 1.2 Manual JE process.	4	

1.4 Month-end Close

A month-end close is an accounting procedure that ensures all financial transactions have been accounted for in the previous month. To ensure that they are giving accurate data, accountants will have to review, record, and reconcile all account

information. Month-end Close includes the completion of all refunds and month-end adjustments after bank reconciliation has been completed. For RCs, month-end close does not always occur at the end of the month. Rather, the process may be run at any time in the month and will pick up any transactions made from the previous month-end close until that point.

The following workflow and narrative exhibits depict the current business processes for 1.4 Month-end Close.



Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start				Bank info (interest) received Final check-run of month complete First working day of month	
	1.3 Bank Reconciliation	Accounting	Bank reconciliation process is completed.		UFS

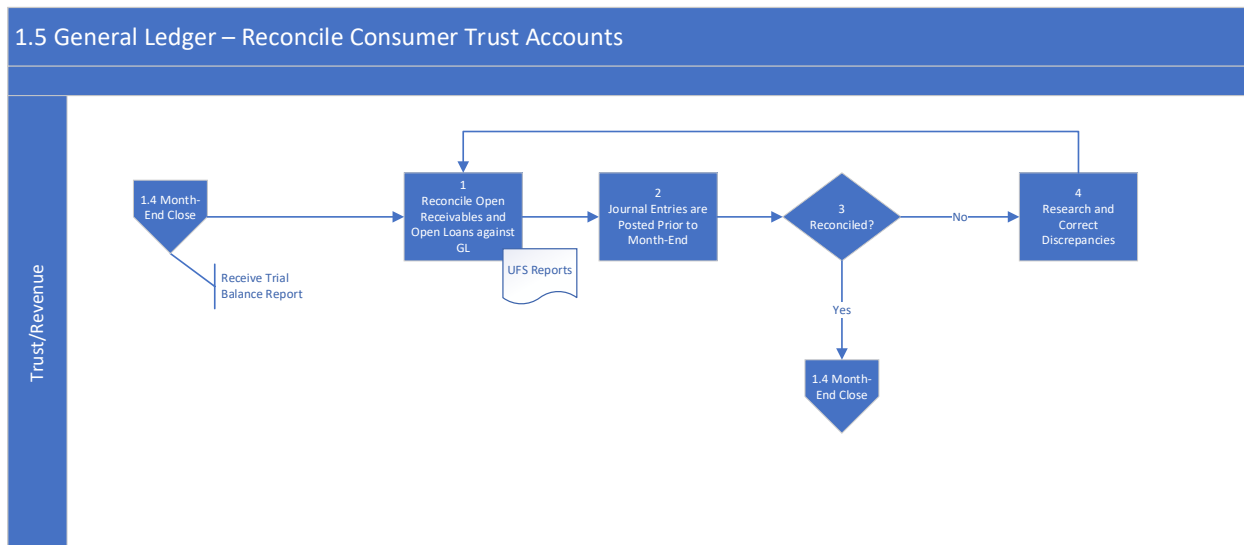
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
1	Complete refunds and month-end adjustments	POS	Once bank reconciliation is completed, POS must complete all refunds and month-end adjustment.	1.3 is completed	UFS
	1.2 Manual JE	POS	To complete manual JE, go to step 1.2 and follow the manual JE process. There are no manual POS JE's.	Manual JE is needed due to one of the special circumstances described in step 1.2.	UFS
2	Run Trial Balance and Send to Revenue/Trust	Accounting	Accounting staff runs Trial Balance and send it to Revenue/Trust. Currently, POS and Revenue Departments cannot close at the same time due to system limitations. The month-end process is unique to each RC and does not always occur at the end of the month. Rather, the State Claim process can be run at any point in the month and will pick up everything since the process was last run.	1	UFS
	1.5 Reconcile Trusts	Revenue Trust	If reconciliation of trusts is needed, follow 1.5 Reconcile Trusts process.	2	UFS
3	Enter Cost Reallocations and Adjusting JEs	Accounting	Accounting staff enters Cost Reallocations, Adjusting JE, Interest, etc. (month and year to date, detail, and summary).	1.5 Reconcile Trusts, 2 or 6	UFS
4	Run Trial Balance	Accounting	Accounting staff reconciles Trial Balance against GL.	3	UFS
5	Reconciled?	Accounting	If Trial Balance reconciles against GL, then the reconciliation process is complete. If Trial Balance does not reconcile, then follow step 6.	4	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
6	Research and Correct	Accounting	Accounting staff researches and corrects the discrepancies and return to step 3 to enter the cost reallocations and adjusting JEs.	5	UFS
End			Once everything from prior month entered, then the GL is closed, and the Reconciliation process ends. Note: Except for Trust, everything must balance before starting new month processing.	5	

1.5 Trust Reconciliation

Trust Reconciliation is the process of reconciling all consumer trust-related financial transactions from the given period. This occurs after month-end close has been completed. All reported discrepancies are resolved during this process.

The following workflow and narrative exhibits depict the current business processes for 1.5 Trust Reconciliation.

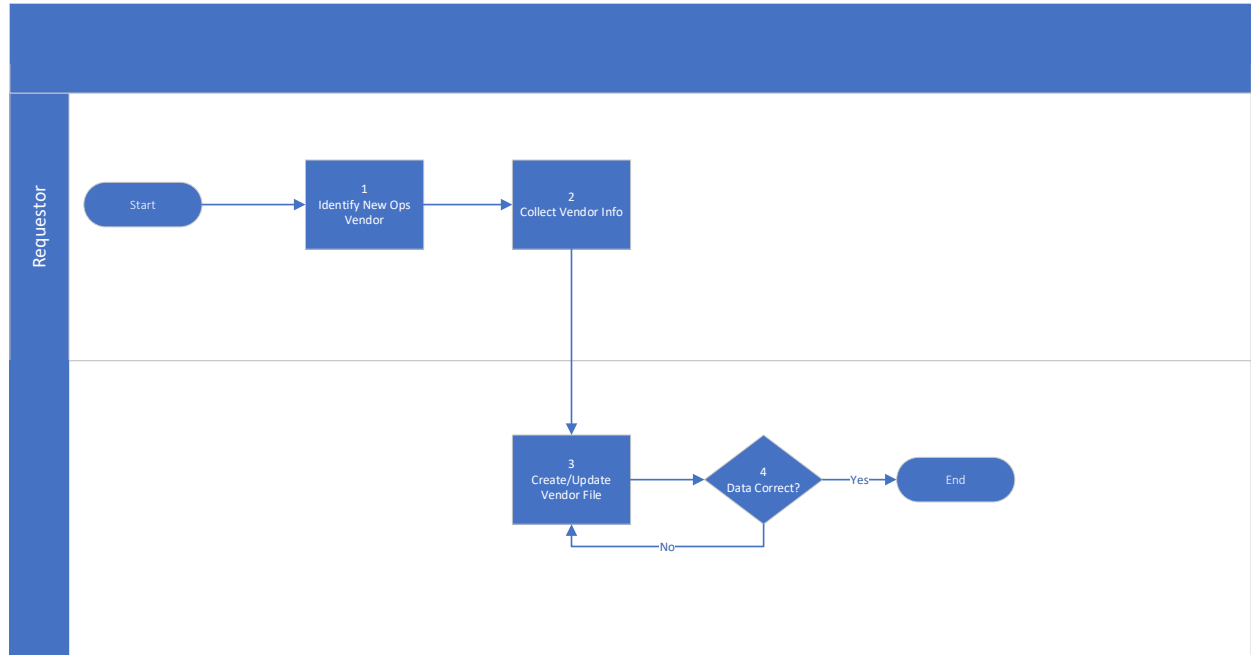


Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				System JEs for receivable and loan activity must be posted before trust accounts can be reconciled. 1.4 Month-end Close – Receive Trial Balance Report	UFS Some RCs may use Excel for tracking and reporting.
1	Reconcile Open Receivables and Open Loans against GL	Trust/ Revenue	Trust/Revenue staff reconciles open receivables and open consumer trust loans in UFS using the Month-end Close Trial Balance report.	1.4 Month-end Close – Receive Trial Balance Report or 4	UFS
2	Journal Entries are Posted Prior to Reconciliation	Trust/ Revenue	All journal entries must be posted prior to reconciliation to ensure records are accurate and up to date. Once the journal entries have been posted, reconciliation can proceed.	1	UFS
3	Reconciled?	Trust/ Revenue	If the open receivables and open consumer trust loans reconcile against the Month-end close Trial Balance report, follow step 1.4 to complete the Month-end Close process. If it does not, follow step 4 to research and correct discrepancies.	2	UFS
4	Research and Correct Discrepancies	Trust/ Revenue	Research and Correct Discrepancies and return to step 1.	3	UFS
End			Return to 1.4 Month-end Close process.	2	•

2.0a Purchase to Payment (Ops)

2.1a Vendor Management

Vendor Management for Operations includes the creation and approval of Vendor records in UFS for all operations-related purchases (non-POS purchases). A Vendor record is required to generate a payment for goods or services. This process is often initiated by receipt of an invoice for purchase of goods.



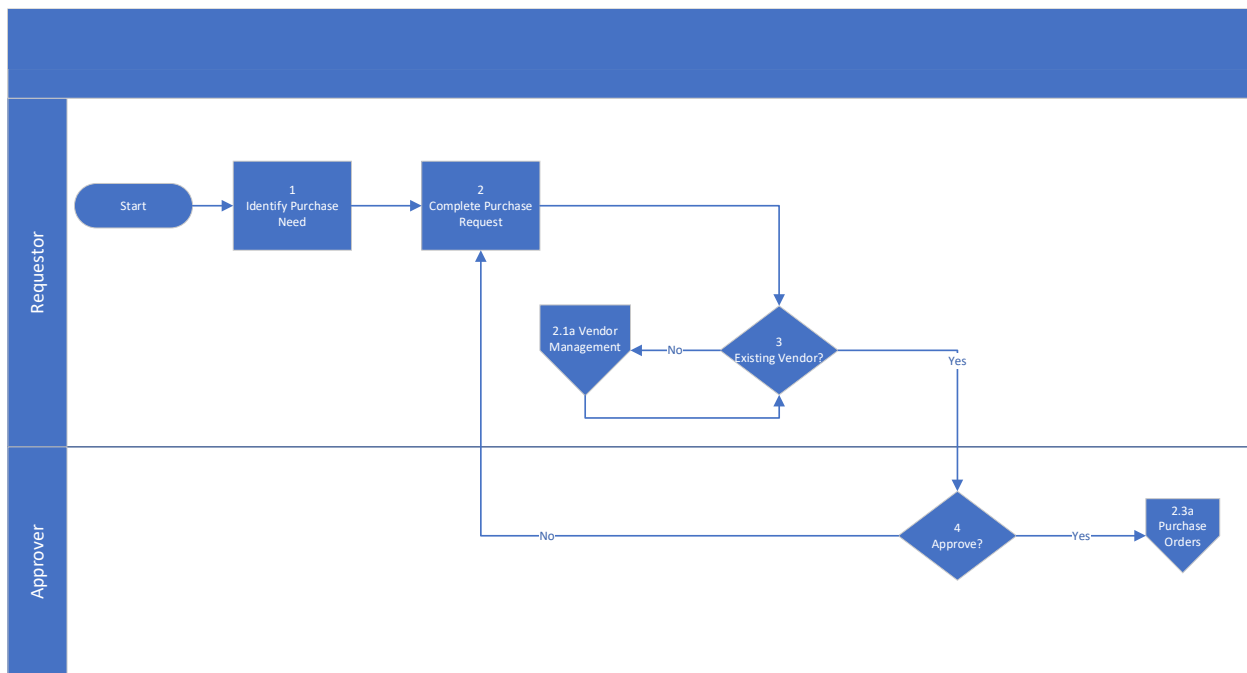
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				<p>The process starts when a new Ops Vendor is identified, such as:</p> <ul style="list-style-type: none"> Receive invoice from a new Vendor Receive new employee information (for travel reimbursement) Receive garnishment or lien on POS Vendor 	<p>Some RCs may use Excel or QuickBooks for tracking and reporting.</p> <ul style="list-style-type: none"> •

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
1	Identify New Ops Vendor	Requestor (this could be many different roles at the RC)	RC staff identify a new Vendor when: <ul style="list-style-type: none"> An invoice is submitted and approved by a manager New employees need to be added to enable travel reimbursements RC receives garnishment or lien on a POS Vendor (this is a workaround for UFS limitations) Some RCs create the Ops Vendor record in the system directly, and others do this through a manual JE 	Start This special circumstance results in a manual JE process.	None
2	Collect Vendor Info	Requestor	RC staff collects Vendor information from the following sources: <ul style="list-style-type: none"> Vendor info included on approved invoice Employee info provided by payroll Garnishment documentation 	1	None
3	Create/Update Vendor File	Fiscal Staff	Fiscal staff creates/updates Vendor file in UFS upon receipt of approved contract, invoice, new employee information, garnishment/lien document, and supporting documentation. Note: Controller runs a report once a month to verify setup of all new Vendors. Note: Some RCs will have the Business Operations department do this setup instead of Fiscal Staff.	2 & 4	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
4	Data Correct?	Fiscal Staff	A different staff member then reviews the Vendor record to determine if data is correct. If yes, process ends. If no, go to Step 3 and correct errors.	3	UFS
End			Process ends.	4	•

2.2a Purchase Requests

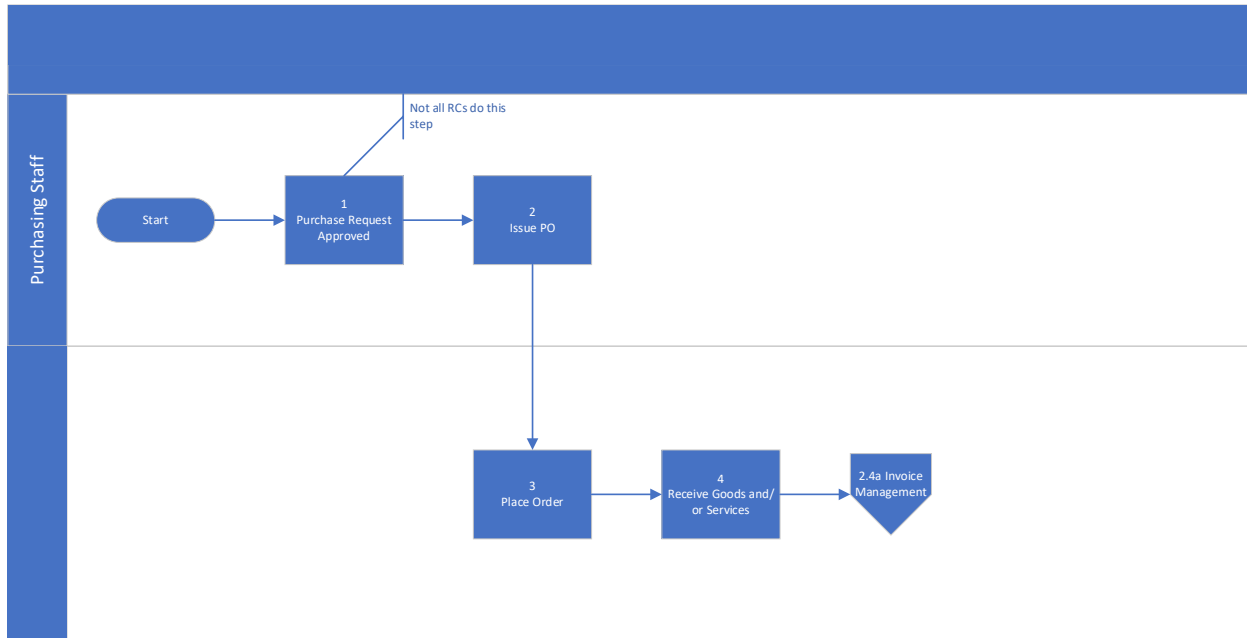
Purchase Requests for Operations include requests for all purchases related to operations (non-POS purchases). These requests are reviewed and approved by financial staff before proceeding to the development of the purchase order. Not all RCs use the Purchase Request process.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				<p>This process begins when an RC staff member identifies the need for an Ops purchase.</p> <p>Note: not all RCs use purchase requests. If your RC does not use purchase requests, skip this process.</p>	Some RCs may use QuickBooks for tracking and reporting.
1	Identify Purchase Need	Requestor (differs by RC)	The requestor (can be anyone at the RC) identifies a purchase need.	Start	None
2	Complete Purchase Request	Requestor	<p>The requestor completes and submits a Purchase Request.</p> <p>These are currently paper requisition forms that require manual routing for approvals, etc.</p> <p>Note: some RCs use paper forms; others more informal, such as email.</p> <p>Note: some RCs have a purchasing department. to complete this and others require a manager to complete the request.</p>	1 & 4	None
3	Existing Vendor?	Requestor (could also be purchasing)	<p>The requestor, manager, or purchasing determines if the Vendor is already set up in UFS.</p> <p>If yes, go to Step 4.</p> <p>If no, go to 2.1a Ops Vendor Management and set up Vendor.</p>	2 & 2.1a Ops Vendor Management	UFS
4	Approved ?	Approver (approver depends on RC)	<p>The approver reviews the request and approves or rejects the request.</p> <p>If yes, go to 2.3 Ops Purchase Orders.</p> <p>If no, go to Step 2 and correct errors.</p>	3	UFS
End	2.3a Ops Purchase Orders		<p>Only those RCs that use Purchase Orders (PO), continue to 2.3a Ops Purchase Orders process.</p> <p>All others, will place the order at this point and this ends the process.</p>	4	

2.3a Purchase Orders

Purchase Orders for Operations are the result of purchase requests for operational purchases (non-POS purchases). Purchase orders include the purchase details and potential purchase cost. Not all RCs utilize formal purchase orders.

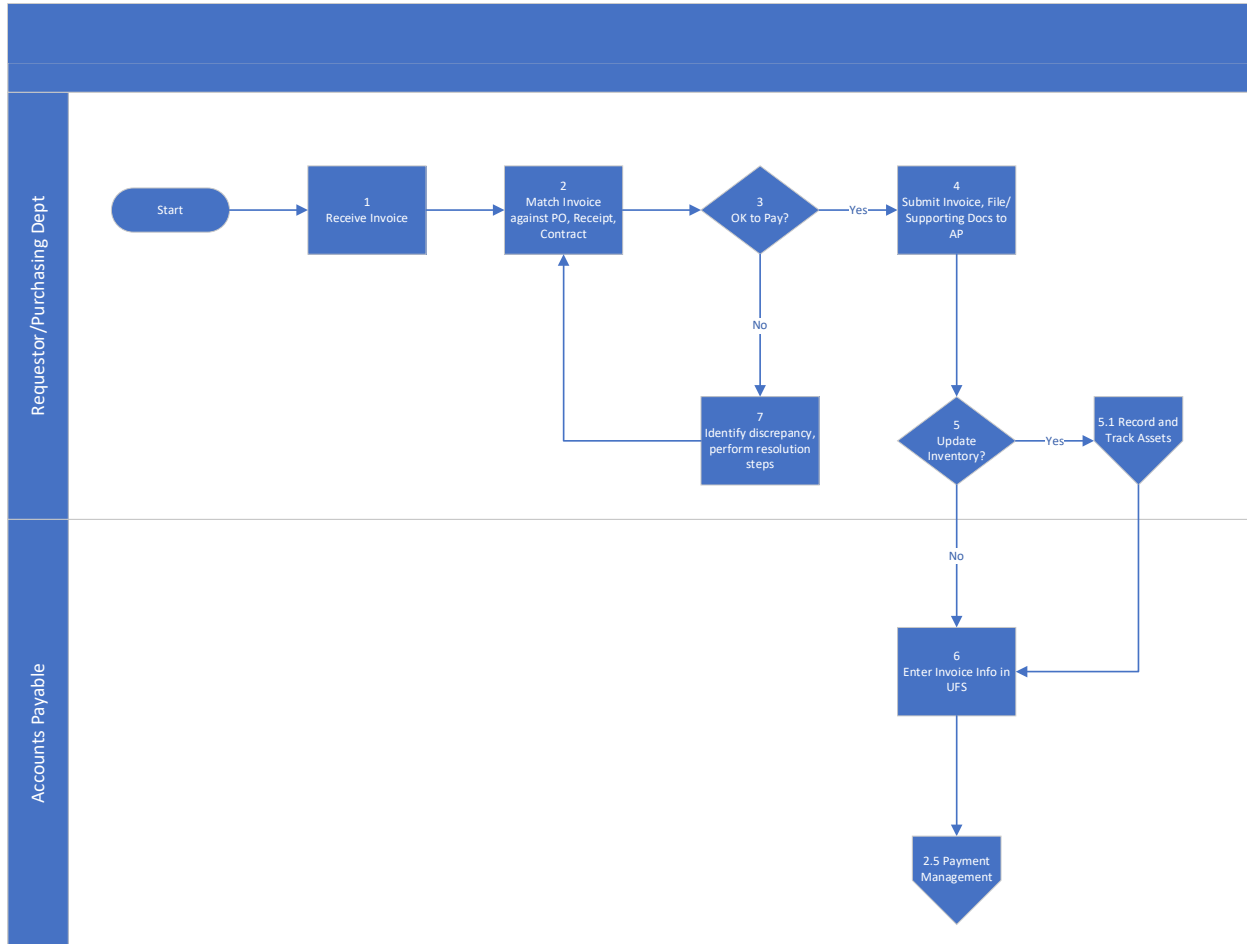


Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start				<p>If the RC uses purchase requests, this process begins when the purchase request is approved.</p> <p>Some RCs skip purchase requests and generate a PO upon identifying a purchasing need.</p> <p>Some RCs do not use either.</p> <p>Note: not all RCs use POs. If your RC does not use POs, skip this process.</p>	Some RCs may be using unknown third-party tools for portions of this process.
1	Purchase Request Approved	Purchasing Staff	Purchasing staff receive an approved purchase request or informal request to purchase.	Start	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
2	Issue PO	Purchasing Staff	Purchasing staff generate a PO from UFS or a third-party tool.	1	UFS Third-party tool
3	Place Order	Requestor or Purchasing Staff	Requestor or purchasing staff place the order with Vendor. Note: this is an external process step.	2	None
4	Receive Goods and/or Services	Requestor	The requestor, IT, or a central receiving department receive the goods or services. Depending on RC, goods and/or services are received against PO, Invoice, and/or contract. Continue to 2.4a Ops Invoice Management process.	3	None
2.4a	Ops Invoice Management		Process ends.	4	None

2.4a Invoice Management

Invoice Management for Operations includes the processing of invoices received because of operational purchases (non-POS purchases). Invoices are often received via PDF or paper. This process requires the matching of invoices to existing purchase orders, receipt, and contract if applicable. This process leads into the final payment for goods.

