



# OFFICIAL COMMUNITY INVESTMENTS POLICIES

# **Introduction**

This manual establishes the Maternal, Child and Family Health Coalition’s (MCFHC) rules and principles for distributing the financial resources with which it is entrusted. The investing policies have been adapted from the St. Louis Mental Health Board (MHB) to be consistent with their policies. The MHB is the source of funds for the Maternal Mental Health Funding Opportunity.

## **Reservation of Rights**

The policies and implementations stated herein are intended to guide MCFHC action. However, within the scope of its statutory authority, MCFHC reserves the right to unconditionally amend, modify, waive or cancel, in whole or in part, any policy or procedure, or the application thereof to any situation, if MCFHC deems it to be in its best interest to do so. MCFHC may exercise this right without notice or specific reference to these policies and without any liability to any party.

MCFHC will be held harmless in regard to the provision of any services by a recipient of funds.

## **Statutory Obligations of MHB**

The Mental Health Board will endeavor to comply with all statutory obligations to which it is subject. Several such obligations may be of particular interest to potential applicants for investment.

1. MHB will comply with the Missouri Public Records Law of 1961. Applicants for funding should be aware that all documents and correspondence submitted to MHB become part of the open public record.
2. MHB will comply with all aspects of the Missouri Sunshine Law regarding open meetings and records. Applicants for investments should be aware that our selection process occurs in a forum which is open to the public. The Sunshine Law also further prescribes that MHB’s records are open to the public.
3. MHB will comply with the Conflict of Interest rules of the Missouri Ethics Commission.  
Applicants for investment should be aware that no MHB Trustee will participate in the review, discussion or selection for any applicant with

whom there might be either an actual conflict or an appearance of a conflict of interest.

4. MHB will comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) by neither accepting nor maintaining any document bearing the name or identifying information of any consumer receiving services. Applicants for investments must also comply with HIPAA and must include authorizing releases of information in files which allow MHB to regularly inspect records.

## **Eligibility for Investment**

MCFHC will consider applications for investment only if all pertinent eligibility requirements regarding the applicant's organization, services and consumers are met.

1. MCFHC will invest only in organizations that demonstrate fiscal, administrative and managerial stability, prudence and diligence.
  - a. Recipients of funds must submit an independent audit and management letter, if issued, each year. The audit must be conducted by a Certified Public Accountant. The audit must include or be accompanied by an OMB Circular A-133 Report (if applicable). Recipients must address immediately any deficiencies noted by the auditor to the satisfaction of MCFHC. Audits are to be submitted within 120 days of the end of each organization's fiscal year.
  - b. MCFHC reserves the right to approve any change to key personnel assigned to a project receiving funds.
  - c. MCFHC requires all applicants to maintain minimum levels of insurance as periodically recommended by our legal counsel. Current insurance requirements are:
    - Comprehensive General Liability insurance of at least \$1,000,000 general aggregate and \$1,000,000 each occurrence;
    - Workers Compensation insurance of \$1,000,000;
    - Professional Liability and Malpractice insurance (for any licensed professional employed in an MCFHC-funded program) of \$1,000,000 aggregate and \$1,000,000 each occurrence;
    - Commercial Vehicle liability insurance (for any vehicles purchased

through an MCFHC grant) of \$1,000,000.

- d. MCFHC shall have a preference for investing in organizations and/or projects with diversified sources of revenue (i.e., funding from at least one other source).
  - e. MCFHC will make investments only to not-for-profit organizations in good standing with the Secretary of State to do business in Missouri or organizations established by charter or statute.
  - f. MCFHC may require new or smaller organizations to partner with more established organizations for administrative support.
2. MCFHC will invest only in organizations that comply with all local, state and federal regulations related to fair labor practice, workplace safety, accessibility, and consumer protection. Applicants should be aware that MCFHC assesses compliance with these laws each year and that this assessment includes an assessment of compliance with Executive Order 11246 regarding Affirmative Action.
  3. MCFHC shall only make investments in organizations and/or projects which demonstrate that individuals receiving mental healthcare services shall have a documented mental health diagnosis determined by a qualified mental healthcare provider except for prevention or early intervention of mental illness and/or substance abuse, outreach and engagement, crisis intervention, or other services where such a diagnosis would be a clear barrier to service.
  4. MCFHC shall only invest in applicants that demonstrate their ability to provide culturally and linguistically appropriate services.
  5. MCFHC funds shall not be used to provide any direct or indirect support of any religious education, service, or otherwise assist the religious mission of the church. Funds are provided solely to assist youth and adults in a content neutral manner.
  6. MCFHC shall have a preference for investing in organizations and/or projects whose governing board members reside in the City or County of St. Louis.
  7. MCFHC shall have a preference for investing in organizations and/or projects whose services are provided in the City of St. Louis.

