



## Board of Directors Meeting

November 13, 2008

**Request for Advance:**

**Central Florida Behavioral Health Network Inc.**

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### Item IV.A.

**Recommended Action:** Approve an advance to Central Florida Behavioral Health Network (CFBHN) for \$438,072, effective November 13, 2008.

**Issue:** The CFBHN is implementing a Family Counseling System of Care for Pinellas County and requires an advance on its contract to sustain reimbursements for community providers.

**Program:** Central Florida Behavioral Health Network

**Budget Impact:** Funds from the CFBHN allocation will be advanced and repaid by September 30, 2009.

**Strategic Plan Goals:** Goal 5. Support increased coordination of county-wide services.

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**Background:** Central Florida Behavioral Health Network (CFBHN) has requested advance funds for their Fiscal Year 2008-09 contract. The FY08-09 JWB allocation for CFBHN is \$5,380,716 and the requested advance is \$438,072.

In accordance with JWB Policies for advances, requests for advance funds which exceed one-tenth of an agency's JWB allocation, or over \$100,000 total per agency, must be approved by the Board. CFBHN has submitted two (2) advance requests; one for \$100,000 which staff has processed; and one for an additional \$438,072 for Board approval. The total of both requests equals \$538,072 which is 10% of the agency's annual allocation.

The advance is necessary to avoid cash flow issues resulting from the reimbursement process. The System of Care provider expenses are estimated to peak at about \$450,000/month at some point during the year. DCF requires CFBHN to maintain a fund balance at a 6 months level, but these funds may only be used for DCF programs.

Agencies requesting advances must meet the following conditions:

1. Certify that they hold no cash, marketable securities, and net receivables due within 30 days, other than restricted assets, as defined by the American Institute of Certified Public Accountants' Audit Guide that in aggregate exceed one-tenth of the agency's JWB allocation.
2. Agree to repay the advance no later than September 30 of FY 08-09.

The agency has certified the above and is requesting Board approval for the advance funds. As an administrative service entity that has just recently been funded by JWB, CFBHN, by design, is not in a position to develop a fund balance which ordinarily would be used to cover expenses at the beginning of a fiscal year.

Staff resource: Gary Cernan