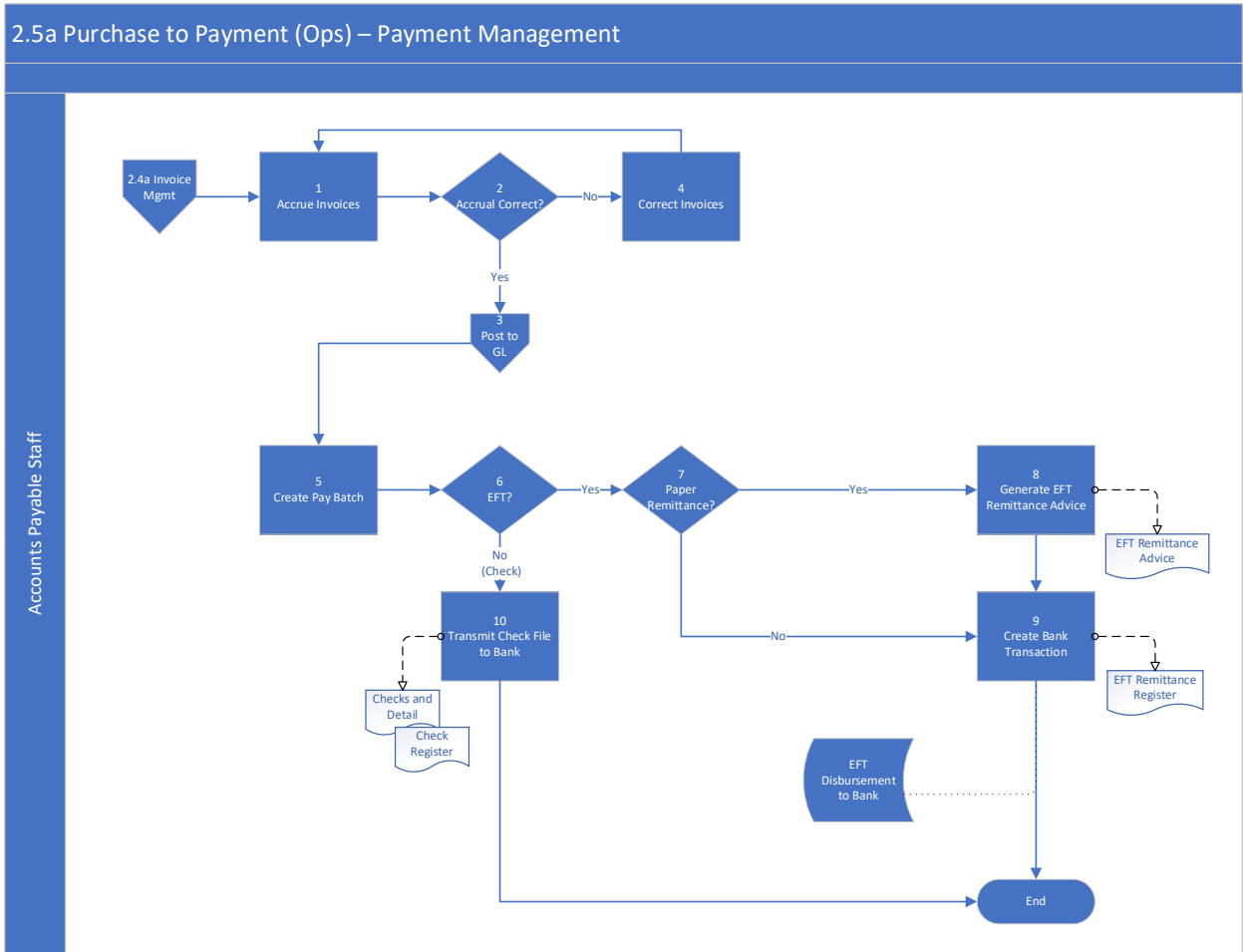


Step #	Activity	Role	Activity Description	Process Trigger	Systems/ Tools
Start				This process begins upon receipt of an invoice.	
1	Receive Invoice	Purchasing Dept., Requestor, IT, Receiving	The RC receives an invoice. Depending on the Vendor, the RC, and the item received, purchasing, IT, or the requestor may receive the invoice. If the invoice is included when the item is delivered and receiving may receive the invoice.	Start	None
2	Match Invoice against PO, Receipt, Contract	Purchasing Dept., Requestor, IT, Receiving	Depending on the Vendor, the RC, and the item received, purchasing, IT, the requestor, or receiving will match invoice against PO, Purchase Request, Receipt, or Contract.	1 & 7	None
3	OK to Pay?	Purchasing Dept., Requestor, IT, Receiving	After matching the invoice, purchasing, IT, the requestor, or receiving will determine if the invoice is OK to pay (approved). If yes, go to Step 4. If no, go to Step 7.	2	None
4	Submit Invoice; File/ Supporting Docs to AP	Purchasing Dept., Requestor, IT, Receiving	Purchasing, IT, the requestor, or receiving then submits the invoice and supporting documents to accounts payable (AP). Note: this is a manual process external to UFS.	3	None
5	Update Inventory?	Purchasing Dept., Requestor, IT, Receiving	Does your RC require inventory tracking for this type of item? If yes, go to 5.1 Record and Track Assets. If no, go to Step 6.	4	None
6	Enter Invoice Info in UFS	Accounts Payable (AP)	Accounts payable staff enter invoice details in AP module.	5 or 5.1 Record and Track Assets	UFS

Step #	Activity	Role	Activity Description	Process Trigger	Systems/ Tools
7	Identify discrepancy, perform resolution Steps	Requestor	If the invoice cannot be approved for payment in Step 3, it is return to requestor research and correct discrepancies. Note: manual process to research and resolve discrepancy (external to UFS).	3	UFS
2.5 Payment Management			Once process ends, staff can move to the payment management process.	6	

2.5a Payment Management

Payment Management for Operations includes payment finalization for all invoices received for operational purchases (non-POS purchases). This process creates the actual payment for Vendors and initiates the check run process to cut checks for Vendors. This process also includes development of the bank transaction to carry out the payment.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start	2.4a Invoice Mgmt.			This process begins upon completion of the invoice management process.	Some RCs are using QuickBooks for reporting.
1	Accrue Invoices	AP Staff	Following the RC procedures and criteria, AP staff select and accrue invoices.	2.4a Invoice Management and 4	UFS
2	Accrual Correct?	AP Staff	AP staff then review the selected invoices to confirm the accrual is correct. If yes, continue to Step 3. If no, go to Step 4.	1	
3	Post to GL	AP Staff	UFS automatically posts invoices to GL after accrual.	2	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
4	Correct Invoices	AP Staff	If the accrual was incorrect, AP staff research and correct invoices and returns to Step 1.	2	UFS
5	Create Pay Batch	AP Staff	After UFS posts the accrued invoices to the GL, AP staff select invoices and create pay batch.	3 (1.2 Manual Journal Entries)	UFS
6	EFT?	AP Staff	Is the Vendor set up to receive EFT payments? If yes, go to Step 7. If no, go to Step 10.	5	UFS
7	Paper Remittance	AP Staff	Does your RC generate a paper remittance for EFT payments? If yes, go to Step 8. If no, go to Step 9.	6	UFS
8	Generate EFT Remittance Advice	AP Staff	AP staff generate the EFT remittance. Need to confirm if this is printed or electronic.	7	UFS Nedasoft
9	Create Bank Transaction	AP Staff	AP staff create a bank transaction to transfer funds for EFT payments to the bank.	7 & 8	UFS
10	Transmit Check File	AP Staff	If Vendor is set up to receive a paper check, AP staff print checks and register, and get checks signed. AP staff also transmit positive pay file to bank.	6	UFS to generate checks Third-party tool (such as Nedasoft) to generate positive pay file
End			Process ends.	9 & 10	

2.0b Purchase of Services (POS)

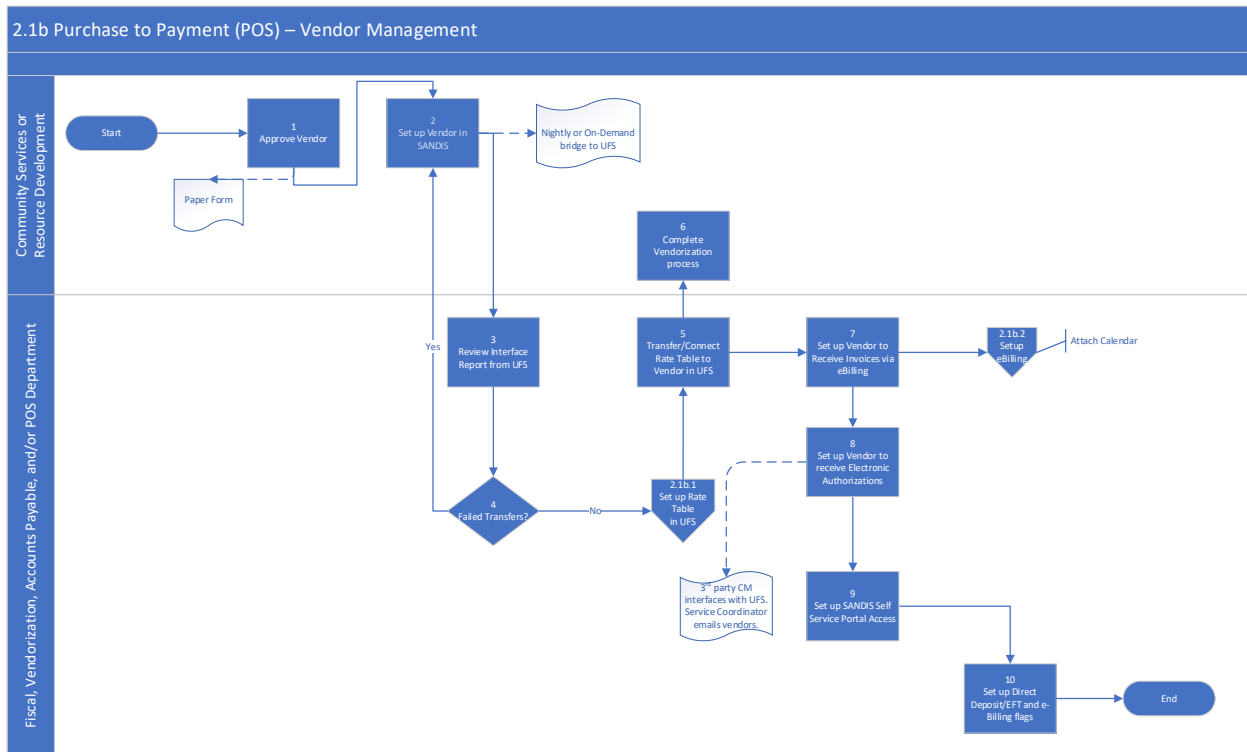
Vendor Management for Purchase of Services (POS) begins with the RC enrolling a Vendor to administer services to Consumers. After the RC has entered the Vendor in the case management system (SANDIS), the Vendor must be set up in UFS. This includes setting up tax and payment information, establishing rates, and providing access to eBilling.

Workflows for Vendor Management include:

- 2.1b POS Vendor Management
- 2.1b.1 POS Rate Management
- 2.1b.2 POS Enroll in eBilling

2.1b POS Vendor Management

The following workflow and narrative exhibits depict the current business processes for 2.1b POS Vendor Management.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				Vendorization process is complete, and Vendor approved. Receive a paper form.	Some RCs may use Excel for tracking and reporting.

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
1	Approve Vendors	Community Services or Resource Development	<p>Community Services or Resource Development staff receives information via Bridge (nightly data transfer) which contains list of approved Vendors.</p> <p>A paper form is also received which contains the following key data:</p> <ul style="list-style-type: none"> • Vendor number • RC • Vendor type (new/existing) • Name • Address • Type(s) of service(s) • Service code(s) • Budgetary service code(s), sub code(s) that tie back to rate table • Capacity, if applicable • Phone number • Type of Vendor (corp., LLC etc.) • EIN number • Comments specific to the Consumer • UCI • Effective date • At this point, the Vendor has been deemed validated by the resource development staff. To move forward in the process. 	Start	Paper form
2	Set up Vendor in SANDIS	Fiscal, Vendorization, POS, and/or Resource Development Department	<p>Vendorization staff enters Vendor data from approved Vendor form into SANDIS.</p> <p>Note: This data is bridged from SANDIS to UFS (nightly or on-demand).</p> <p>Manual entry – first initial interface to get the information to UFS with nightly batch.</p>	1 & 4	SANDIS

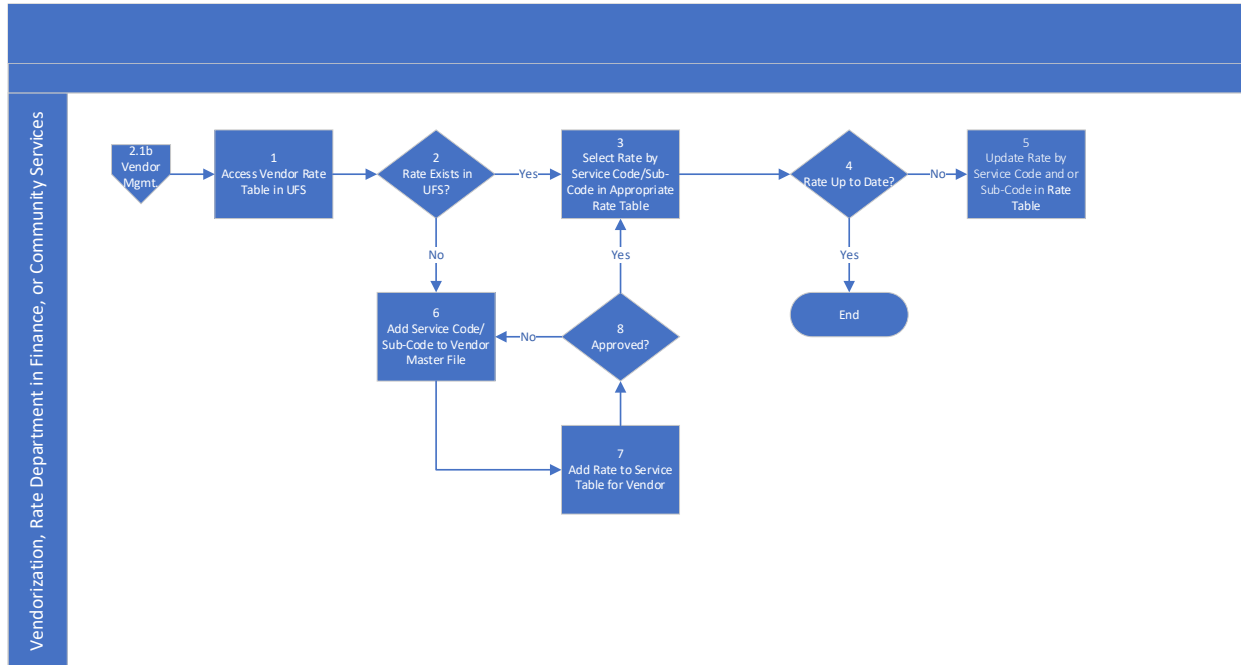
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
3	Review Interface Report	Fiscal, Vendorization, POS, and/or Resource Development Department	Vendorization staff reviews the interface report from UFS which is ran in an automatic, overnight batch. This Interface Report that shows what was interfaced to UFS. Interface Report also shows any failed transfers. This report shows all the information that has been bridged to UFS, including Vendors, authorization, etc.	2	UFS
4	Failed Transfers?	Fiscal, Vendorization, POS, and/or Resource Development Department	Vendorization staff goes back to step 2 into SANDIS and corrects any failed interface. This results in repeating step 3 to run interface report again.	3	SANDIS
2.1b.1	Set up Rate Table in UFS	Fiscal, Vendorization, POS, and/or Resource Development Department	Vendorization staff follows steps in in 2.1b.1 Purchase to Payment (POS) – Rate Management to set up rate table in UFS. Most rates are Vendor specific as well as consumer specific in some cases.	4, Notify appropriate department/ staff member to set up rate for Vendor	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
5	Transfer/ Connect Rate Table to Vendor in UFS	Fiscal, Vendorization, POS, and/or Resource Development Department	The Vendorization department creates/assigns the Vendor number and enters in SANDIS and transfer/connect the rate to the Vendor number. At this point, depending on the type of service, the RC team has completed the rate negotiations and received all rate documentation to establish the rate. Rates live in the POS rate source code table. The table is updated by DDS when rates are negotiated. Rates are then pulled by Vendorization staff from the table and added to the Vendor rate table. Rates may be added at any point in the process once received. The Vendor Status Notification (VSN) is generated from this process.	2.1b.1 Purchase to Payment (POS) – Rate Management	UFS
6	Complete Vendorizat ion Process	Fiscal, Vendorization, POS, and/or Resource Development Department	Once the rates have been entered and UFS and SANDIS have bridged and are reconciled, the Vendorization process can be considered complete. Data is pulled into SANDIS through a UFS interface screen.	5	SANDIS/ UFS
7	Set up Vendor to Receive Invoices via eBilling	Fiscal, Vendorization, POS, and/or Resource Development Department	Vendorization staff sets up Vendors in eBilling or adds Vendor number to existing eBilling profile.	5	UFS
	2.1b.2 Setup eBilling		To set up eBilling follow process 2.1b.2 Purchase to Payment (POS) – Enroll in eBilling.	7	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
8	Set up Vendor to receive Electronic Authorizations	Fiscal, Vendorization, POS, and/or Resource Development Department	Vendorization staff enter all the information for the Vendor in order to receive authorization documents. This information is communicated via email to the Vendor and Vendor or service coordinator.	7	UFS
9	Set up SANDIS Self Service Portal Access	Fiscal, Vendorization, POS, and/or Resource Development Department	If applicable, set up access to SANDIS Self-Service Portal. Note: Not all RCs use the SANDIS Self-Service Portal. It is the choice of the RC to decide whether their Vendors can use self-service.	8	SANDIS
10	Set up Direct Deposit/EFT and e-Billing Flags	Fiscal, Vendorization, POS, and/or Resource Development Department	Vendorization staff sets up EFT/direct deposit for the Vendor. Staff also enter the appropriate e-billing flag to indicate the calendar, or billing schedule/type, service & subcode level, for that Vendor. This calendar essentially indicates the billing schedule for the Vendor.	9	UFS/ eBilling
End			Once all the above steps are completed the Vendor management POS process ends.	10	

2.1b.1 POS Rate Management

The following workflow and narrative exhibits depict the current business processes for 2.1b.1 POS Rate Management.