8. MCFHC shall only make investments in organizations and/or projects which demonstrate that
9. MCFHC funds will not be used to supplant other sources of revenue.
10. MCFHC shall only make investments in organizations and/or projects which meet all additional specific eligibility requirements established by a specific source of revenues.
11. MCFHC shall only make investments in organizations and/or projects which meet all additional specific eligibility requirements established in the Eligibility Requirements document and/or The Call for Concept Papers.

## **Public Accountability**

MCFHC strives to achieve a high level of accountability to the public on whom it relies for support.

1. MCFHC shall endeavor to focus its resources in a deliberate, professional manner based on professional needs assessments and strategic planning.
2. MCFHC shall endeavor to inform the public regarding its activities, investments, and achievements. MCFHC shall publish an Annual Report which includes a list of co-investors, an outline of investment priorities, as well as a review and analysis of results and impacts realized.

## **Disbursements**

MCFHC normally disburses investments in twelve equal milestone payments. As required by other funding sources, at the request of an applicant organization or on an ad hoc basis, MCFHC also disburses funds on an expense-reimbursement or on a fee-for-service basis.

1. MCFHC will disburse funds only after a formal contract is duly executed.
2. MCFHC will disburse funds only to recipients of investments who are in full program and fiscal compliance with the terms of their contracts. MCFHC reserves the right to withhold payment for all contracts in cases of fiscal non-compliance. Recipients of investments should be aware that MCFHC will delay payment of any funds for which the recipient has delayed submission of

required paperwork. Recipients should also be aware that the final payment on any project may be delayed by thirty to sixty days pending receipt of final reports.

3. MCFHC requires two authorized signatures on all investment payment checks regardless of the amount.

## **Oversight**

1. All recipients of investments must submit timely, periodic status reports.
2. All recipients of investments are subject to annual site visits by MCFHC staff to assure fidelity to the application for investment, efficacy and fiscal accountability.
3. Any capital assets or equipment with a unit cost of five hundred dollars or more that is purchased with funds from MCFHC must be retained and used continually for the purposes originally intended for a period of five years from the date of purchase. MCFHC may inspect or repossess any such asset during that five-year window.
4. Any recipient of investments found to be out of compliance with their contract or MCFHC's policies shall be required to take corrective action to remedy the deficiency. Should a recipient fail to come into compliance, MCFHC will take further action up to and including terminating the investment.

## **Contracting**

Each project invested in by MCFHC shall be governed by a duly executed contract which provides a detailed description of the relationship with MCFHC and MCFHC's specific expectations and requirements regarding the project.

1. MCFHC will award contracts for investments for a maximum period of one year.
2. Most investments made by MCFHC are intended to be multi-year projects. MCFHC will provide annual renewals for the length of the investment contingent upon the availability of funds and the applicant's re-application and good standing with MCFHC.
3. Contracts shall only be considered duly executed when they are signed by MCFHC's Executive Director; an officer of MCFHC's board AND by the recipient organization's authorized signatories (e.g., Executive Director and/or board officer).

## **Communication with Funded Agencies**

All contract-related written communication between MCFHC and co-investors shall be kept on file by MCFHC as part of the public record. Electronic mail shall be considered written correspondence and shall be printed and filed. A fax verification sheet shall be printed out and attached to all communications faxed from MCFHC. Correspondence and documents mailed by MCFHC shall be sent by certified mail, return receipt requested (or by a similar delivery service with delivery confirmation). Examples of contract related correspondence include: contracts, amendments, required reports, site visit reports, corrective action plans, correspondence regarding progress on corrective action plans, correspondence regarding problems with reporting, etc.