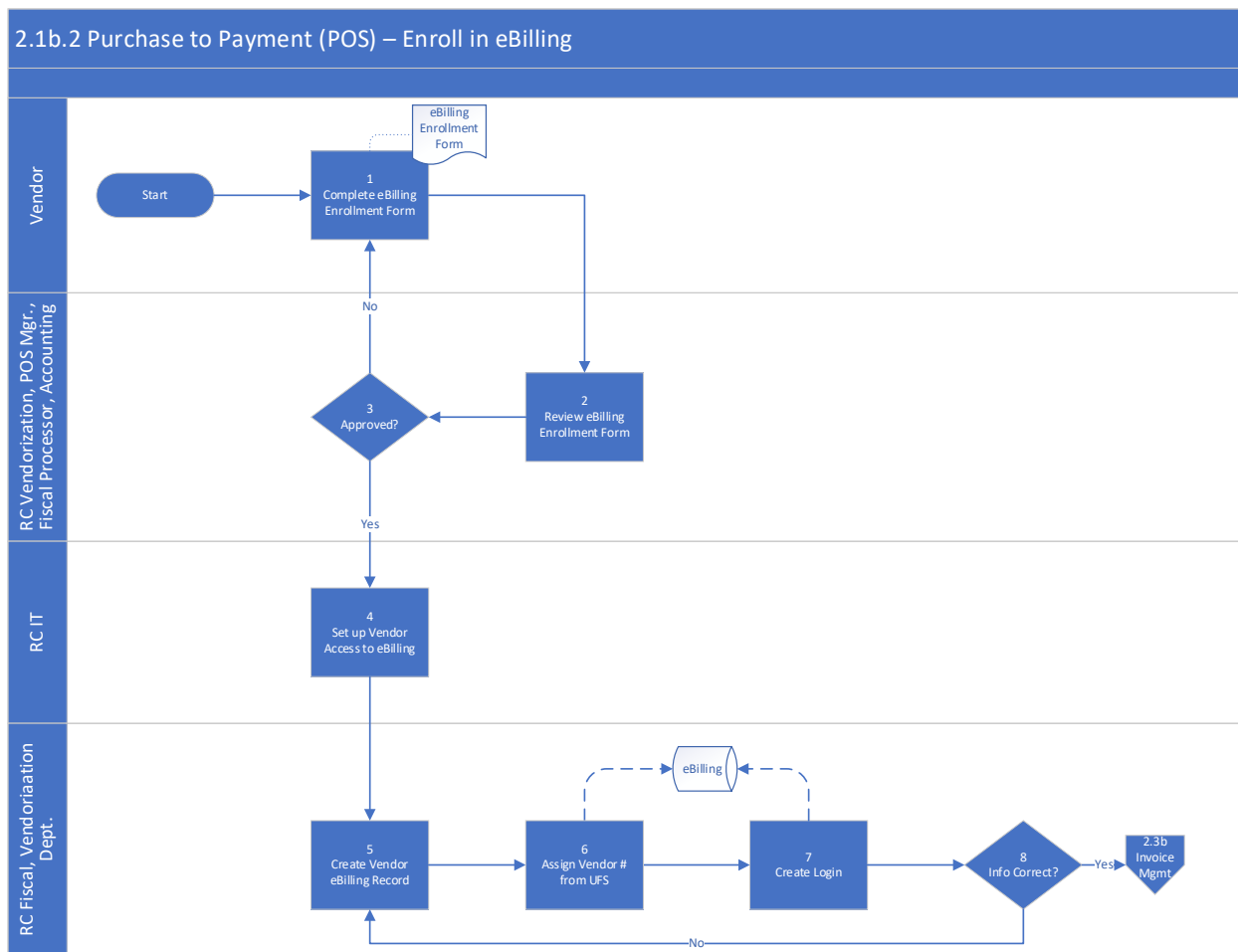
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start	2.1b Vendor Management Process		If Vendor information changes during the Vendor management process, these steps may need to start over.	Vendorization may be complete. Vendor record set up in SANDIS and UFS.	SANDIS/ UFS
1	Access Vendor Rate Table in UFS	Vendorization, Rate Department in Finance, or Community Services	Vendorization or Rate department in Finance or Community Services staff selects applicable service code and sub-code (if necessary) in POS rate source code table to start the POS process.	Vendorization is in process.	UFS
2	Rate Exists in UFS?	Vendorization, Rate Department in Finance, or Community Services	Staff member confirms if the Rate is already in UFS. If yes, then they follow step 3 to select Rate by service code/sub-code. If the Rate is not in UFS follow step 6.	1	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
3	Select Rate by Service Code/Sub-Code in Appropriate Rate Table	Vendorization, Rate Department in Finance, or Community Services	Staff member uses the appropriate service code from the POS source code table, select the applicable rate. The service codes include: <ul style="list-style-type: none"> • SMA, RVS, Hospital % MediCal • By contract • Usual and Customary • Usual and Customary to DDS max • Rate Established by DDS • By rate letter only • Respite • Negotiated Rates • Median Rates • * Some rates may be consumer specific 	2 & 8	UFS
4	Rate Up to Date?	Vendorization, Rate Department in Finance, or Community Services	Staff member confirms if the rate is correct and up to date in UFS, if yes, the process is complete. If the rate is not set up in UFS, follow step 5.	3	UFS
5	Update Rate by Service Code and/or Sub-code in Rate Table	Vendorization, Rate Department in Finance, or Community Services	Staff member confirms if the rate is accurate and up to date in UFS and updates the associated service code and/or subcode in the table.	4	UFS
6	Add Service Code/Sub-Code to Vendor Master File	Vendorization, Rate Department in Finance, or Community Services	The service code/sub-code must be added to the appropriate Vendor master file to continue. Vendors may need to be reactivated if they have been deleted or changed.	2 & 8	UFS
7	Add Rate to Service Table for Vendor	Vendorization, Rate Department in Finance, or Community Services	Once the service and sub-codes are added to the Vendor master, the rate can be added to the Vendor master as well.	6	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
8	Approved?	Vendorization, Rate Department in Finance, or Community Services	Staff member needs to confirm if new rate and service code and/or sub-code set up is approved. If yes, they can continue to step 3 and select the rate in the rate table. If no, they must circle back to add a service code to the master Vendor file.	7	UFS
End			Process ends.	4 or 5	

2.1b.2 POS Enroll in eBilling

The following workflow and narrative exhibits depict the current business processes for 2.1b.2

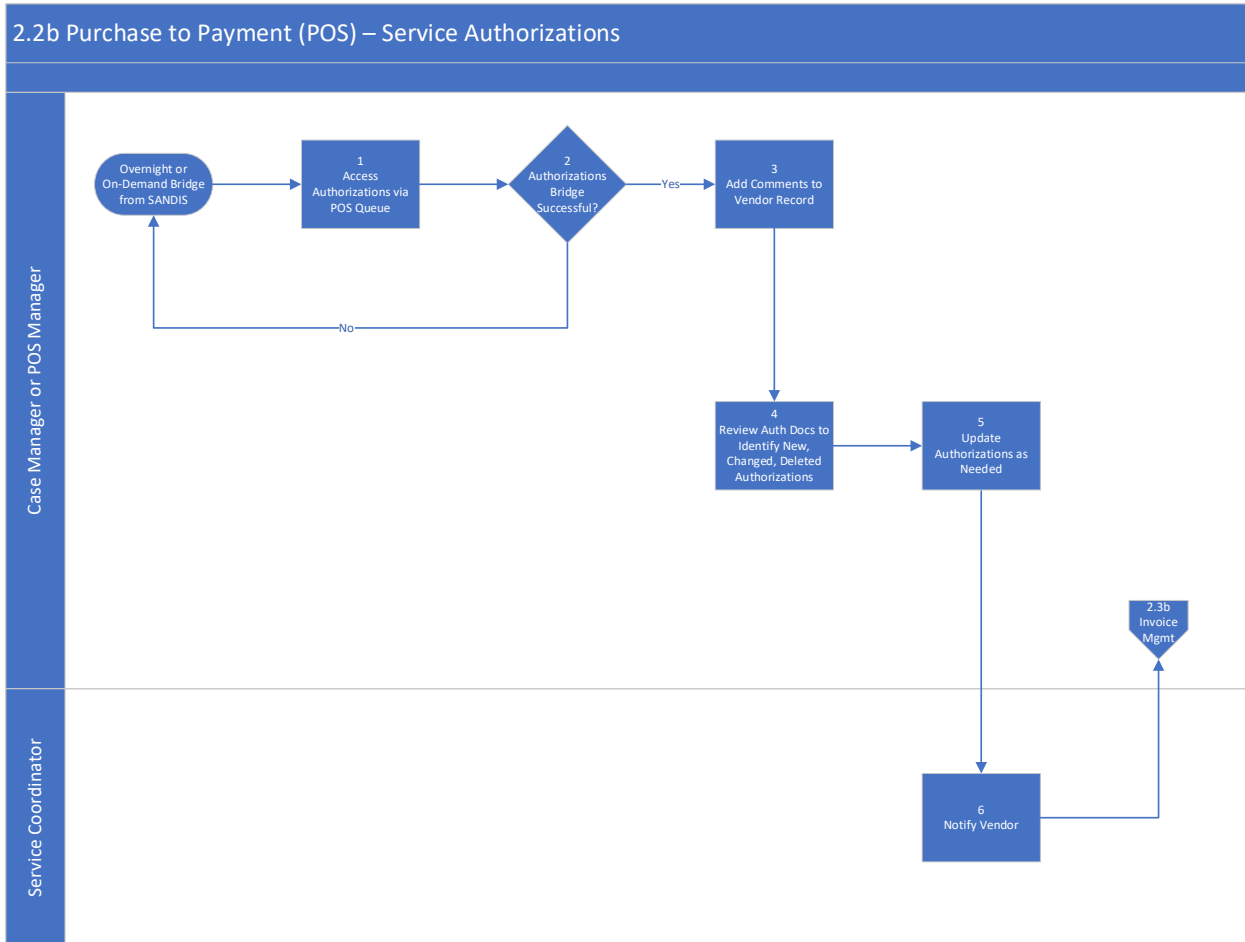


Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				Vendorization is complete and Vendor approved. Receive a paper form.	Paper form
1	Complete eBilling Enrollment Form	Vendor	Vendor sends the eBilling enrollment form to Vendorization, POS manager, fiscal process, or accounting.	3	None
2	Review eBilling Enrollment Form	RC Vendorization, POS manager, Fiscal Processor, Accounting	RC Vendorization, POS manager, Fiscal Processor, Accounting receives and reviews the enrollment form.	1	None
3	Approved?	RC Vendorization, POS manager, fiscal processor, accounting	If the eBilling enrollment is approved by RC Vendorization, POS manager, fiscal processor, or Accounting continue to step 4 to set up Vendor access to eBilling. If eBilling enrollment form is not approved, RC Vendorization, POS manager, fiscal processor, accounting return form back to Vendor to update/correct and process restarts with step 1.	2	None
4	Set up Vendor Access to eBilling	RC IT, RC fiscal	IT or Vendorization manager sets up Vendor to access eBilling.	3	eBilling
5	Create Vendor eBilling Record	RC fiscal, Vendorization department	RC fiscal, Vendorization staff creates Vendor eBilling record.	4 or 8	UFS
6	Assign Vendor # from UFS	RC fiscal, Vendorization department	RC fiscal, Vendorization staff assign a Vendor # from UFS to eBilling record.	5	eBilling

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
7	Create Login	RC fiscal, POS, Vendorization department	The Vendor receives an email from the RC fiscal, Vendorization staff with user ID, temporary password, and Vendor training PowerPoint. RC fiscal, Vendorization staff will also provide training to the Vendor if needed.	6	eBilling
8	Info Correct?	RC fiscal, POS, Vendorization department	RC fiscal, Vendorization staff confirms the information, if it is correct, they proceed to 2.3b Invoice Management process. If information is incorrect, they will go back and repeat steps 5-7.	7	UFS and eBilling
End	2.3b Invoice Management		Continue to process 2.3b Invoice Management.	8	

2.2b Service Authorizations

Service Authorizations for POS begin as services requests in the SANDIS case management system. After the service request information is bridged from SANDIS to UFS, a Service Authorization is created in UFS that specifies the service codes and sub-codes, and associated rates and allocated hours for that Vendor to provide services to a specific consumer. This requires the review of service request documents and Vendor contract finalization.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				Overnight or On-Demand Bridge from SANDIS	
1	Access Authorizations via POS Queue	Case manager or POS manager	Case manager or POS manager checks the POS overnight queue for authorizations (new and updates) that have bridged over from SANDIS.	Start	UFS Some RCs use in-house or third-party tools to enable automation

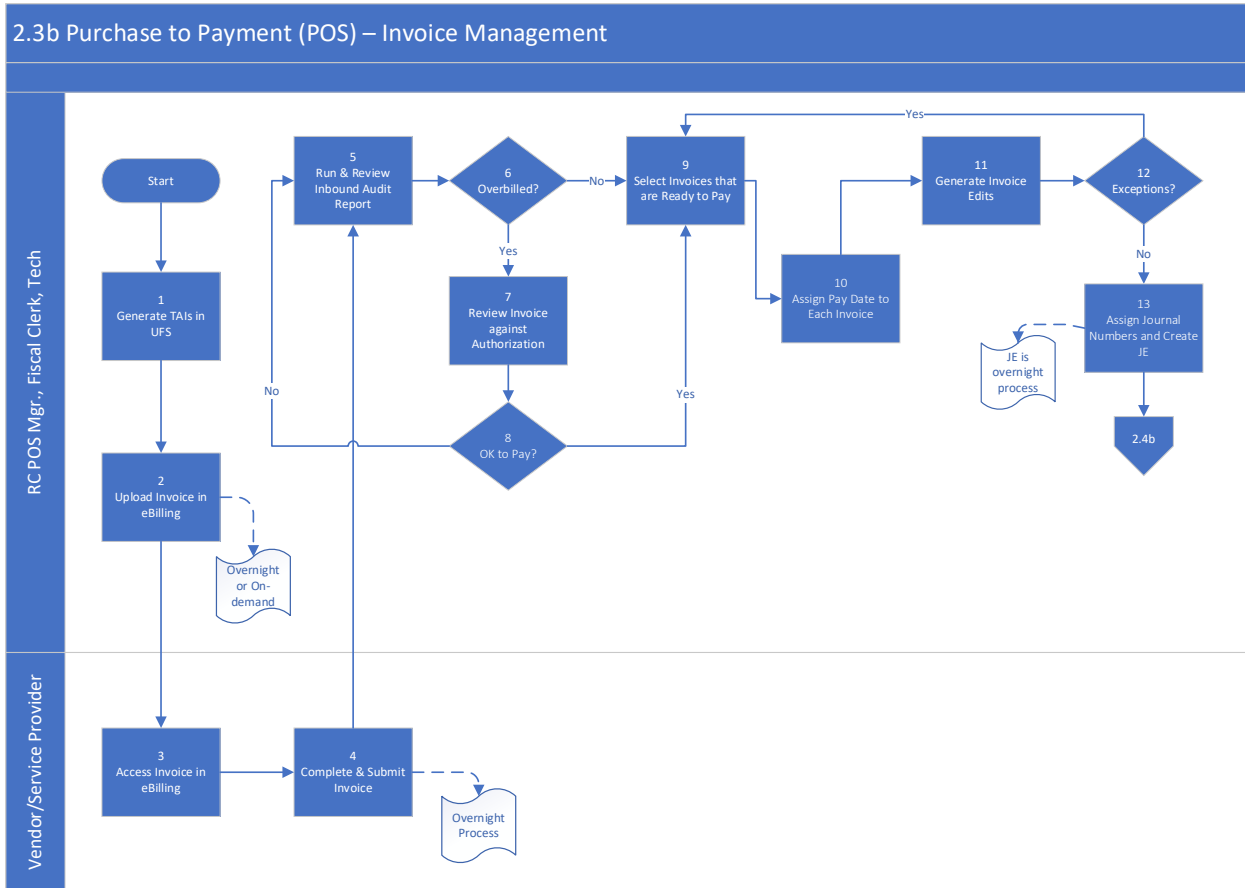
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
2	Authorizations Bridge Successful?		Case manager or POS manager also checks the POS queue for authorizations that failed to bridge. If there are failed authorizations, the service request must be updated in SANDIS and bridged again.	1	UFS
3	Add Comments to the Authorized Service Record	Case manager or POS manager	Case manager or POS manager adds comments to authorized service record (e.g., mid-month proration) if necessary. Note: Vendors can also see this information; its purpose is to be the financial communication between the RC and provider regarding the length and units of service.	2	UFS
4	Review Auth Docs to Identify New, Changed, Deleted Authorizations	Case Manager or POS Manager	Case manager or POS manager reviews the authorization documents to identify new, changed, deleted authorizations.	3	UFS
5	Update Authorizations as Needed	Case Manager or POS Manager	Case manager or POS manager updates authorization documents as needed.	4	UFS
6	Notify Vendor	Service Coordinator/ Fiscal Team	Once the authorization documents are reviewed, the service coordinator will email the authorization to Vendor. The service coordinator will generate copies of IPP/IPP addendums, and copies of authorizations are sent by the fiscal team.	5	Email system
End	2.3b Invoice Management		Proceed to step 2.3b Invoice Management.	6	

2.3b Invoice Management

Invoice Management for POS includes the processing of invoices received from Vendor for services provided to consumers. All POS Vendors submit invoices through the eBilling system. This process leads into the final payment for services process. Invoices are referred to as "turnaround invoices," or TAIs.

Note: a small number of Vendors have been granted an exemption from using eBilling. Typically, they are exempted because they are a family member who does not have

internet access. Those Vendors submit their invoices on paper.



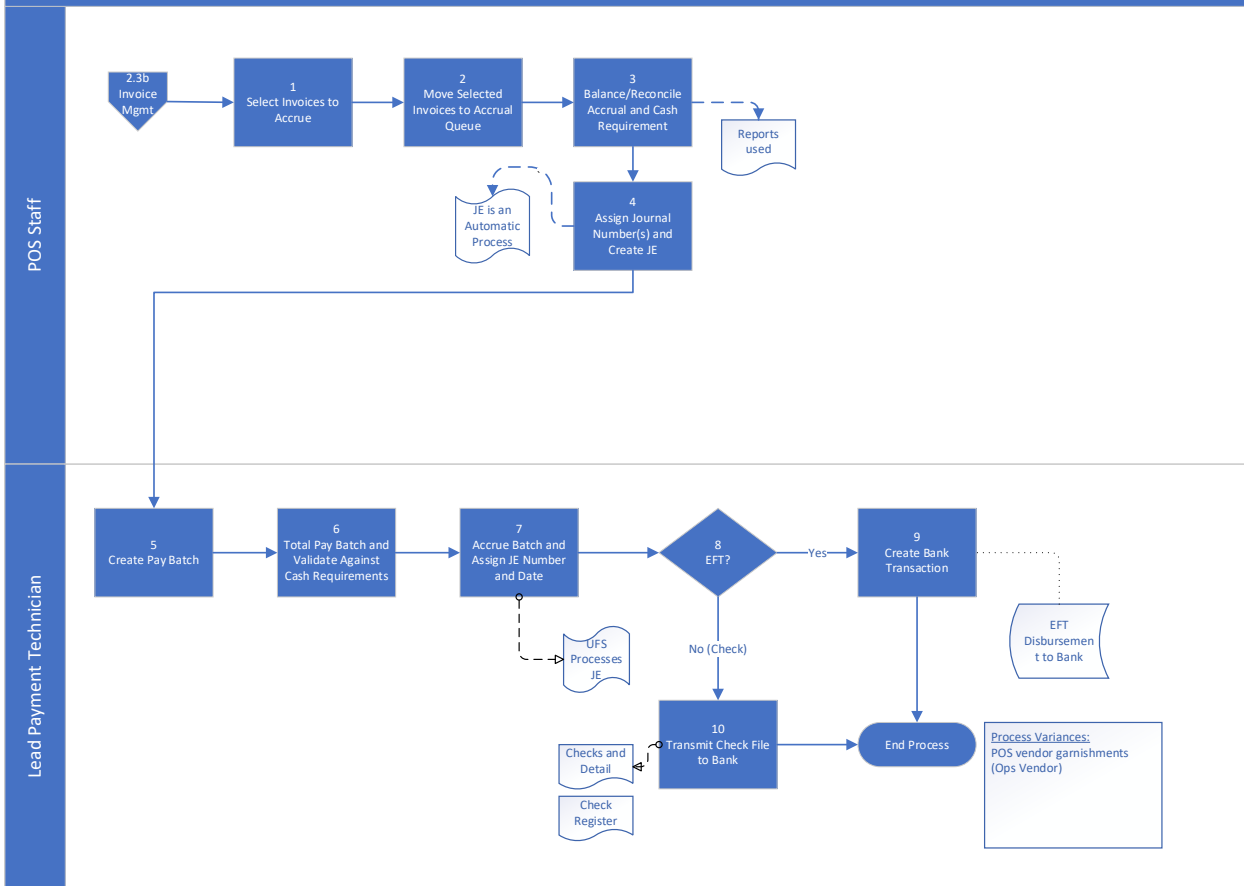
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				Date driven	
1	Generate TAIs in UFS	RC POS Manager, Fiscal Clerk, Tech	RC POS manager, fiscal clerk, tech will generate TAIs in UFS.	Start	UFS
2	Upload Invoice in eBilling	RC POS Manager, Fiscal Clerk, Tech	RC POS manager., fiscal clerk, tech uploads the rate change into the eBilling system, either overnight or on-demand.	1	UFS
3	Access Invoice in eBilling	Vendor	Vendors access the uploaded invoice in eBilling.	2	eBilling
4	Complete & Submit Invoice	Vendor	Vendor completes and submits the invoice. This is an overnight process.	3	eBilling
5	Run & Review Inbound Audit Report	POS Staff	POS staff runs and reviews the Inbound Audit Report.	4 or 8	UFS
6	Overbilled?	POS Staff	POS staff review report to identify any overbilling. If overbilling is identified, continue to step 7 to review the invoice against the authorization to confirm. If the billing is accurate proceed to step 9 to select invoices for payment.	5	UFS
7	Review Invoice against Authorization	POS Staff	POS staff reviews the invoice against authorization to validate charges.	6	UFS
8	OK to Pay?		If invoice matches the authorization the follow step 9 to move the invoice to pay. If the invoice does not match, follow step 5, and correct the invoice.	7	UFS
9	Select Invoices that are Ready to Pay	POS Staff	POS staff selects Invoices that are ready to pay.	6,8 or 12	UFS
10	Assign Pay Date to Each Invoice	POS Staff	POS staff assigns a pay date to each invoice.	9	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
11	Generate Invoice Edits	POS Staff	POS staff generates invoice edits.	10	UFS
12	Exceptions?	POS Staff	POS staff checks for any exceptions, if there are exceptions go back to 2.3b Invoice Management and correct the invoices. If there are no exceptions, proceed to step 9 to create a pay batch.	11	UFS
13	Assign Journal Numbers and Create JE	POS Staff	A journal entry must be created to process the Invoices.	12	UFS
End	2.4b Payment Management		Proceed to 2.4b Payment Management process.	13	

2.4b Payment Management

POS Payment Management includes finalizing and selecting POS invoices for payment. This process creates the actual payment (EFT or check) for Vendors and initiates the check run process to generate checks or EFTs for Vendors. This process also includes development of the bank transaction to carry out the payment.

2.4b Purchase to Payment (POS) – Payment Management

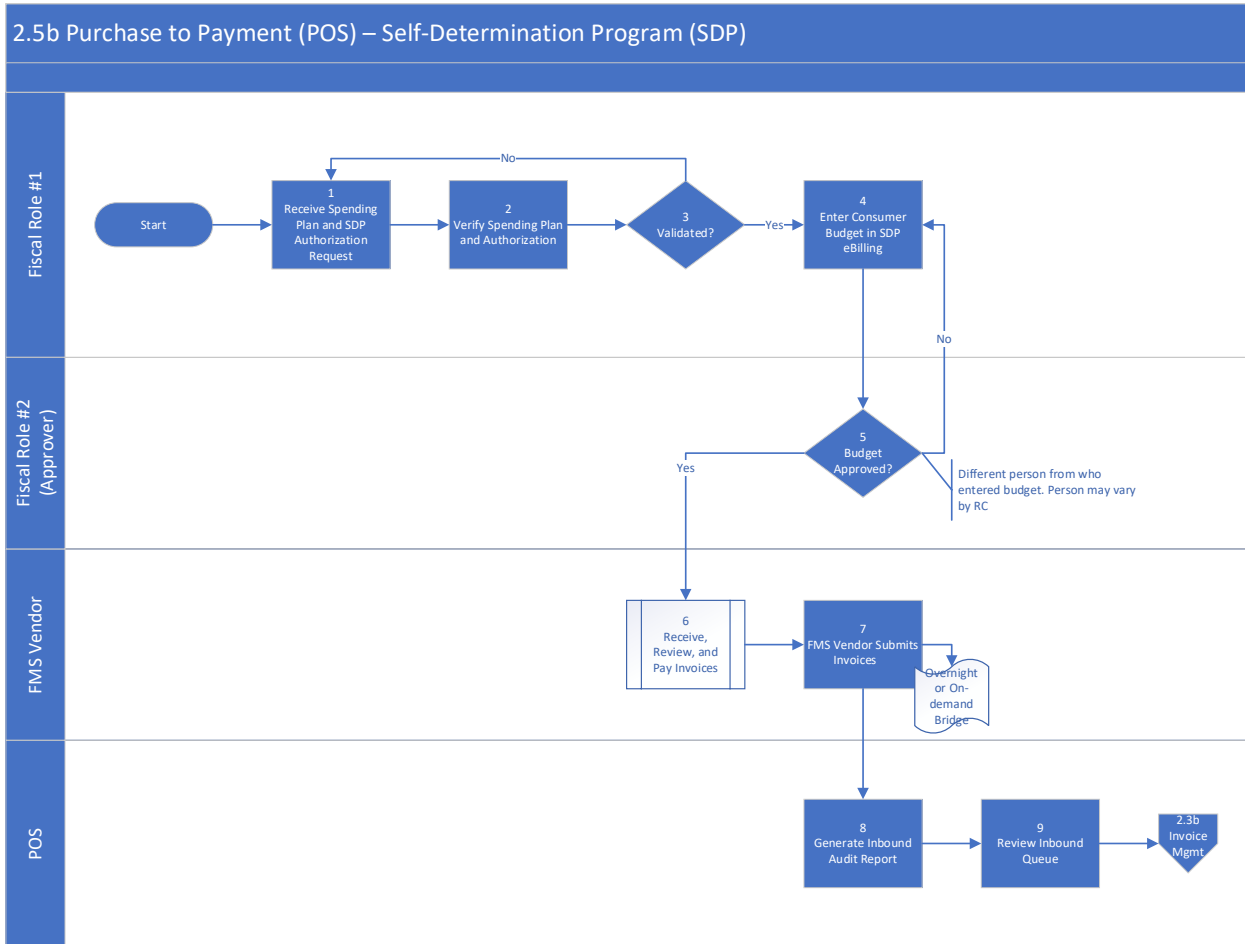


Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				2.3b Invoice Management process is complete	Some RCs are using Nedasoft for positive pay.
1	Select Invoices to Accrue	RC POS Manager, Fiscal Clerk, Tech	RC POS manager, fiscal clerk, tech selects the invoices to Accrue.	Start	UFS
2	Move Selected Invoices to Accrual Queue	RC POS Manager, Fiscal Clerk, Tech	RC POS manager, fiscal clerk, tech moves the selected Invoices to Accrual Queue.	1	UFS
3	Balance/Reconcile Accrual and Cash Requirement	RC POS Manager, Fiscal Clerk, Tech	Once the selected invoices to accrual queue the RC POS manager, fiscal clerk, tech reconciles the accrual and cash requirement.	2	UFS (Reports used)
4	Assign Journal Number(s) and Create JE	RC POS Manager, Fiscal Clerk, Tech	RC POS manager, fiscal clerk, tech creates a JEs and assigns JE numbers. Note: JE is an automatic process.	3	UFS
5	Create Pay Batch	Lead Payment Tech	Lead payment tech creates a pay batch.	4	UFS
6	Total Pay Batch and Validate Against Cash Requirements	Lead Payment Tech	Lead payment tech sums the total pay batch and validates against cash requirements.	5	UFS
7	Accrue Batch and Assign JE Number and Date	Lead Payment Tech	Once validated, lead payment tech accrues the batch and assigns JE number. Note: JE processes run automatically in UFS.	6	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
8	EFT?	Lead Payment Tech	If there an EFT set up on the account, follow step 9 to create a bank transaction. If there is no EFT, proceed to step 10 to transmit check file to the bank.	7	
9	Create Bank Transaction	Lead Payment Tech	If there is no EFT, the lead payment tech will create a bank transaction.	8	UFS
10	Transmit Check File to Bank	Lead Payment Tech	The lead payment tech transmits a check file to the bank to process the payment.	8	UFS
End			Process ends.	9 or 10	

2.5b Self-Determination Program (SDP)

The Self-Determination Program (SDP) is a voluntary program which allows consumers and their family the opportunity to have more control in developing their service plans and selecting Service Providers to better meet their needs. The SDP also has available 1915(c) waiver funds approved by the Centers for Medicare and Medicaid Services (CMS) beginning in 2018. After a consumer decides to participate in the SDP and the Person-Centered Plan (PCP), Individual Program Plan (IPP), SDP budget, and spending plan are complete, they must be set up in UFS. SDP participants are required to utilize the services of a Financial Management Services (FMS) provider of their choosing. The FMS provider must meet standards and certifications set by the department and be Vendedored by a regional center. Financial Management Services (FMS) provider help participants manage their individual budget and spending plan. The FMS does not control the budget or spending plan. The FMS supports participants by paying for the services they choose. The FMS provider also makes sure the participant has funds to purchase needed services and support for the entire year. The FMS provides the participant and the regional center with a monthly expenditure report.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				This process begins after the Person-Centered Plan (PCP), Individual Program Plan (IPP), SDP budget, and spending plan are complete, and the consumer is identified as Type S (SDP) in SANDIS.	
1	Receive Spending Plan and SDP Authorization Request	Fiscal Role #1	Fiscal staff will receive a spending plan and SDP authorization request from the service coordination via email.	Start or 3	Encrypted email (confirm this is sent via encrypted email)

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
2	Verify Spending Plan and Authorizations	Fiscal Role #1	Fiscal staff reviews and verifies spending plan and Authorization against authorization data from SANDIS > UFS bridge.	1	UFS
3	Validated?	Fiscal Role #1	<p>Fiscal staff validates the data, if all is correct, they follow step 4 to enter consumer budget in SDP eBilling.</p> <p>If the data does not match fiscal staff will work with case management/service coordinator to update authorization and re-start the process at step 1.</p> <p>It is important to note the unique nature of SDP invoicing, which is done on a different schedule per DDS directive. The SDP invoicing process differs from traditional invoicing.</p>	2	None
4	Enter Consumer Budget in SDP eBilling	Fiscal Role #1	<p>Fiscal staff will set up annual, lump-sum budget by category.</p> <p>Note: This is repeated annually.</p>	3 or 5	eBilling
5	Budget Approved?	Fiscal Role #2 (role may vary by RC)	<p>To ensure checks and balances, a different staff person reviews and approves the budget.</p> <p>Once approved follow step 6 to pay invoices.</p> <p>If discrepancies are found, return to step 4 and correct budget.</p>	4	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
6	Receive, Review, and Pay Invoices	FMS Vendor	Vendors submit invoices to the FMS Vendor for services provided and the FMS Vendor reviews invoices against spending plan and pays the Vendor. Of note, while rare, consumers in SDP can have services provided outside of their individual budget by Vendors who will have a POS and bill directly through eBilling, not through the FMS provider.	5	None
7	FMS Vendor Submits Invoices	FMS Vendor	FMS Vendor enter payments made against budget at the category level.	6	eBilling
8	Generate Inbound Audit Report	POS	After overnight or on-demand bridge from eBilling to UFS, POS staff run and review inbound audit report. This report identifies differences between authorization and invoice amount.	7	UFS
9	Review Inbound Queue	POS	POS staff reviews inbound queue and continues to 2.3b invoice management to complete process.	8	UFS
End	2.3b Invoice Management		Proceed to 2.3B for invoice management.	9	

3.0 Consumer Trust Management

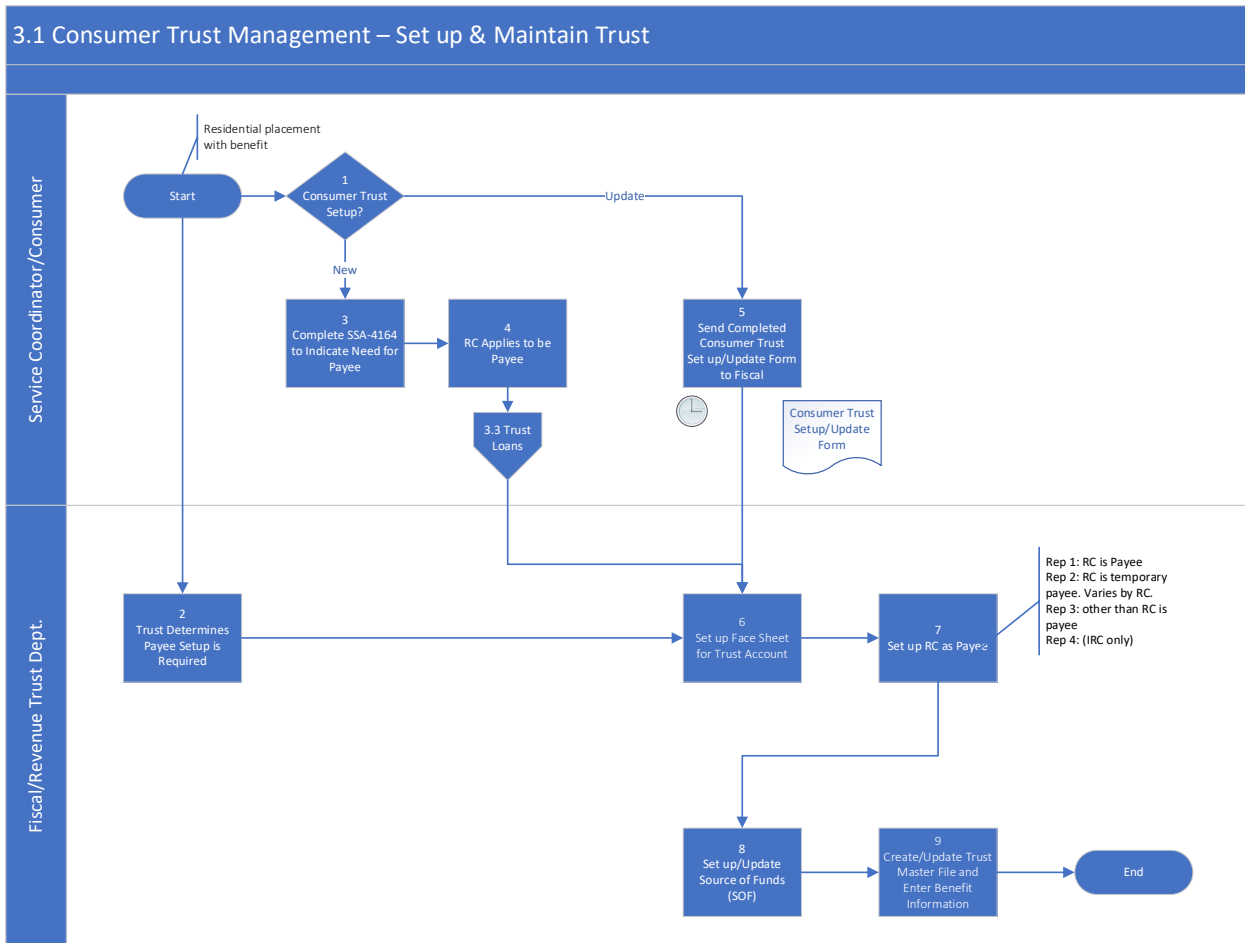
Consumer trust management includes processes for RCs to receive and manage income and disburse payments for residential board and care (B&C) and personal and incidental (P&I) expenses. The set-up trust process includes all activities required to set up a consumer trust in UFS. Workflows for Set Up Trust Include:

- 3.1 Set Up Trust
 - 3.1.1 SSI Rate Change
 - 3.1.2 Wage Maintenance
 - 3.1.3 Recurring Receivable/Cash Receipt

3.1 Set Up Trust

The following workflow and narrative exhibits depict the current business processes for

Set Up Trust.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				Consumer has residential placement and has or has applied for benefits (e.g., SSI, SSA, VA, pension, etc.) Or support living services (SLS) consumers (e.g., money management only).	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
1	Consumer Trust Setup?	Service Coordinator	<p>This process will differ depending on whether the consumer's request for trust is new, or if this is an update to an existing trust arrangement.</p> <p>If the trust request is new and requires a full consumer trust setup, continue to step 3, and follow step 3.3 Trust Loan process, if needed.</p> <p>If the consumer already has a payee service coordinator proceeds to step 5.</p>	Start	None
2	Trust Determines Payee Setup is Required	Trust	In some cases, trust may determine that a payee setup is required for a new trust agreement.	Start	Manual
3	Complete SSA-4164 to Indicate Need for Payee	Consumer/ Service Coordinator	The service coordinator will work with the consumer to have the consumer complete form SSA-4164, which indicates the need for a payee on behalf of the consumer.	1	Manual

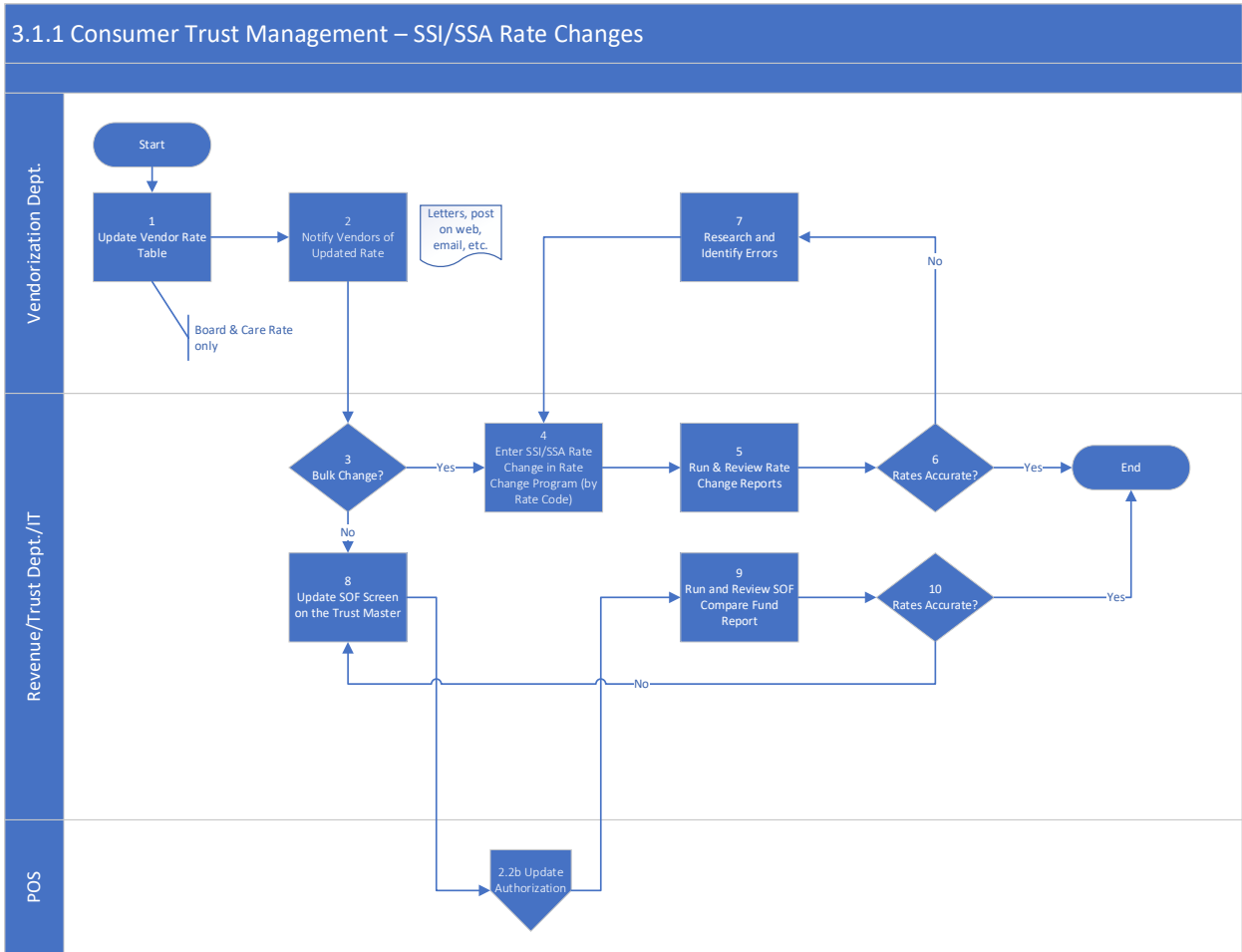
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
4	RC Applies to be Payee	Service Coordinator	<p>Service coordinator and consumer submit the application for the RC to become the payee. The following are considerations for the RC to become the payee:</p> <ul style="list-style-type: none"> • Medical determination that a payee is needed • Consumer choice • Conservator <p>SSA sends consent form to consumer (SSA-11) and SSA 4164 (identifies who can act for the beneficiary) is signed by consumer.</p> <p>Org. payee not preferred payee.</p> <p>If consumer has benefits, it takes 30-90 days for new payee approval.</p> <p>Note: It can take up to 2 years for a new application for benefits to be processed.</p>	3	Process tracked in spreadsheet
5	Send Completed Consumer Trust Setup/ Update Form to Fiscal	Service Coordinator	Service Coordinator works with consumer to complete and submit consumer Trust Setup/ Update Form.	1	Email
6	Set up Face Sheet for Trust Account	Fiscal/RC Rev. Trust Department	Fiscal/RC Rev. Trust Department. sets up Trust Account on Trust Master Maintenance screen (i.e., face sheet).	2, 3.3 Trust Loans, 5	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
7	Set up RC as Payee for Consumer Trust	Fiscal/RC Revenue Trust Department	The Fiscal/RC revenue trust department staff sets up the Rep payee on the SOF maintenance screen with following: <ul style="list-style-type: none"> Rep 1: RC is payee for current benefit in place Rep 2: No benefit/income in place but applied for. RC will loan if needed. Rep 3: Someone other than RC is receiving benefit in place. Responsible for paying. For example: Vendor rep payee, conservator Rep 4: Funds at RC in trust account that can be used to pay for placement (only used by Inland Regional Center) 	6	UFS
8	Set up/ update Source of Fund (SOF)	Fiscal/RC Revenue Trust Department.	Fiscal/RC revenue trust department. enters/updates SOF accordingly (e.g., SSI, SSA, VA, pension, etc.).	7	UFS
9	Create/ Update Trust Master and Enter Benefit Information	Fiscal/RC Revenue Trust Department	Fiscal/RC revenue trust department. enters the benefit amount for each SOF.	8	UFS
End			Once the above steps are complete process ends.	9	

3.3.1 SSI Rate Change

The SSA periodically change the B&C rates for eligible consumers. Often the rate changes are due to cost-of-living adjustments (COLA) and apply to all eligible consumers. Sometimes there is rate change that impacts only one consumer because of a change in their situation.

The following workflow and narrative exhibits depict the current business processes for 3.1.1 SSI/SSA Rate Change.



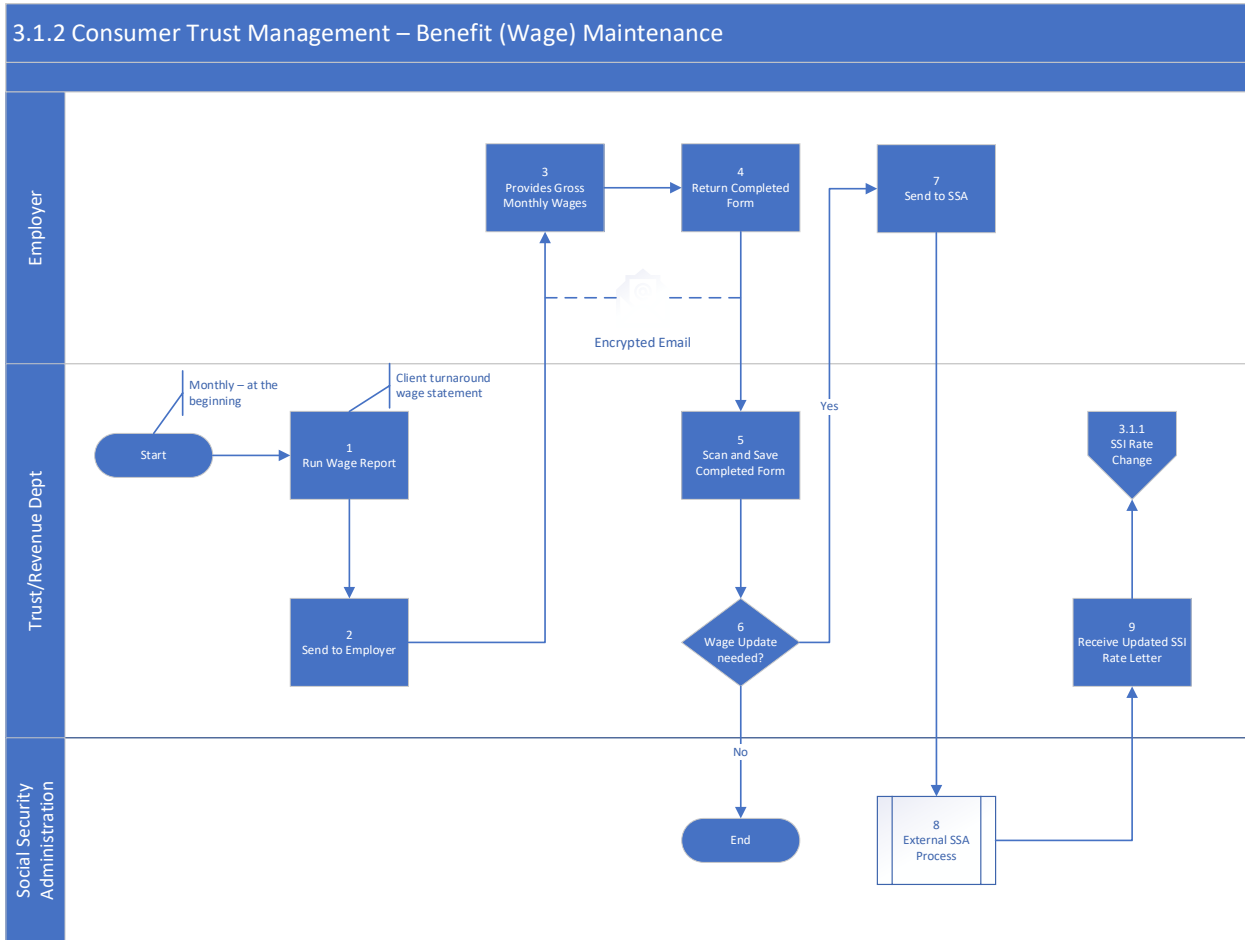
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				December invoices have been run. Annual COLA letters received. DDS (AST) provides workflow (order of activities). DDS publishes alternate rate maintenance (ARM) guidance – tied to authorization (RC/ consumer share).	