## **City Residents**

Any investment made by MCFHC which includes local mental health tax revenues is restricted to services which are provided to City residents. In programs which do not exclusively serve City residents, MCFHC funds shall not fund a proportion of the total program budget in excess of the proportion of services to City residents.

## **Maximum Investment**

No single program or project investment from local mental health tax revenues shall exceed \$500,000 in any fiscal year.

## **Maximum Award for any Project that Is New to an Organization**

If a proposed project is new to an organization, the total requested from MCFHC cannot exceed \$100,000 in the first year.

## **Three-year Grants**

MCFHC's primary use of local tax revenues shall be investments made in a three-year cycle. The first year of this cycle shall be an open competition for investments based on the needs identified by MCFHC in its needs assessments and the goals prioritized by the board. The two following years shall be open only to re-applications from those projects which are achieving their specific milestones/end results and/or which use program learning to demonstrate improved performance to a degree which assures MCFHC there is a reasonable likelihood of future success. When organizations are not meeting their end result, MCFHC may reallocate funds to other providers within the same goal area or to another goal area altogether.

## **Certification or License**

For services for which the State of Missouri has established licensing or certification standards, MCFHC shall make investments from local children's tax revenues only in support of services which are licensed or certified by the State of Missouri and that contribute to the outcomes prioritized by the board. Exceptions may be made when one of the objectives of the project is for the service to obtain the appropriate license or certification during the life of the project.

## **Accreditation**

For services for which one or more national organizations have established accreditation, MCFHC shall have a preference for those programs and/or projects which have attained the accreditation. Exceptions may be made when one of the objectives of the project is to obtain the accreditation during the life of the project.

## **Specific Policies for Investments Related to Capital Items**

For the purposes of this investment, no requests will be entertained for land acquisition, capital campaigns, building acquisitions, expansion or rehabilitation of existing buildings/facilities or construction of new buildings/facilities.

The following guidelines apply to requests for major equipment.

1. MCFHC requires that three bids be obtained and submitted by agencies when requesting funds for purchase of equipment when the unit cost is \$1,000 or more. Agencies shall use the following procedures when obtaining bids on capital items with a unit cost of \$1,000 or more and a useful life of more than one year:
  - a. Specifications shall be written in sufficient detail to assure consistent response to the agency's request for bids.
  - b. Agency bid requests shall be submitted to similar vendors.
  - c. Agencies shall submit a minimum of three signed bids specifying agency bid preferences.
  - d. In the event that agencies do not select the lowest bid, a written rationale must be provided for approval.
  - e. In the event there are less than three vendors responding to a bid request, agencies must request a waiver of policy from MCFHC prior to purchasing the item(s). Certification from the agency of their independence from selected vendor in relation to the agency's board, employees, and consumers must be submitted with the request.
2. Agencies shall maintain accurate inventory control procedures of capital items purchased with MCFHC funds. Agencies are required to clearly identify items by specific MCFHC project and component numbers.
  - a. Agencies shall receive payment from MCFHC upon verified receipt of equipment.
  - b. Agencies shall maintain a control system to insure adequate safeguards to prevent loss, damage or theft of property. Agencies that experience any loss, damage or theft of capital items purchased with MCFHC funds shall have an investigation conducted. A written copy of the investigation findings shall be submitted to MCFHC. A statement describing how agencies will replace the item(s) must also be included.
3. All capital items purchased with MCFHC funds shall be depreciated in accordance with accounting principles generally accepted in the United States (GAAP). MCFHC recommends that agencies establish and fund a depreciation reserve, if possible, to provide for the future replacement of

capital items.

4. Agencies will have and maintain adequate comprehensive property insurance for all capital items purchased in part or in full with MCFHC funds to assure replacement of the agency's capital assets in the event of a loss due to an insurable event. Documentation of insurance shall be submitted to the MCFHC on an annual basis.
  
5. If capital items purchased with MCFHC funds are found not to be used during a consecutive six month period of time while they are owned by the agency, said capital items will be made available to the MCFHC for reassignment to another agency, or for sale, with proceeds returning to the MCFHC.
  
6. MCFHC approval is required prior to selling, trading or reassigning any capital items purchased with MCFHC funds.