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
1	Update Vendor Rate Table	Vendorization Department	Vendorization department updates the Vendor rate table and, update the SSI/SSA rates in UFS using rates provided. Note: This process is followed for board & care and P&I only.	Start	UFS
2	Notify Vendors of Updated Rate	Vendorization Department	Vendorization Department notifies the Vendors via mail, letters, post on website, email, etc., with new rates for the Vendor.	1	None
3	Bulk Change?	Revenue/Trust Department	Revenue/Trust department determines if a bulk change can be performed. If yes, proceed to step 4 to enter SSI/SSA Rate Change in Rate Change Program. If there are no bulk changes, proceed to step 8 to update SOF Screen on the Trust Master.	2	None
4	Enter SSI/SSA Rate Change in Rate Change Program (by Rate Code)	Revenue/Trust Department	Using the rate change program Revenue/Trust department. staff performs the following: Bulk rate change is done in rate change program. DDS provides guidance on changes by rate code.	3 & 7	UFS
5	Run & Review Rate Change Reports	Revenue/Trust Department	Revenue/Trust department reviews rate change reports against updated rates.	4	UFS
6	Rates Accurate?	Revenue/Trust Department	Revenue/Trust department determines if the rates are accurate. If the rates are accurate, continue to process end. If the rates are not accurate, the Revenue/Trust department staff proceeds to step 7 to research and identify errors.	5	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
7	Research and Identify Errors	Vendorization Department	Vendorization department researches and identifies errors, return to step 4 to correct the errors.	6	None
8	Update SOF Screen on the Trust Master	Revenue/Trust Department	Revenue/Trust department. updates benefit amount for each SOF.	3 or 10	UFS
2.2b	Update Authorization	POS	Proceed to 2.2b Service Authorizations (POS) process to update the service authorization. Some RCs will perform this function in Trust.	8	UFS
9	Run and Review SOF Compare Fund Report	Revenue/Trust Department	Revenue/Trust department. runs and reviews the SOF Compare Fund Report to identify errors. The report will trigger any updates to take place in the system.	2.2b Service Authorizations	UFS
10	Rates Accurate?	Revenue/Trust Department	If the rates are accurate, continue to process end. If errors are found, return to step 8 to correct the rates.	9	UFS
End			Process ends.	6 or 10	

3.1.2 Wage Maintenance

Some consumers have jobs and earn income. If those consumers have trust that is managed by their RC, those wages must be recorded in UFS and reported to the SSA. The following workflow and narrative exhibits depict the current business processes for 3.1.2 Wage Maintenance

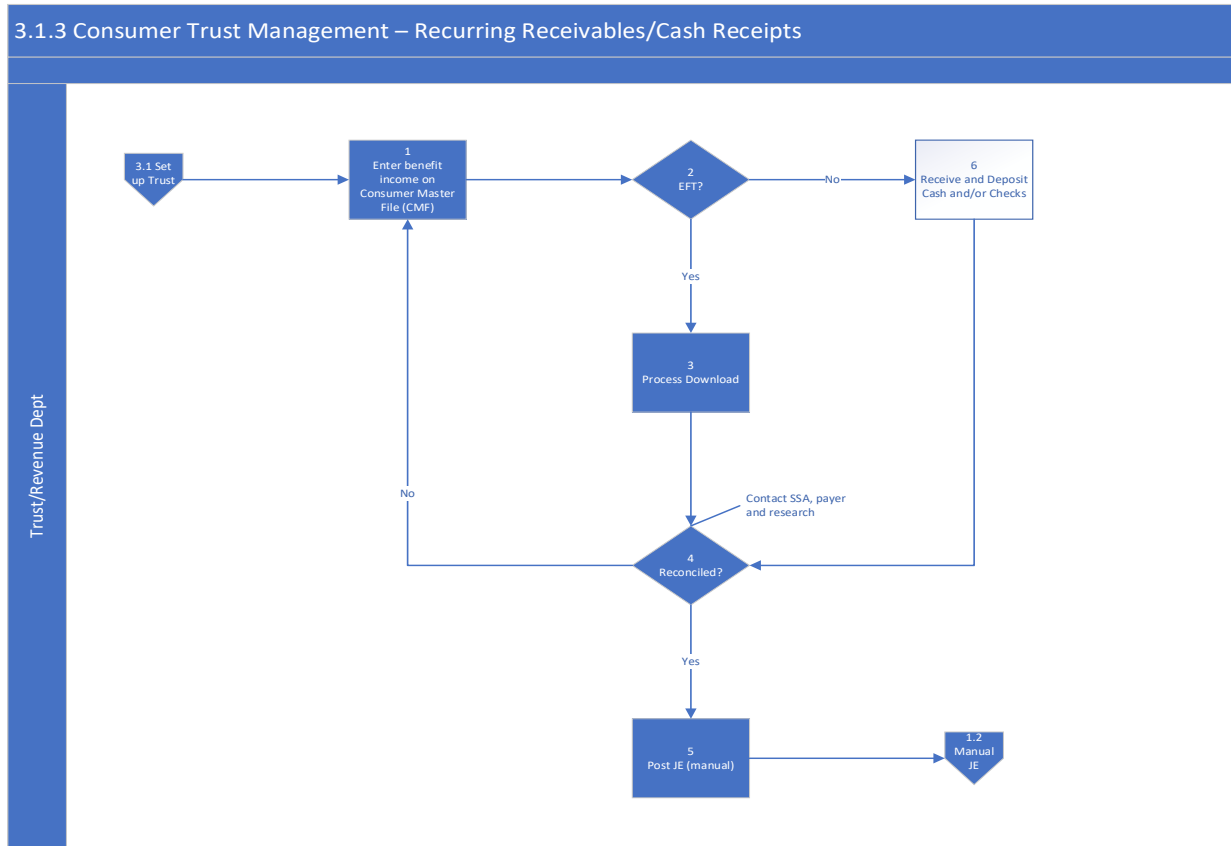


Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start				Monthly – at the beginning	
1	Run Wage Report	Trust/Revenue Department	Trust/Revenue department. staff runs and reviews the wage report/ consumer turnaround wage statement.	Start of the month	UFS
2	Send to Employer	Trust/Revenue Department	Trust/Revenue department. uses encrypted email to send wage report/consumer turnaround wage statement to the employer.	1	Encrypted email
3	Provide Gross Monthly Wages	Employer	The employer updates wage report with gross monthly wages.	2	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
4	Return Completed Form	Employer	The employer sends completed wage report/consumer turnaround wage statement to RC using encrypted email.	3	Encrypted email
5	Scan and Save Completed Form	Trust/Revenue Department	Trust/Revenue department. staff uses non-UFS scanning software, scan and save the completed wage report to appropriate location as determine by RC.	5	Non-UFS system
6	Wage Update needed?	Trust/Revenue Department	Trust/Revenue department. staff determines if a wage update is needed. If yes, follow step 7 and send form to SSA. If not, no further action is needed the process ends. This process can begin in some cases from step 6, as trust staff may need to act as a result of monthly wage reports send to both RCs and the SSA offices.	5	None
7	Send Form to SSA	Employer or Trust/Revenue Department	To process a wage update, the Trust/Revenue department. staff send completed wage report to SSA via mail or encrypted email. Most frequently this form is sent to SSA by the employer in question. However, occasionally the Trust department will need to send forms to SSA instead of the employer.	6	Mail or encrypted email
8	External SSA Process	Social Security Administration		7	None
9	Receive Updated SSI Rate Letter	Trust/Revenue Department	Trust/Revenue department. staff reviews the SSI rate letter.	8	Mail or encrypted email
3.1.1	SSI Rate Change		Based on the information received, Trust/Revenue department. staff updates SSI rate, using 3.1.1 SSI Rate Change process as needed.	9	
End			Process ends	6	

3.1.3 Recurring Receivables/Cash Receipts

Currently, when the RC receives payments for a consumer trust for which it is the payee, the RC creates a receivable in UFS to record the payment. The following workflow and narrative exhibits depict the current business processes for 3.1.3 Recurring Receivables/Cash Receipts.

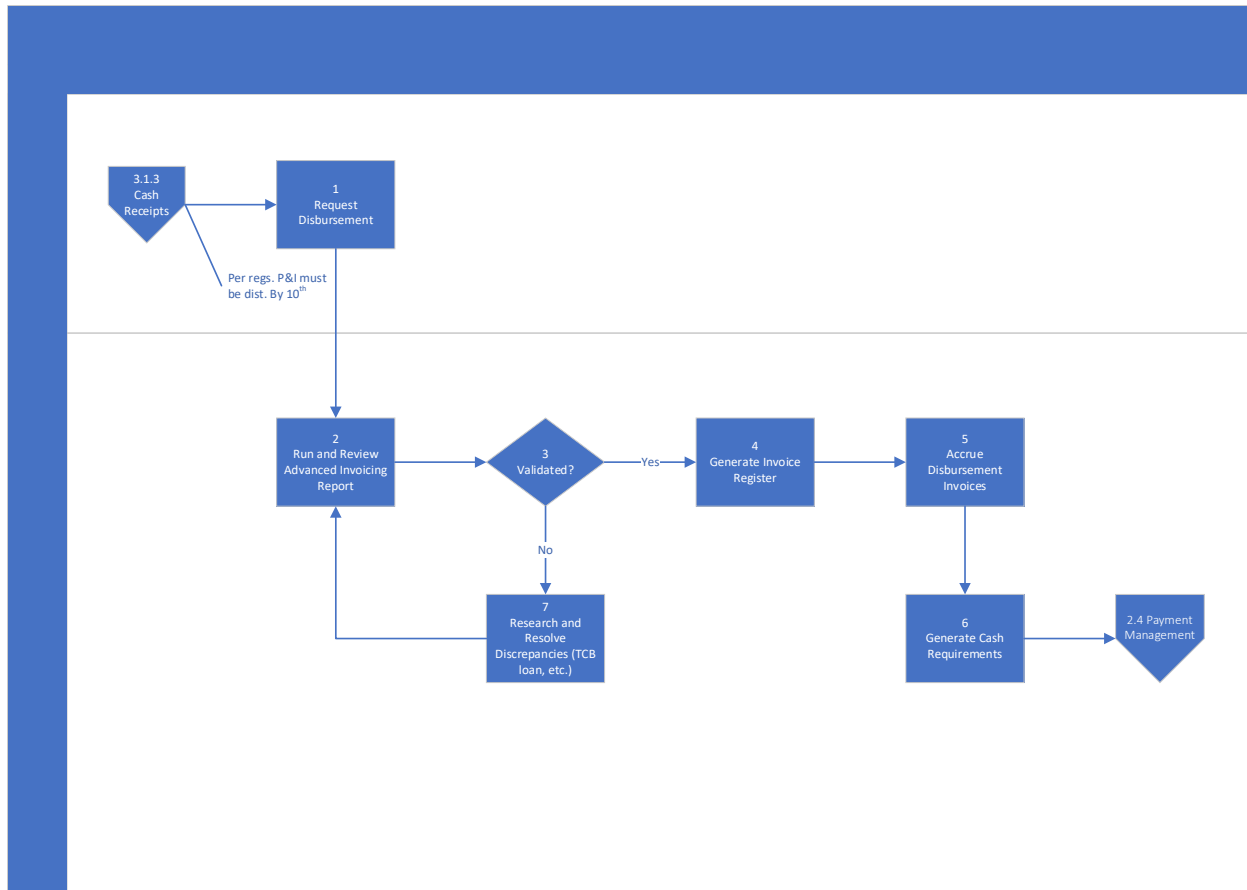


Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start			3.1 Set up Trust	Date driven; monthly, on first of the month	
1	Enter/update benefit income	Trust/ Revenue Department	Trust/Revenue department staff Enters/update benefit income on consumer master file (CMF), SOF Maintenance screen.	Start	UFS
2	EFT?	Trust/ Revenue Department	If there is an EFT set up, proceed to step 3 to process the EFT download to deposit the funds. If there is no EFT, proceed to step 6 to receive and deposit cash and/or checks.	1	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
3	Process Download	Trust/ Revenue Department	Trust/Revenue department staff processes EFT download to deposit funds in correct account.	2	Manual or third-party tool
4	Reconciled?	Trust/ Revenue Department	Trust/Revenue department staff reconciles to confirm if correct fund amount is received against the EFT and/or cash/checks. If amount is confirmed, proceed to step 5 and post JE. If amount is not confirmed, go back to step 1 to correct and update. (Contact SSA, payer, and research).	3 & 6	None
5	Post JE (manual)	Trust/ Revenue Department	Trust/Revenue department staff follows process in 1.2 to manually process JE.	4	UFS
6	Receive and Deposit Cash and/or Checks	Trust/ Revenue Department	Trust/Revenue department staff receives and deposits checks/cash and follows step 4 to reconcile the funds.	2	None
1.2	Manual JE	Trust/ Revenue Department	Trust/Revenue department staff follows process 1.2 to manually post a JE.	5	
End			Process ends.		

3.2 Disbursements

Disbursements for Consumer Trust Management include the calculation of all required disbursements for Trust-related POS. This process leads to the development of an invoice for the amount required to be disbursed residential care Vendor. This process ends with the payment process.



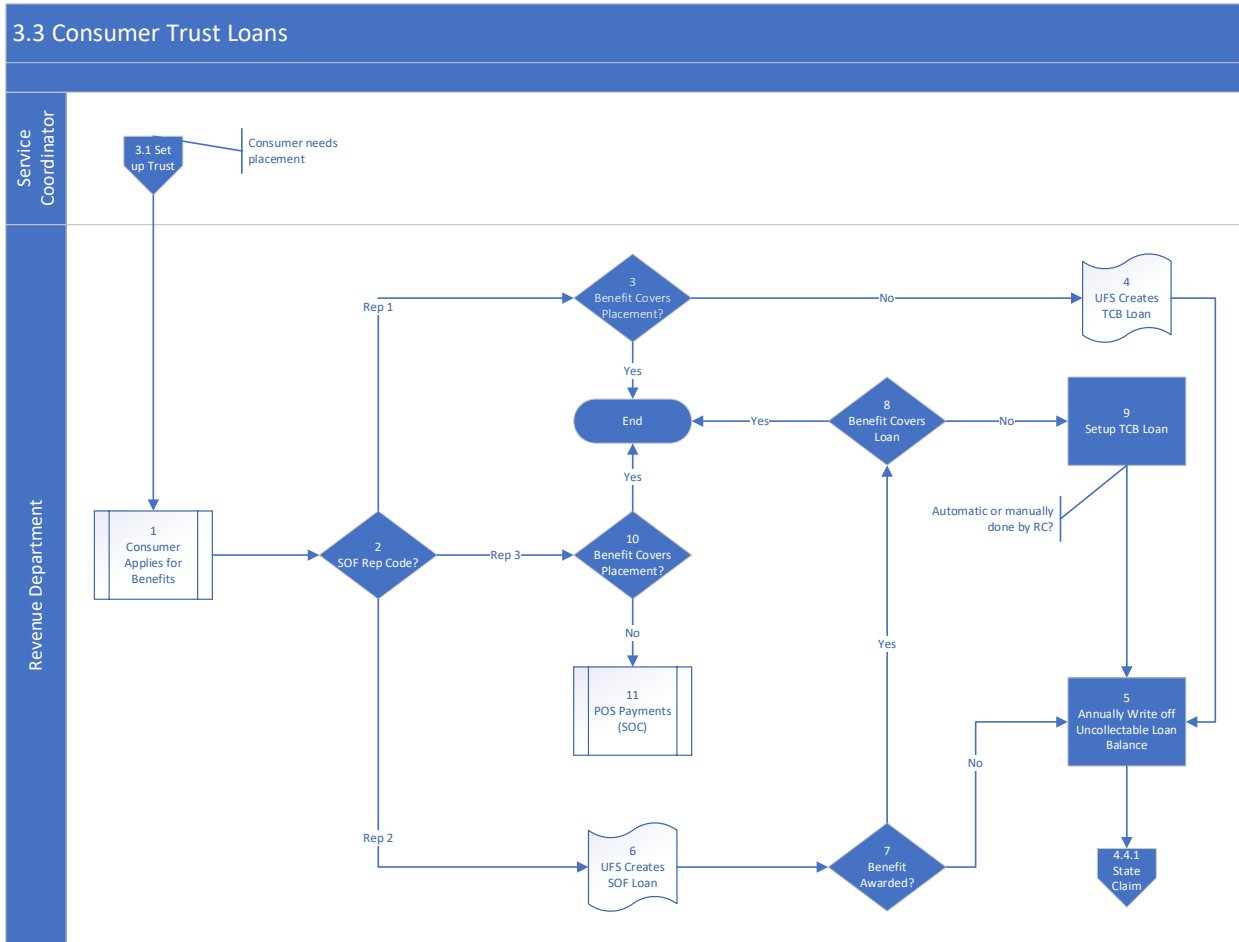
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start	3.1.3 Recurring Receivables		For placement costs, personal and incidental (P&I), etc. Per regulations, P&I must be distributed by 10th of month.	Date driven	Some RCs may use Excel for tracking and reporting.
1	Request Disbursement	Requestor	A request is received for disbursement.	Start	None
2	Run and Review Advanced Invoicing Report	POS/Trust	Fiscal staff reviews advanced invoicing report against disbursement request.	1 & 7	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
3	Validated?	POS/Trust	Fiscal staff validates advanced invoicing report against disbursement request. If the report reconciles, proceed to step 4 to generate an invoice register. If it does not follow step 7 to research and resolve discrepancies.	2	UFS
4	Generate Invoice Register	POS/Trust	Fiscal staff generates an invoice register for disbursement.	3	UFS
5	Accrue Disbursement Invoices	POS/Trust	Fiscal staff selects and accrue disbursement invoices for cash requirements.	4	UFS
6	Generate Cash Requirements	POS/Trust	Fiscal staff generates cash requirements.	5	UFS
2.4	Payment Management	POS/Trust	Fiscal staff runs payment batch by following 2.4 Payment Management process beginning with step 9.	6	UFS
7	Research and Resolve Discrepancies	POS/Trust	Resolve discrepancies via Trust Consumer Balance (TCB) loan, etc.	3	UFS
End			Process ends.		

3.3 Loans

When a consumer requests that an RC be they payee for SSI/SSA benefits, there is a delay 60 days or more before the RC will receive the funds. In that case, the RC will set up a Source of Funds (SOF) loan for the consumer until the benefits are received. If the RC is payee for a consumer and the benefit does not cover the full cost of B&C, the RC will set up a TCB loan to cover the gap.

Annually, the RC will write off uncollectable loan balances using the State Claim process.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start	3.1 Set up Trust	Service Coordinator		Consumer needs placement	Some RCs may use Excel for tracking and reporting.
1	Consumer Applies for Benefits	Revenue Department	Revenue department staff follows step 6 to create a SOF loan as it takes up to 2 years for a new application for benefits to be processed. Revenue department continues to monitor the application in the meantime.	Consumer has applied for benefits and needs placement, 3.1 Set up Trust	External

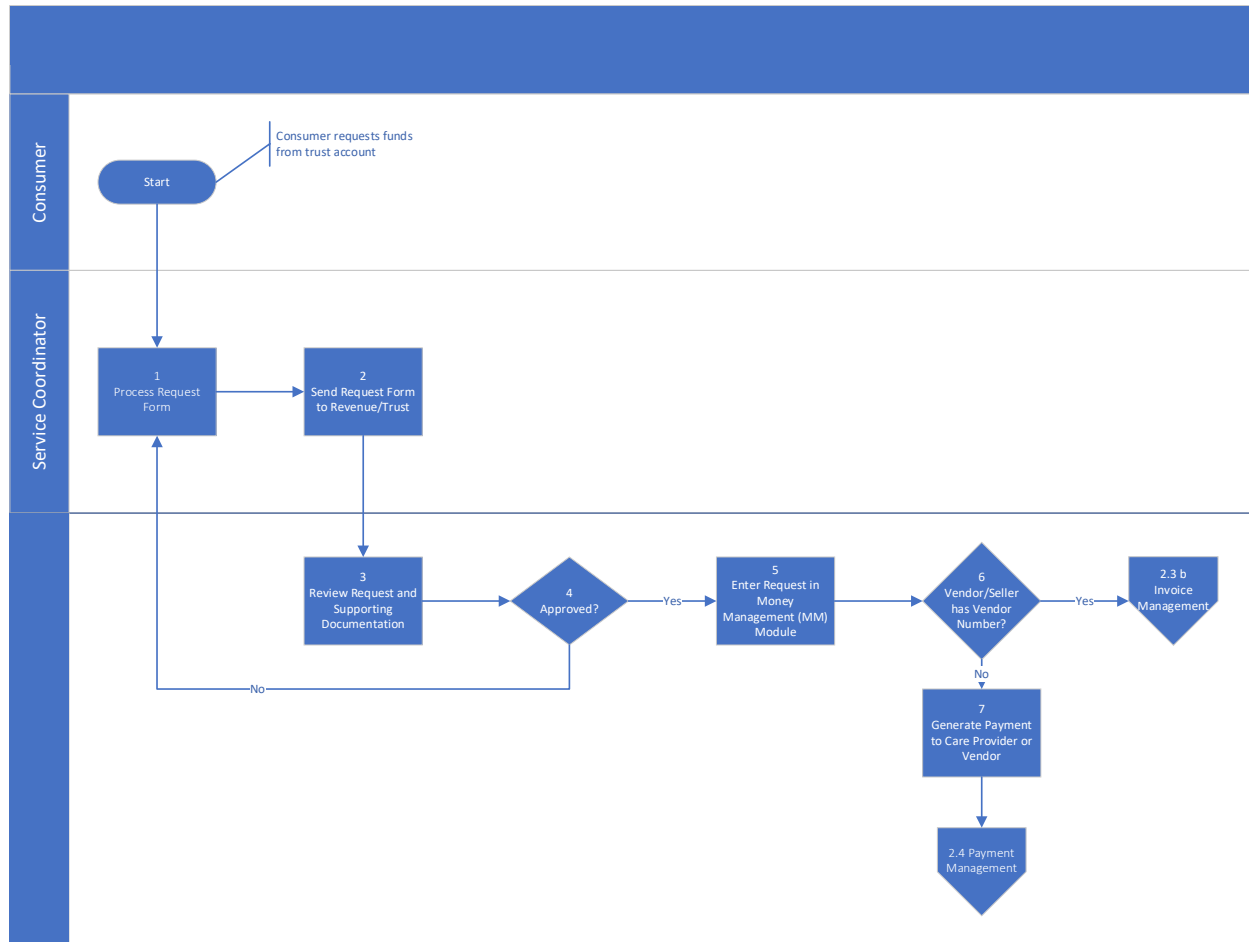
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
2	SOF Rep Code?	Revenue Department	Revenue department rep applies the appropriate Source of Fund (SOF) Representative Code: If Rep Payee 1 (RC is payee for current benefit in place), go to step 3. If Rep Payee 2 (RC is serving as the payee temporarily. RC provide SOF loan), go to step 6. If Rep Payee 3 (Someone other than RC is receiving benefit in place and they are responsible for paying), go to step 10. These designations vary slightly between RCs.	1	UFS
3	Benefit Covers Placement?	Revenue Department	Revenue department verifies if the benefit covers the placement. If the placement is covered no further action is needed. If the benefit amount does not cover the placement proceed to step 4 to create TCB loan.	2	UFS
4	UFS Creates TCB Loan	Revenue Department	If the benefit does not cover cost of placement including, Board & Care, P&I UFS automatically creates TCB loan.	3	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
5	Annually Write off Uncollectable Loan Balance	Revenue Department	Revenue department staff annually writes off uncollectable loan balances through state claim process.	Loan Maintenance Report – TCB and SOF loans tracked by month Trust account balance applies to oldest loan first before written off 3 years to collect before fiscal year closes If cannot collect within timeframe, will write off loan 4, 9 or 7	UFS
4.4.1	State Claim	Accounting/ POS Department		5	UFS
6	UFS Creates SOF Loan	Revenue Department	UFS automatically creates TCB loan if consumer has applied for benefits (identified via SOF Rep Code 2).	2	UFS
7	Benefit Awarded?	Revenue Department	Revenue staff confirms if the benefit has been awarded then proceed to step 8. If not, go to step 5 to write of uncollectable loan balance.	6	UFS
8	Benefit Covers Loan?	Revenue Department	Revenue staff confirms if benefit amount covers the loan if yes, no further action is needed. If the benefit amount does not cover the loan proceed to step 9 to set up a TCB loan.	7	UFS
9	Set up TCB Loan	Revenue Department	TCB loan is set up in the system. Revenue department staff manually track loan.	8	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
10	Benefit Covers Placement?	Revenue Department	Revenue staff confirms If benefit amount covers the placement if yes, no further action is needed. If the benefit amount does not cover the placement proceed to step 11.	No loan - when paying authorization, deduct amount the outside source (third party) is receiving in benefits so RC not paying the full placement rate. 2	UFS
11	POS Payment (SOC)	Revenue Department	Revenue department collaborates with POS department. Once Cash receipts downloaded and Receivables created the POS will do the payment according to SOF set up.	10	UFS
End			Process ends.	3, 8 or 10	

3.4 Money Management

Consumer Money Management (MM) disbursements are used to disburse consumer funds for expenses excluding B&C and P&I. This process includes invoice processing and payment initiation for those expenses.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start		Consumer	<p>Consumer Money Management (MM) disbursements are used to disburse consumer funds for anything but B&C and P&I.</p> <p>The one exception would be for consumers residing in an Intensive Care Facility (ICF) or Skilled Nursing Facility (SNF). In this situation, the consumer's P&I and any share of cost would be disbursed through money management.</p>	Consumer requests funds from trust account	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
1	Process Request Form	Service Coordinator	Service coordinator works with consumer to complete request form and then processes request for program manager approval. Request form: Some RCs are using 106 Request form (seamless form like DocuSign template) or Revenue Request form.	Start	None
2	Send Request Form to Revenue/Trust	Service Coordinator	The service coordinator sends the approved request form and supporting documentation (receipt, shopping cart, invoice, etc.) to Revenue/Trust department via email. The SOC for Intermediate Care Facility (ICF) and Skilled Nursing Facility (SNF) placements, can also be handled through money management. Some RCs process Independent Living of monthly SSI benefits.	1 & 4	None
3	Review Request and Supporting Documentation	Trust/ Revenue Department	Trust/Revenue department staff reviews the request form and supporting documentation to ensure the valid request falls within guidelines to utilize available P&I funds.	Document request as backup can accommodate . Advance money request w/ supporting docs Repay consumer with what was spent w/ supporting docs. 2	None
4	Approved?	Trust/ Revenue Department	If the request is approved Trust/Revenue department proceeds to step 5 to enter request in MM. If the request is not approved, go back to step 1 to resolve.	3	None

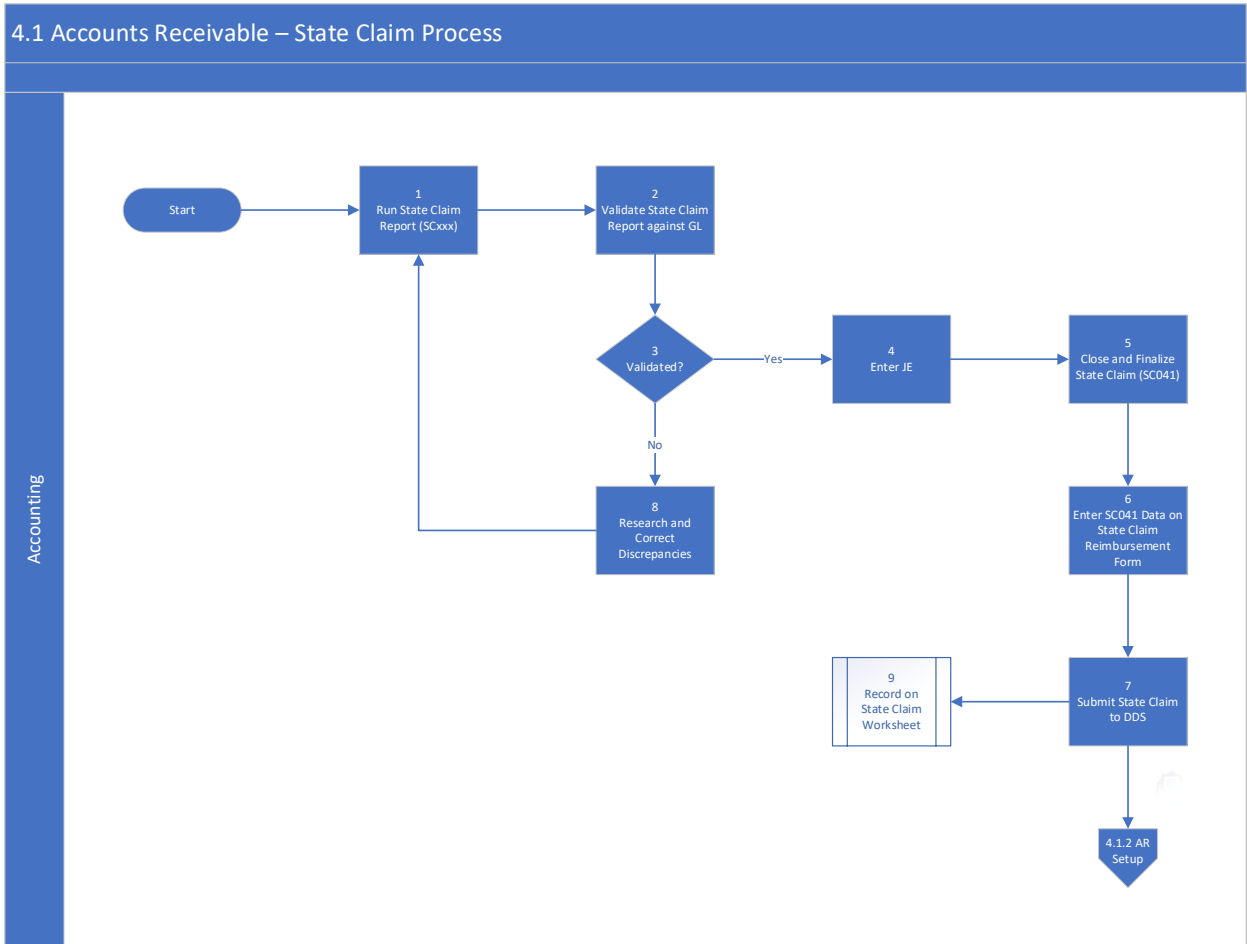
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
5	Enter Request in Money Management (MM) Module	Trust/ Revenue Department	Trust/Revenue department staff enters request details in MM module. MM can be done as a one-time or reoccurring process (i.e., send out monthly benefits).	4	UFS
6	Vendor/ Seller has Vendor Number?	Trust/ Revenue Department	Trust/Revenue department staff checks if the Vendor/seller has a Vendor #. If yes, then the payment can be processed through the POS invoice and payment management processes. The staff follows 2.3b Invoice Management process to process the invoice. If there is no Vendor number, staff proceeds to step 7 to generate the payment. This payment will go to Care Provider to assist in paying bills.	5	UFS
7	Generate Payment to Care Provider or Vendor	Trust/ Revenue Department	Trust/Revenue department follows 2.4b Payment Management process to generate payment to care provider. In some cases, the RC may need to create a Vendor record at this step if the care provider is not already an existing Vendor in the system. EFT can be used in some cases to generate payment.	6	UFS
2.4	Payment Management	Trust/ Revenue Department	Payment management process is complete.	7	UFS

4.0 Accounts Receivable

Accounts Receivable includes the claiming and receipt of funds through the State Claim process, the establishment of the receipt of funds in UFS, and the processing of all funds received to the RCs bank account. The process includes the claiming and reconciliation of all funds from state sources for consumers.

4.1 State Claim

The following workflow and narrative exhibits depict the current business processes for 4.1 State Claim.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start			The State Claim is a monthly process that is run after the invoice and payment process is complete. The State Claim is due to DDS around the 15th of the month, but no later than 25th.	Invoice and Payment processes are complete. All JE and batches are posted. The ICF billing process is complete.	

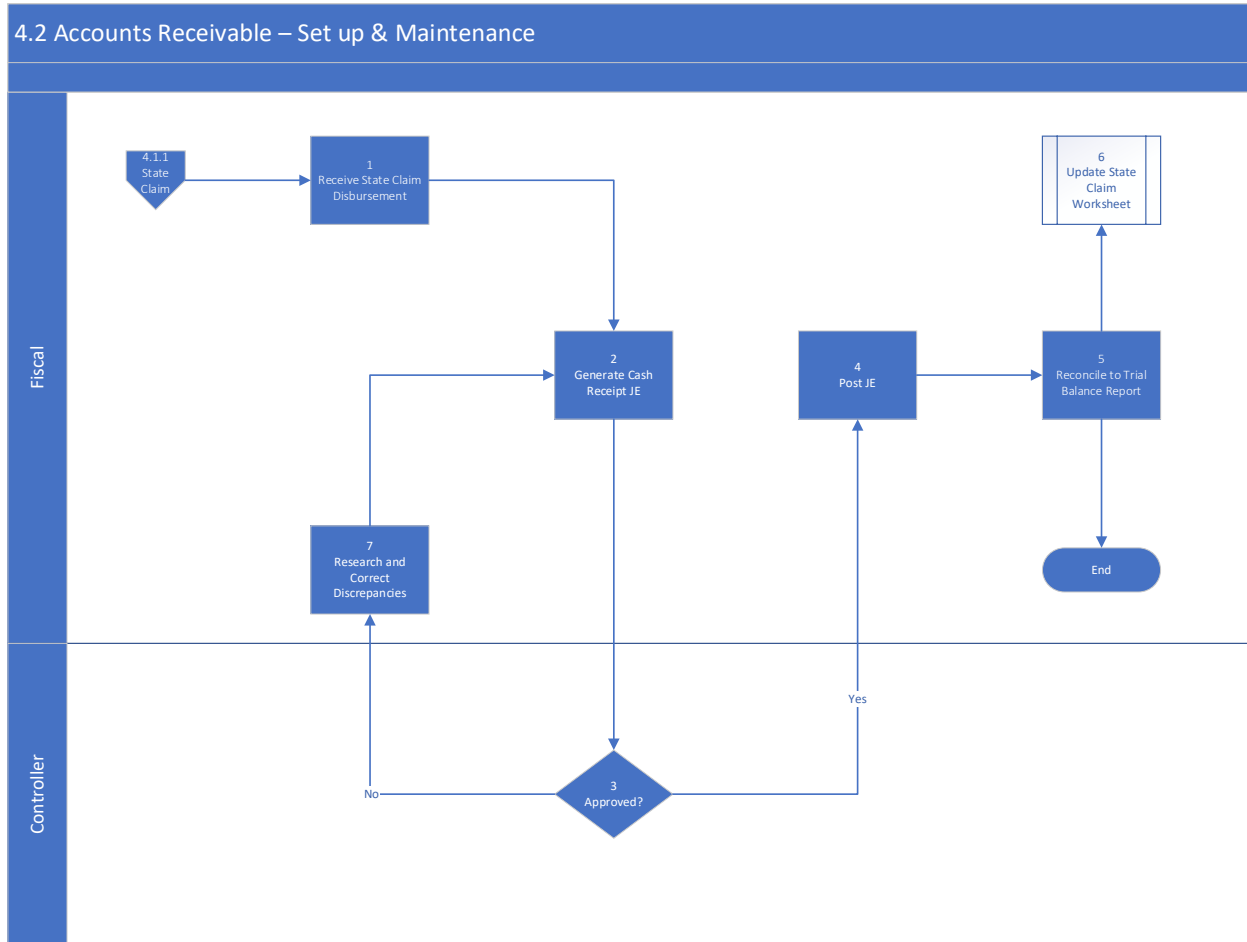
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
1	Run State Claim Report	Accounting	Accounting Staff runs the State Claim report to be used for validation purposes. POS State Claim is automatically generated based on GL accounts identified as "claimable" during GL set up (Note: most expense transactions are claimable). SC auto-posting report Manual State Claim includes payroll, cash receipts, and adjusting JEs IT may generate this claim. Some RCs are loading a "tape" manually or carbon copy as a part of this process.	Start	UFS
2	Validate State Claim Report against GL	Accounting	Accounting staff validates the State Claim report against the GL. Note: This is manual at some RCs. Some RCs use Nedasoft that populates the State Claim file throughout month and compares against GL. Other third-party tools (e.g., GrantVantage) may be used to support State Claims process for programs such as, Community Placement Plan (CPP), Home and Community-Based Services (HCBS).	1 & 8	UFS or third-party
3	Validated?	Accounting	Accounting staff validates if the State Claim Report matches with GL. If it matches, proceed to step 4, and enter JE. If it does not match, go to step 8.	2	UFS
4	Enter JE	Accounting	Accounting staff enters the JE, the run Balance Sheet (should be zero), run month-end reports.	3	UFS

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
5	Close and Finalize State Claim (SC041)	Accounting	<p>This step empties the State Claim file.</p> <p>For ICF, these additional steps must be performed:</p> <p>SC041 includes ICF and must be backed out before finalizing State Claim.</p> <p>There is a separate invoice for each ICF facility.</p> <p>Fiscal will indicate to IT when process is complete.</p> <p>RC pays provider, DDS pays ICF, RC bills ICF and ICF reimburses RC (This is tracked in the receivables worksheet).</p> <p>Note: Some RCs do this step before JE.</p>	4	UFS and Excel (State Claim Tracking Spreadsheet)
6	Enter SC041 Data on State Claim Reimbursement form	Accounting	<p>Accounting Staff enters State Claims data (Ops & POS and other programs by FY), excluding ICF.</p> <p>Accounting staff also gets eSignature from authorized signer (differs by RC).</p>	5	UFS
7	Submit State Claim to DDS (via email)	Accounting	Continue to 4.1.2 AR Setup process.	6	
8	Research and Correct Discrepancies	Accounting	Review and resolve any issues.	3	
9	Record on State Claim Worksheet	Accounting	Accounting staff manually record on State Claim worksheet.	7	Excel
End			Process ends.		

4.2 Accounts Receivable (AR) Setup

Accounts Receivable includes the receipt of funds through the State Claim process, the establishment of the receipt of funds in UFS, and the processing of all funds received to the RCs bank account. The State Claims process includes the processing of all funds from state sources for consumers.

The following workflow and narrative exhibits depict the current business processes for 4.2 AR Setup



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start				4.1 State Claim Process	
1	Receive State Claim Disbursement	Fiscal	Receive State Claim disbursement from DDS. May also receive an offset letter.	Start	None
2	Generate Cash Receipt JE	Fiscal	This is a manual JE (not cash receipt) that must be approved by Controller.	1 & 7	UFS
3	Approved?	Controller	If yes, go to step 4, Fiscal post JE. If no, go to step 7, Fiscal to research and correct discrepancies.	2	UFS
4	Post JE	Fiscal	Fiscal staff post JE.	3	UFS

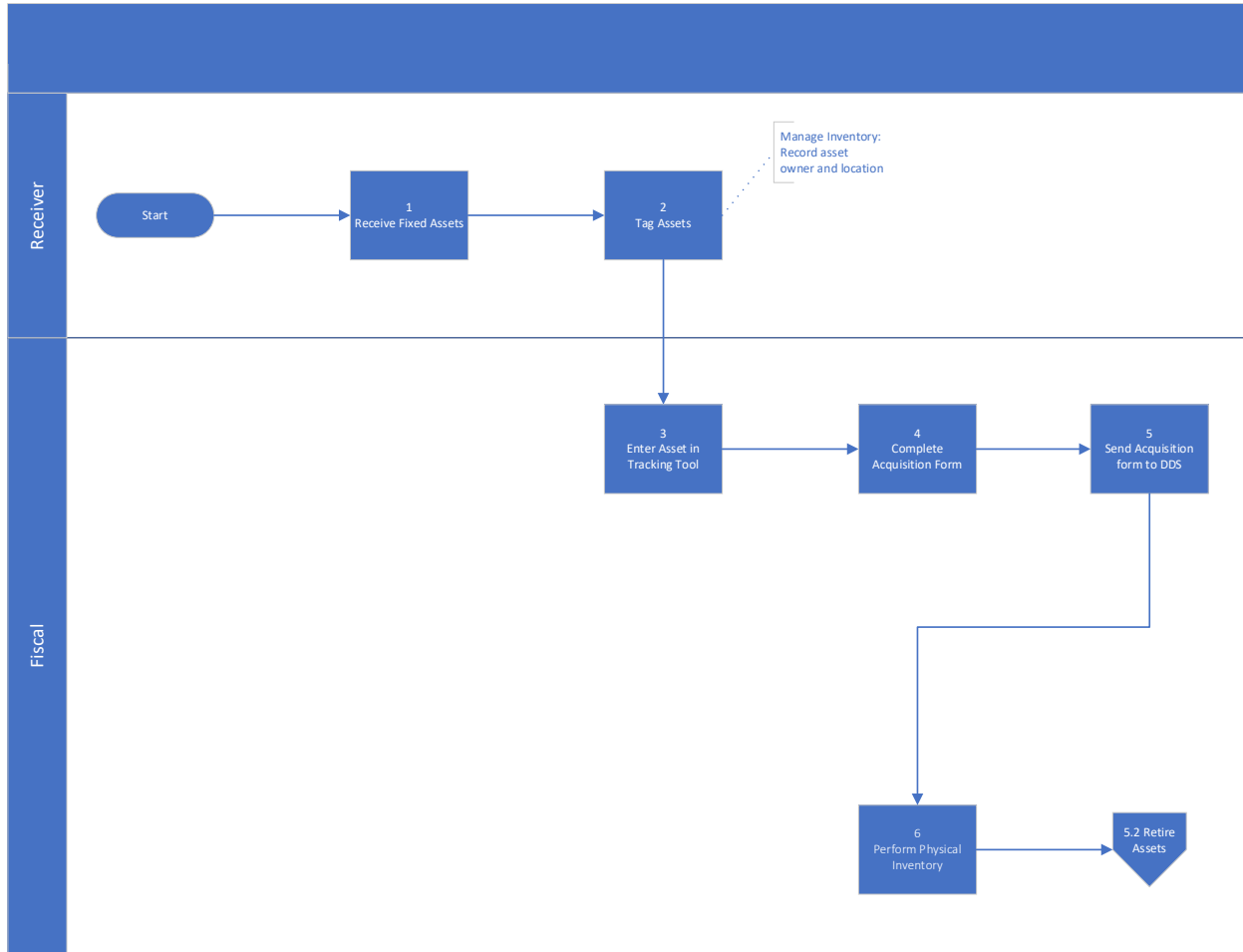
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
5	Reconcile Trial Balance	Fiscal	Reconcile State Claim against trial balance. At end of year, reconcile RC receivable against DDS payable.	4	UFS
6	Update State Claim Worksheet	Fiscal	Excel worksheet to track State Claims. Update around 15th of the month.	5	Excel
7	Research and Correct Discrepancies	Fiscal	Research and correct discrepancies as applicable and return to step 2.	3	UFS
End			Process ends.	5	

5.0 Fixed Asset Management

A fixed asset refers a tangible piece of property or equipment that an organization owns and uses in its operations. Record and Track Assets includes receiving, tagging, and tracking of all fixed assets.

5.1 Record and Track Assets

The following workflow and narrative exhibits depict the current business processes for 5.1 Record and Track Assets.



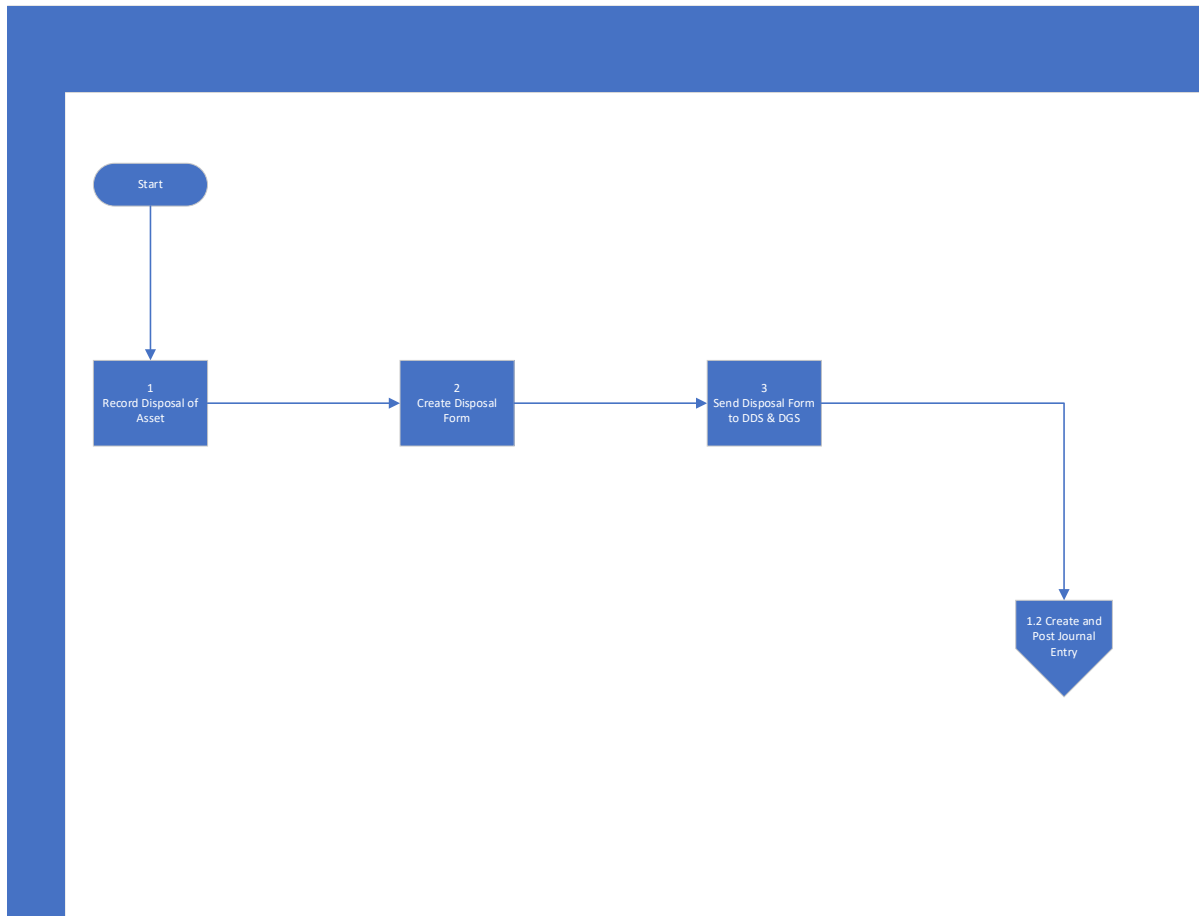
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start			<p>RCs track the following asset types:</p> <ul style="list-style-type: none"> • Computer equipment • Cell phones • Electronics (Any equipment that holds data) • Anything over \$5,000 • Software licenses (no physical tag) <p>Note: Software to build a system gets capitalized.</p> <p>COTS licenses should be tracked (not all RCs track COTS licenses).</p> <p>Home modification liens (though not a true asset, some RCs use track liens in using asset tracking function of a third-party tool or in their asset tracking spreadsheet).</p>	<p>This process starts upon receipt of an asset that requires tracking</p> <p>Some RCs identify assets during the purchasing process, before receipt</p>	
1	Receive Fixed Assets	Receiver	<p>The person/department who ordered item, or purchasing department receives the items.</p> <p>Prior to this step, the requisition and purchase order processes have been completed. A tag is assigned and stated on the PO by accounting, and the tag is applied to the asset upon receipt.</p>	<p>A Fixed asset is received that requires tracking</p> <p>Start</p>	None
2	Tag Assets	Receiver	<p>As the items are received, the receiver tags the assets.</p> <p>Note: depending on the item, the receiver will use a DDS asset tag or an RC asset tag. DDS provides asset tags to the RCs.</p>	1	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
3	Enter Asset in Tracking Tool	Fiscal	Fiscal staff enters the Asset in Tracking Tool. The tracking tool may vary based on the RC, some may use Excel, Nedasoft or another third-party tool.	2	Excel or third-party tool Note: Nedasoft also has fixed asset tracking module (1 Scan DDS equipment tag and download to system; 2 Enter asset info; 3 track inventory – who and location)
4	Complete Acquisition Form	Fiscal	The fiscal staff completes the Acquisition form DS2130. The acquisition form DS2130 is sent to DDS quarterly and uploaded into FileBound monthly.	3	FileBound
5	Send Acquisition Form to DDS	Fiscal	The fiscal staff sends the Acquisition Form to DDS to report to Department of General Services. Note: per SAM, RCs indicated they must report all state-tagged assets to DGS within 10 days of acquisition. This was not confirmed by DDS.	4	Mail or email
6	Perform Physical Inventory	IT	IT department performs a manual physical inventory of all assets at least once every three years, and some RCs may do physical inventory more frequently. This process includes taking pictures and sending emails as supporting documentation.	5	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
5.2	Retire Assets	Fiscal	Any asset that hits its retirement date, or is lost, stolen, or broken, continue to 5.2 Retire Assets process. Note: assets are not depreciated because RCs use cash basis accounting (assets are technically owned by DGS).	6	None

5.2 Retire Assets

Retire Assets includes the completion of the asset lifecycle and retirement or disposal of said asset.

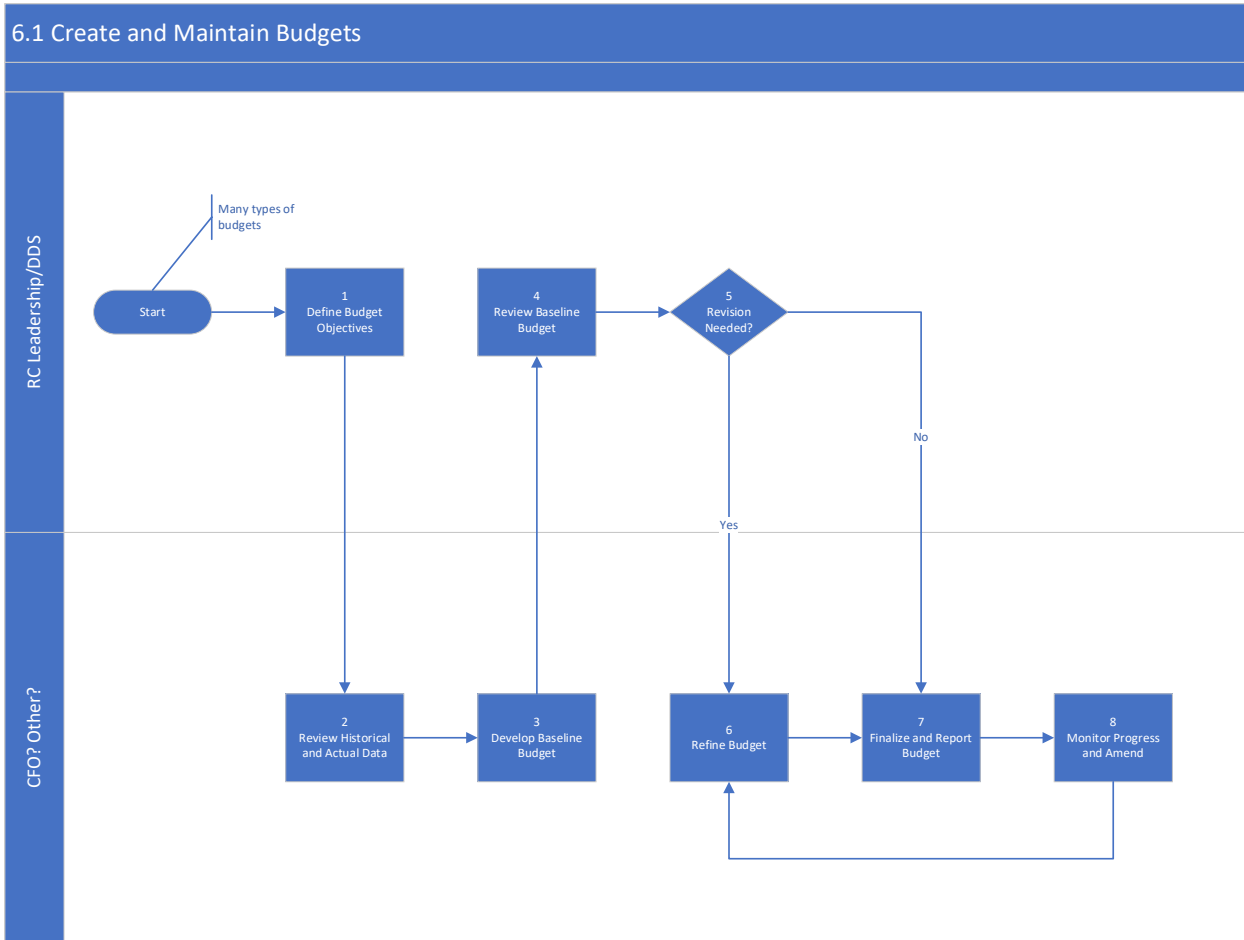


Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start				An asset hits its retirement date, or is lost, stolen, or broken. Rules regarding Fixed Assets: Computers – 5 to 6-year lifecycle SAM 8600 – FA section.	Excel or third-party tool
1	Record Disposal of Asset	Fiscal	Fiscal staff needs to record disposal of a record.	Need to dispose an asset	Excel or third-party tool
2	Create Disposal Form	Fiscal	Fiscal staff completes the Disposal/Disposition Form (STD 152). Note: When DDS gets audited, they are required to produce the DS2130 (acquisition) STD152 (disposition) of all assets for all RCs.	1	None
3	Send Disposal Form to DDS and DGS	Fiscal	Fiscal staff send completed STD 152 to DDS and DGS.	2	None
1.2	Create and Post Journal Entry	Fiscal	Fiscal staff creates and post a journal entry in 1.2.	3	

6.0 Budget

6.1 Create and Maintain Budgets

Create and Maintain Budgets includes the development, review, and approval of budgets and budget narratives. This also includes the maintenance of budgets throughout the year, and any required adjustments.



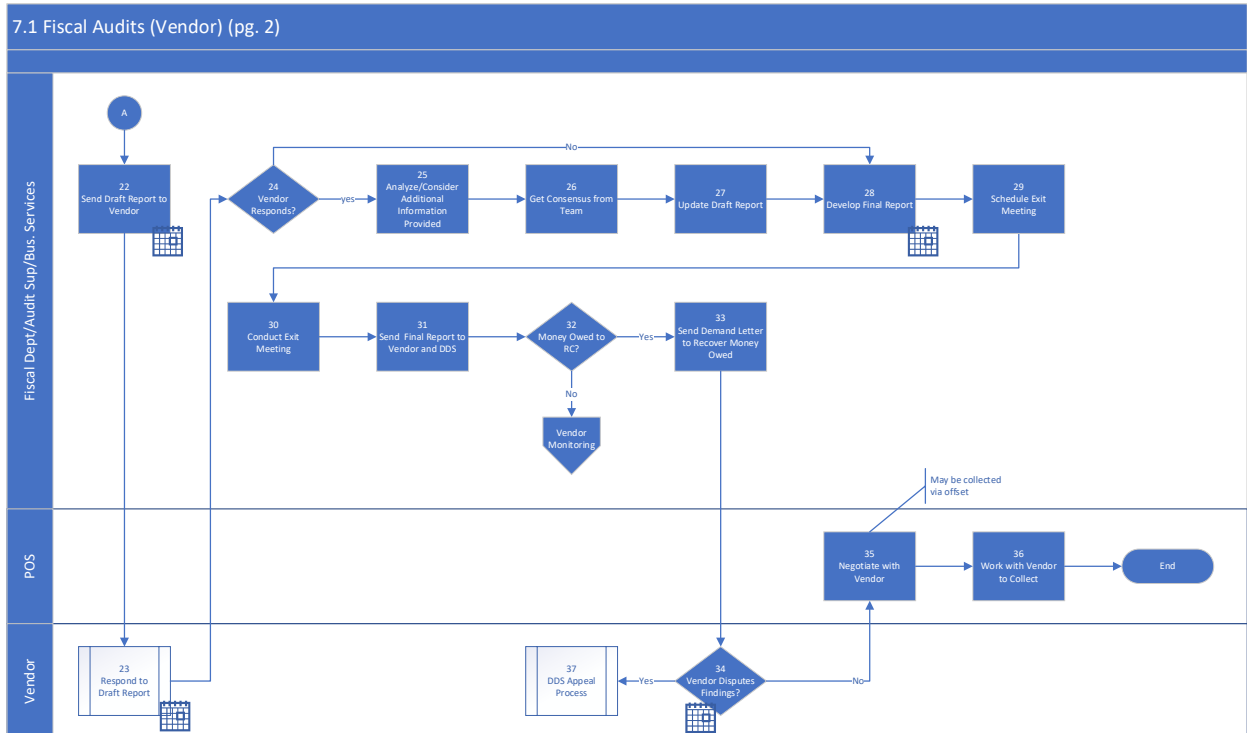
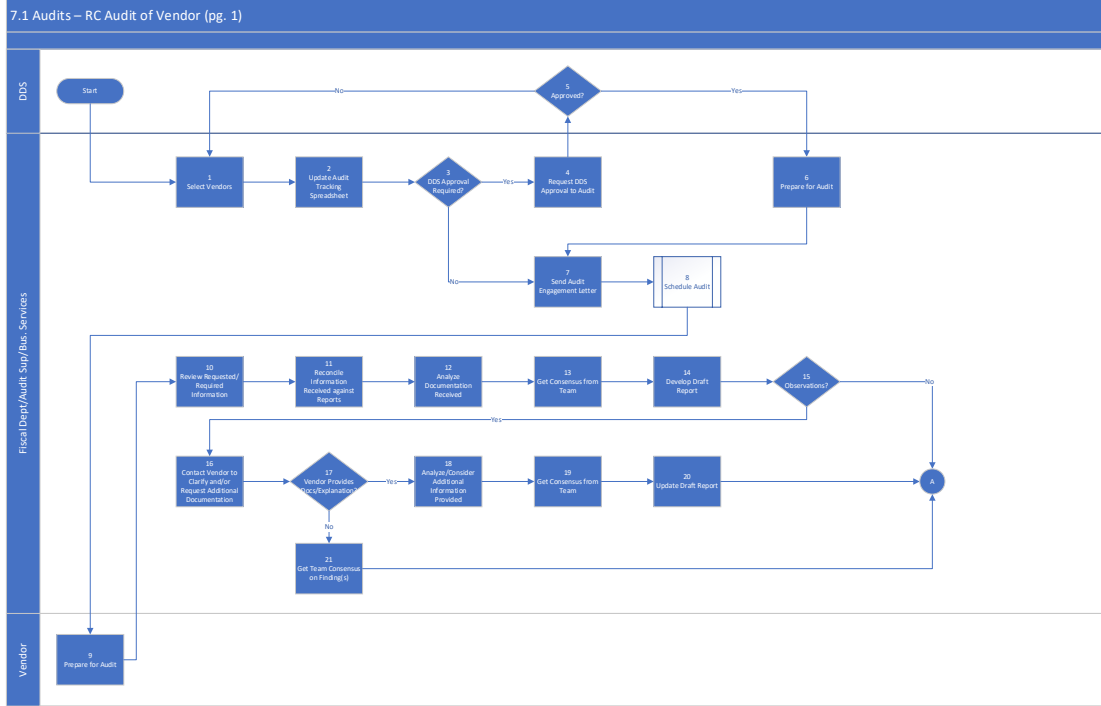
Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start			<p>The RCs track many different budgets, including:</p> <ul style="list-style-type: none"> Start-up budgets for POS Community Resource Development Plan (CRDP)/ Community Placement Plan (CPP) and Ops CPP/CRDP Home and Community Based Services (HCBS) grant funds Internal budgets by department (cost center budgeting) Payroll POS forecasting Ops special projects Family Resource Center (FRC) Policy directives from DDS 	Annually and when a new budget type is identified	

Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
1	Define Budget Objectives	RC Leadership	For each budget, RC Leadership does the following: <ul style="list-style-type: none"> • Defines budget objectives • Identifies rules (policies, regulations, etc.) governing • Defines constraints 	Start	None
2	Review Historical Actual Data	CFO	CFO reviews historical actual spending data to predict future spending.	1	None
3	Develop Baseline Budget	CFO	RC leadership uses the historical data, assumptions, increase/decrease factors (e.g., anticipate 2% increase in the next year), etc. and develop draft baseline budget.	2	Excel or third-party tool (e.g., Nedasoft)
4	Review Baseline Budget	RC Leadership	RC leadership reviews baseline budget and provide feedback.	3	Excel or third-party tool (e.g., Nedasoft)
5	Revision Needed?	RC Leadership	If budget needs to be revised after leadership review, the RC leadership follows step 6 to refine the budget. If no revisions are necessary, proceed to step 7.	4	
6	Refine Budget	CFO	CFO Refines the budget based on feedback provided by the RC leadership.	5 & 8	Excel or third-party tool (e.g., Nedasoft)
7	Finalize and Report Budget	CFO	Following each RC's internal procedures, finalize and report budget.	5 & 6	Excel or third-party tool (e.g., Nedasoft)
8	Monitor Progress and Amend	CFO	Throughout the year CFO monitors spending against the budget and amend the budget as needed.	7	Excel or third-party tool (e.g., Nedasoft)
End			Budgeting is a cyclical process.		

7.0 Audits

7.1 RC Audit of Vendor

RC Audit of Vendor includes the scheduled fiscal audit of Vendors by the RC. This process requires collecting documents from Vendors and the collaborative audit process by RC staff.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start			<p>DDS sends the number of Vendors for each type of audit (bill, cost verification and staffing ratio, P&I funds audit; audit provider who services consumers under 3).</p> <p>RCs can also request to audit specific Vendors based on their criteria.</p>	The timing for the fiscal audits process is defined by DDS. This process occurs on an annual basis.	None
1	Select Vendors	Fiscal Department/ Audit Supervisor/ Business Services	<p>Select Vendors based on RC criteria.</p> <p>If they have received complaints, RCs keep a list that use to select Vendors. If none on the list, they randomly select Vendors.</p> <p>RCs also consider if there is a fiscal component for a community service complaint and/or whistleblower complaints.</p>	Vendor selection is ongoing throughout the year prior to the audit process	None
2	Update Audit Tracking Spreadsheet	Fiscal Department/ Audit Supervisor/ Business Services	All audit and Vendor information tracking are done manually through an Excel spreadsheet.	1 or 5	Excel spreadsheet
3	DDS Approval Required?	Fiscal Department/ Audit Supervisor/ Business Services	<p>The Fiscal Department representative or audit supervisor will review and determine whether DDS approval is required.</p> <p>If a Vendor bills over \$100K annually to the RC (yes), workflow will move to Step 4, Request DDS Approval to Audit.</p> <p>If a Vendor bills less than \$100K annually to the RC (no), workflow will move to Step 7, Send Audit Engagement Letter.</p>	2	None
4	Request DDS Approval to Audit	Fiscal Department/ Audit Supervisor/ Business Services	If approval is required, the fiscal department representative will send a letter to DDS requesting approval to audit. This can be via either mail or email message.	3	Mail/email

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
5	Approved?	DDS	<p>If the request to audit is approved (yes), workflow will proceed to Step 6, Prepare for Audit.</p> <p>If the request has been denied, the RC Fiscal staff will return to Step 1 and select another Vendor (note: If DDS says no, that means they are auditing that Vendor).</p>	4	None
6	Prepare for Audit	Fiscal Department/ Audit Supervisor/ Business Services	<p>Staff will take steps to prepare for the upcoming annual audit, including:</p> <ul style="list-style-type: none"> Run reports from UFS and eBilling. Look at program design Review previous audits (CPA, DDS, etc.). 	5	UFS and eBilling Reports, NGS
7	Send Audit Engagement Letter	Fiscal Department/ Audit Supervisor/ Business Services	<p>In this step, staff will first provide a courtesy call (via phone, mail, or email) to the Vendor in question to let them know about the audit before scheduling.</p> <p>The engagement letter provides an introduction, explains why DDS is conducting the audit, what is needed from the Vendor, and the applicable code section.</p>	3 or 6	Mail/email
8	Schedule Audit	Fiscal Department/ Audit Supervisor/ Business Services	<p>Staff will work independently with the Vendor to schedule the audit. This can be done via phone or email. This happens outside the system.</p>	7	Phone/email
9	Prepare for Audit	Vendor	<p>The Vendor should gather and prepare the documentation requested in the engagement letter for the audit to proceed. This documentation gathering will happen internally with the Vendor.</p>	8	None
10	Review Requested/ Required Information	Fiscal Department/ Audit Supervisor/ Business Services	<p>Once the Vendor has completed their documentation, this will be provided to the RC. The auditors review all provided Vendor documentation and determine any additional documentation required.</p>	9	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
11	Reconcile Information Received against Reports	Fiscal Department/ Audit Supervisor/ Business Services	While onsite, staff will reconcile the information received from the Vendor against what was requested (e.g., ledger, staffing, info, etc.). This is a check to confirm that the auditor has everything needed to perform the audit. Some RCs also provide best practice guidance and technical assistance at this time.	10	None
12	Analyze Documentation Received	Fiscal Department/ Audit Supervisor/ Business Services	Once all documentation has been received, audit staff will analyze all documentation provided by Vendor against billing/attendance, reports, etc.	11	UFS and eBilling reports
13	Get Consensus from Team	Fiscal Department/ Audit Supervisor/ Business Services	The audit team will come together with all documentation and analysis to discuss how best to move forward. All audit team members must agree on the observations identified during audit process to move on.	12	None
14	Develop Draft Report	Fiscal Department/ Audit Supervisor/ Business Services	After consensus is reached, the audit team will begin to develop a draft report which includes all documentation, audit findings, and relevant observations.	13	None
15	Observations?	Fiscal Department/ Audit Supervisor/ Business Services	If the audit team finds any observations (yes), workflow will move to Step 16, Contact Vendor to Clarify and/or Request Additional Documentation. If there are no observations to report from the audit team (no), workflow will move to Step 22 (on next page of workflow), Send Draft Report to Vendor and DDS.	14	

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
16	Contact Vendor to Clarify and/or Request Additional Documentation	Fiscal Department/ Audit Supervisor/ Business Services	For each observation in the draft report, the audit team will call or email the Vendor to clarify, get explanations, and/or request additional documentation regarding any of the findings The Draft Report must be sent to the Vendor within 60 days.	15	None
17	Vendor Provides Documents/ Explanation?	Fiscal Department/ Audit Supervisor/ Business Services	After additional documentation has been requested, the audit team will wait to receive those items from the Vendor. If the Vendor has provided adequate documentation and/or explanations (yes), workflow will move to Step 18, Analyze/Consider Additional Information Provided. If the Vendor has not provided any additional documentation or explanations (no), the audit team will move to Step 21, Get Team Consensus on Finding(s).	16	None
18	Analyze/ Consider Additional Information Provided	Fiscal Department/ Audit Supervisor/ Business Services	Once received from the Vendor, the audit team will analyze and consider any additional information and explanations provided by Vendor for the relevant observations.	17	None
19	Get Consensus from Team	Fiscal Department/ Audit Supervisor/ Business Services	The audit team will review all additional documentation, and the audit team will come to a consensus as to whether the additional information changes the initial draft report.	18	None
20	Update Draft Report	Fiscal Department/ Audit Supervisor/ Business Services	If necessary, update draft report to reflect changes based on the additional documentation and information. Step A: proceed to pg. 2, Step 22.	19	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
21	Get Team Consensus on Finding(s)	Fiscal Department/ Audit Supervisor/ Business Services	Once the Vendor has submitted additional documentation in Step 17, the audit team will conduct an internal discussion to agree on their finding(s). The audit team will notify the Vendor of the status of the finding(s) and schedule an exit meeting).	17	None
22	Send Draft Report to Vendor	Fiscal Department/ Audit Supervisor/ Business Services	Once the draft report has been updated, the report must be finalized by the audit team and sent to the Vendor in question within 60 days of the review. This will be provided to the Vendor via email.	15, 20, or 21	None
23	Respond to Draft Report	Vendor	Once the draft report is received, the Vendor has 30 days to respond to findings from the audit team in the report.	22	Email
24	Vendor Responds?	Fiscal Department/ Audit Supervisor/ Business Services	The Vendor may or may not respond to the draft report provided by the audit team. If the Vendor does respond (yes), workflow will move to Step 25, Analyze/Consider Additional Information Provided. If the Vendor chooses not to respond (no), workflow will move to Step 28, Develop Final Report.	23	None
25	Analyze/ Consider Additional Information Provided	Fiscal Department/ Audit Supervisor/ Business Services	The audit team will analyze and consider additional historical information and explanations provided by the Vendor in response to the draft report.	24	None
26	Get Consensus from Team	Fiscal Department/ Audit Supervisor/ Business Services	Once all feedback and information provided by the Vendor has been reviewed and considered, the audit team will meet to arrive at a consensus and determine whether the information provided will change the finding(s).	25	None

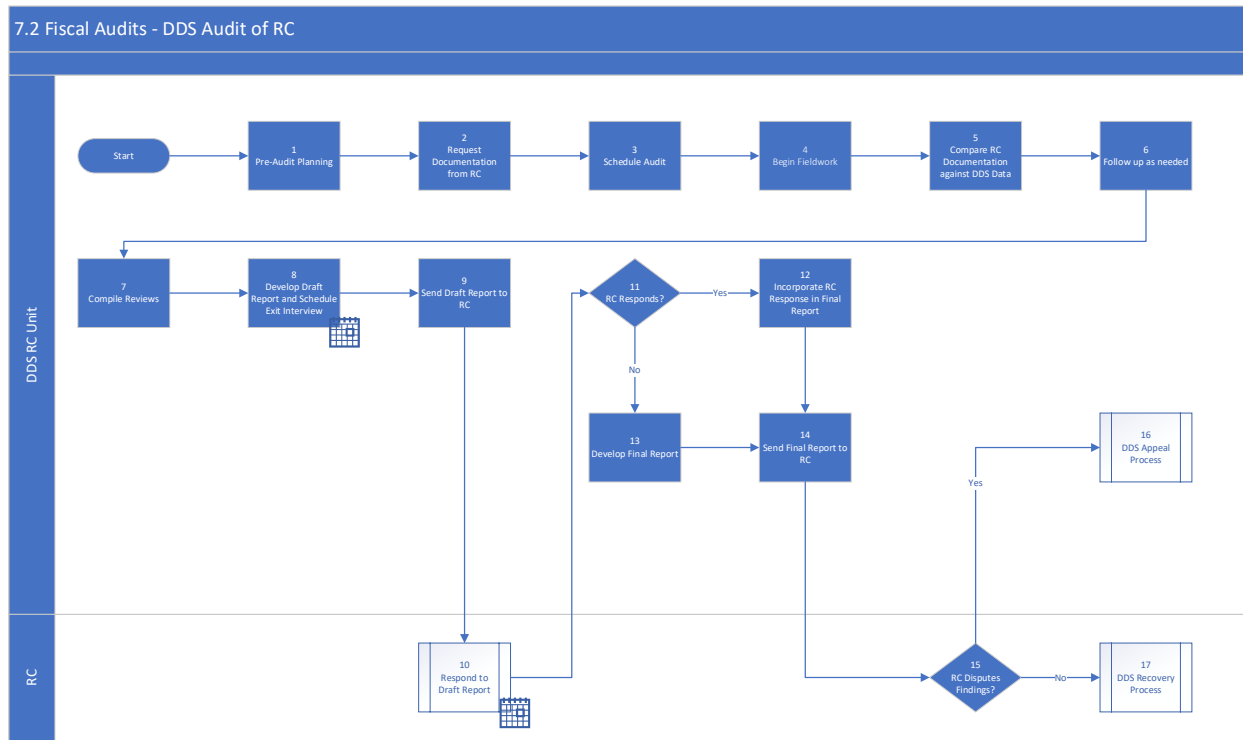
Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
27	Update Draft Report	Fiscal Department/ Audit Supervisor/ Business Services	Once the audit team has arrived at consensus, they will update the draft report to reflect changes to the report finding(s) based on the additional information.	26	None
28	Develop Final Report	Fiscal Department/ Audit Supervisor/ Business Services	After any final changes have been made to the report and/or finding(s), the audit team will develop the final report.	24 or 27	None
29	Schedule Exit Meeting	Fiscal Department/ Audit Supervisor/ Business Services	The final report from the audit team must be provided back to the Vendor within 90 days of receiving feedback from Vendor. Note: if the Vendor did not provide a response to the audit team on the draft report, final report is due 90 days from when the 30-day response period ended.	28	None
30	Conduct Exit Meeting	Fiscal Department/ Audit Supervisor/ Business Services	The audit team will conduct an exit meeting to walk through final report with the Vendor in question.	29	None
31	Send Final Report to Vendor and DDS	Fiscal Department/ Audit Supervisor/ Business Services	After the exit meeting has been performed, the final report must be provided within 30 days of receiving feedback from Vendor. Note: if the Vendor did not provide a response, the final report is due 30 days from when the 30-day response period ended.	30	Mail or email

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
32	Money Owed to RC?	Fiscal Department/ Audit Supervisor/ Business Services	<p>Regardless of financial or compliance, findings must be reported to DDS. In some cases, money may be owed to RC because of the audit team's finding(s).</p> <p>If the Vendor does owe money to RC (yes), workflow will move to Step 33, Send Demand Letter to Recover Money Owed.</p> <p>If the Vendor does not owe money to RC, workflow will move to the Vendor Monitoring process (CERMS process).</p>	31	None
33	Send Demand Letter to Recover Money Owed	Fiscal Department/ Audit Supervisor/ Business Services	<p>For those Vendors that owe RC money after the final audit, RC staff will need to do the following to retrieve it:</p> <p>Send a Demand Letter to recover the money owed.</p> <p>POS will record the payback (this is a passthrough to DDS).</p> <p>RC staff will create a liability account for each Vendor to track the outstanding money owed.</p>	32	None
34	Vendor Disputes Findings?	Fiscal Department/ Audit Supervisor/ Business Services	<p>The Vendor in question may communicate to the RC if they disagree with findings) provided by the audit team.</p> <p>If the Vendor does dispute the finding(s), workflow will move to Step 37, the DDS Appeal Process. This process is external to DDS. The RC may not require payment due to findings until after appeal(s) are resolved.</p> <p>If the Vendor does not protest, workflow will move to Step 35, Negotiate with the Vendor.</p>	33	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
35	Negotiate with Vendor	POS	Once the Vendor has received the Demand Letter and has chosen not to dispute the findings, RC will negotiate with the Vendor. These negotiations may be done by the audit team or by a community service. The final negotiations will determine who to collect the money owed from. Ultimately, the money owed may be collected via offset. This is dependent on the Vendor and the findings in question.	34	None
36	Work with Vendor to Collect	POS	POS staff will work with the Vendor in question to collect any money owed because of the negotiations. This collection may happen by staff in either the audit or POS teams, depending on the RC.	35	None
37	DDS Appeal Process	Vendor	For informational purposes only, following is a high-level overview of the external appeal process: After audit report issued, Vendor has 30 days to appeal. Must submit written request to DDS to start process. Audit report has appeal instructions. RC legal services tracks appeals (may differ by RC). DDS Office of Legal Affairs communicates to RC about appeal. RC has 2 weeks to respond Statement of Disputed Issues (SODI) RC reviews SODI, agree/ disagree, provide additional information. Send letter of findings (certified mail & email) to all parties Second layer of appeal to Office of Admin. Hearings (to appeal letter of findings).	34	None
End			Process ends.	36	

7.2 DDS RC Audits

DDS RC Audits includes the scheduled audits of RCs by DDS. This process requires collecting documents from RCs and the collaborative audit process by DDS staff.



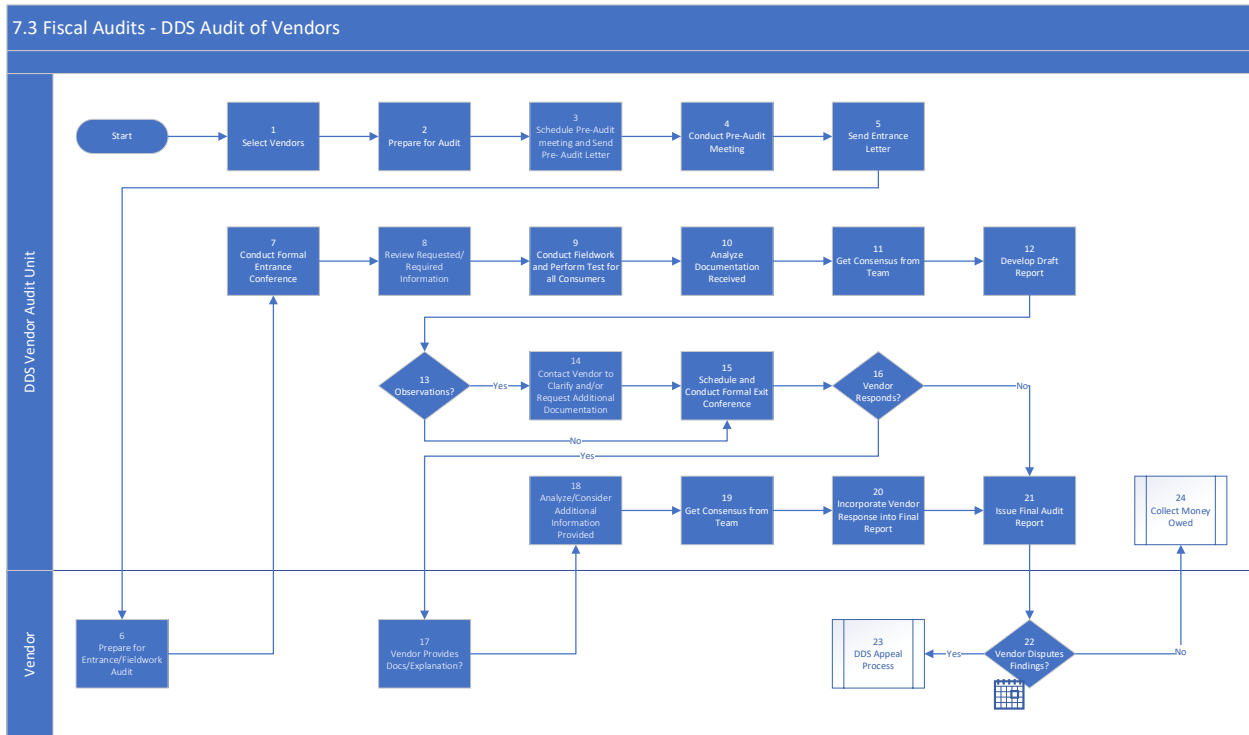
Step #	Activity	Role	Activity Description	Trigger	Systems/Tools
Start				Each RC audited biennially	
1	Pre-Audit Planning	DDS RC Unit	Run and Analyze Data from UFS Reports.		None
2	Request Documentation from RC	DDS RC Unit	Send engagement letter request supporting documentation (records request) from RCs. Gather the following: Descriptions of internal controls to inform designated areas of review Information for Internal auditor checklist Information regarding previous audits.	1	None
3	Schedule Audit	DDS RC Unit	Once the engagement letter has been sent, an audit is scheduled (mostly off-site audit).	2	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
4	Begin Fieldwork	DDS RC Unit	RC provides requested documentation (first day of fieldwork). RC may need to run queries to provide supporting documentation needed.	3	None
5	Compare RC Documentation against DDS Data	DDS RC Unit	DDS staff will take RC information and compare, analyze, and reconcile the RC documentation against DDS data.	4	None
6	Follow up as needed	DDS RC Unit	As needed, auditors follow up with RC to get clarification and/or additional information.	5	None
7	Compile Reviews	DDS RC Unit	DDS staff will compile all reviews and get consensus from audit team.	6	None
8	Develop Draft Report and Schedule Exit Conference	DDS RC Unit	The Draft Report must be sent to the RC within 60 days (from end of exit conference).	7	None
9	Send Draft Report to RC	DDS RC Unit	DDS staff will conduct Exit Interview with the RC and send draft report to RC.	8	None
10	Respond to Draft Report	RC	RC has 30 days to respond to findings in draft report.	9	None
11	RC Responds?	DDS RC Unit	If yes, go to step 12, DDS RC Unit incorporate RC response in final report. If no, go to step 13, DDS RC Unit develop final report.	10	None
12	Incorporate RC Response in Final Report	DDS RC Unit	If necessary, DDS will incorporate RC Response in Final Report.	11	None
13	Develop Final Report for RC	DDS RC Unit	A final report will be developed for the RC being audited. DDS staff include an invoice for financial issues, if needed. Track requests in spreadsheets.	11	Excel spreadsheet

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
14	Send Final Report to RC	DDS RC Unit	Final report should be provided within 30 days of receiving feedback from RC (note: if RC did not provide a response, final report is due 30 days from when the 30-day response period ended). Invoice for financial issues, if needed. Track requests in spreadsheets.	12 or 13	Excel spreadsheet
15	RC Disputes Findings?	RC	If yes, go to step 16, RC proceeds to DDS Appeal Process (external DDS process). If no, go to step 17, RC proceeds to DDS recovery process.	14	None
16	DDS Appeal Process	RC and DDS Appeals Unit	For informational purposes only. Following is a high-level overview of the external appeal process: After audit report issued, RC has 30 days to appeal. Must submit written request to DDS to start process. Audit report has appeal instructions. Second layer of appeal to Office of Admin. Hearings (to appeal letter of findings).	15	None
17	DDS Recovery Process	DDS RC Audit Unit	Negotiate with RC to determine how to collect money owed (may be collected via offset).	15	None
End			Process ends.	16 or 17	

7.3 DDS Vendor Audits

DDS Vendor Audits includes the audit of Vendors separate from the regular schedule. These audits could be the result of a whistleblower, DDS request, RC request, or random selection. This process requires collecting documents from Vendors and the collaborative audit process by DDS staff.



Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
Start			1 Pre-audit phase/Field work 2 Report phase 3 Appeal phase	1 – whistleblower 2 – DDS management request 3 – RC request 4 – random selection	
1	Select Vendors	DDS Vendor Audit Unit	DDS audit staff will select Vendors based on: <ul style="list-style-type: none"> Whistleblower complaints Management Referrals RC Referrals Randomly select Vendors 	Start	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
2	Prepare for Audit	DDS Vendor Audit Unit	<p>DDS Vendor Audit Unit staff (auditors) run reports from UFS and e-Billing, and look at contracts and program design.</p> <p>Review previous audits (CPA, DDS, etc.).</p> <p>Complete the Statement of Independence.</p> <p>Prepare the Audit Plan.</p> <p>Contact RC to get additional Info on the Vendor.</p>	1	UFS and e-Billing Reports
3	Schedule Pre-Audit Meeting and Send Pre-Audit Letter	DDS Vendor Audit Unit	<p>Auditors contact Vendor to let them know about the audit and schedule Pre-Audit meeting.</p> <p>The pre-audit letter provides an introduction and explains what service codes and Vendor number will be audited and what is needed from the Vendor.</p> <p>Attach the Vendor Internal Control Questionnaire (ICQ) Part I to the pre-audit email and ask Vendor to complete and return before the pre-audit meeting.</p>	2	Mail/email

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
4	Conduct Pre-Audit Meeting	DDS Vendor Audit Unit	<p>During the Pre-Audit meeting, auditors explain 3 Phases of the Audit:</p> <ul style="list-style-type: none"> • Pre-audit phase/Fieldwork • Report phase • Appeal phase • Explain in detail objectives and testing methodology • Discuss the Vendor ICQ Part I and Part II • Obtain understanding of the Vendor's process for the program service delivery, documentation of services, and billing process • Conduct a detailed walkthrough with the Vendor and the docs provided • Document the process • Set up date for the Entrance Meeting and start of fieldwork 	3	None
5	Send Entrance Letter	DDS Vendor Audit Unit	Auditors send entrance letter and request applicable documents identified during the pre-audit walkthrough for the selected sample months.	4	None
6	Prepare for Entrance Conference/ Fieldwork Audit	Vendor	The Vendor should gather and prepare the documentation requested in the entrance letter.	5	None
7	Conduct Formal Entrance Conference	DDS Vendor Audit Unit	Auditors perform a detailed walkthrough to understand their process and documentation.	6	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
8	Review Requested / Required Information	DDS Vendor Audit Unit	Auditors reconcile the information received against what was requested. Confirm that auditors have everything needed to perform the audit.	7	
9	Conduct Fieldwork and Perform Test for all Consumers	DDS Vendor Audit Unit	Test for Compliance with the Contract, Title 17, and WIC with regards to billing. Run tests for all consumers for 2 months. Need to account for every dollar. Takes up to 2 months to perform. Follow up with RCs as needed to validate. Vendor statements.	8	None
10	Analyze Documentation Received	DDS Vendor Audit Unit	Auditors analyze documentation provided by Vendor against billing/ attendance, reports.	9	None
11	Get Consensus from Team	DDS Vendor Audit Unit	The audit team must agree on observations identified during audit.	10	None
12	Develop Draft Report	DDS Vendor Audit Unit	Draft Audit Report will be reviewed by Management and approved after all questions are answered, if applicable.	11	None
13	Observations	DDS Vendor Audit Unit	Upon completion of the fieldwork, auditors complete the workpapers: <ul style="list-style-type: none"> • Testing schedules • Lead sheets • Points sheet Are there any observations? If yes, go to step 14, DDS contact Vendor to clarify and/or request additional documentation. If no, go to step 15, DDS to schedule and conduct formal exit conference.	12	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
14	Contact Vendor to Clarify and/or Request Additional Documentation	DDS Vendor Audit Unit	Auditors call or email Vendor to clarify, get explanations, and/or request additional documentation regarding observations and findings.	13	None
15	Schedule and Conduct Formal Exit Conference	DDS Vendor Audit Unit	Once draft is approved, contact Vendor to schedule exit conference. Draft Audit Report will be discussed during the formal exit conference. Vendor has 30 days to respond to the Draft Audit Report and provide additional historical documentation for any remaining unresolved discrepancies or Findings.	13, 14	None
16	Vendor Responds?	DDS Vendor Audit Unit	Did the Vendor respond to request for additional documentation and/or explanation? If yes, 17, Vendor provides documents and/or explanation to DDS. If no, 21, DDS issues final audit report.	15	None
17	Vendor Provides Docs and/or Explanation	Vendor	Vendor sends response to the draft audit report to DDS audit staff.	16	None
18	Analyze/ Consider Additional Information Provided	DDS Vendor Audit Unit	Auditors analyze and consider additional information and explanations provided by Vendor.	17	None
19	Get Consensus from Team	DDS Vendor Audit Unit	Get consensus from audit team on if the additional information changes draft report.	18	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
20	Incorporate Vendor Response into Final Report	DDS Vendor Audit Unit	Auditors review and evaluate Vendor's Response. DDS' Evaluation of Vendor's Response will be incorporated and issued with the Final Audit Report. Incorporate Vendor response and additional documentation into final report.	19	None
21	Issue Final Audit Report	DDS Vendor Audit Unit	Auditors complete and send Final Report with Transmittal Letter (includes invoice for amount owed for finding). Vendor has 30 days to respond/appeal findings in Final Report, i.e., Statement of Disputed Issues (SODI). If no response state in the Final Report that Vendor did not provide a response, send demand letter.	16, 20	None
22	Vendor Disputes Findings	Vendor	Does Vendor dispute findings? If yes, go to step 23, Vendor proceeds to DDS Appeal process. If no, go to step 24, DDS collects the money owed from Vendor.	21	None

Step #	Activity	Role	Activity Description	Trigger	Systems/ Tools
23	DDS Appeal Process	Vendor and DDS Appeals Unit	<p>For informational purposes only. Following is a high-level overview of the external appeal process:</p> <p>After audit report issued, Vendor has 30 days to appeal.</p> <p>Must submit written request to DDS to start process.</p> <p>Audit report has appeal instructions.</p> <p>RC legal services tracks appeals (may differ by RC).</p> <p>DDS Office of Legal Affairs communicates to RC about appeal.</p> <p>SODI – Statement of Disputed Issues</p> <p>RC reviews SODI, agree/ disagree, provide additional information.</p> <p>Send letter of findings (certified mail & email) to all parties.</p> <p>Second layer of appeal to Office of Admin. Hearings (to appeal letter of findings).</p>	22	None
24	Collect Money Owed	DDS Vendor Audit Unit, Accounting Department, and Legal	<p>Negotiate with Vendor to determine how to collect money owed.</p> <p>May be collected via offset.</p> <p>Work with Vendor to collect.</p>	22	None
End			End process.	24	