

So, you want to be a business ?

Basic *Concepts* for
Beginning a Social
Service **BUSINESS**





Organizational Structure

- Define your Organization's mission and Goal
- Articles of Incorporation
- Board of Directors By-laws
- Organizational Chart
- Job Description
- Operational **Policies** manuals



Some key information to consider

- ❖ What is your organizations financial history
- ❖ What are your organizations internal control policies and processes
- ❖ What is your organizations award history
- ❖ What type of accounting system will be used
- ❖ What is your agencies history receiving and accounting for this type/source of funding
- ❖ Is this direct state or federal funding, other payment source(s). Are there timely payment/ processing issues with the funding source.
- ❖ Can your organization provide accurate timely billing and service reporting required
- ❖ What is the return on investment , outcomes
- ❖ Are you using Evidence based practices
- ❖ Do you have the correct, and enough staff to carry out this award; will you need to hire new staff , if so, how many, what cost?

Know the Rules

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- ✓ What is the funding limit/amount set
 - ✓ Are there any liability issues of concern
 - ✓ What are the rules for how the money can be used
 - ✓ What are the budget limits if any
 - ✓ If state or federal what are the applicable state or federal regulations governing use and accounting of the funds, are you able to meet these requirements
 - ✓ Are there limits to the use of the funds provided
 - ✓ Is there a match or other fiscal requirement, is this all cash or can in kind documentation be use
 - ✓ What audit requirements come with this funding: Fiscal, Accounting, programmatic

Know the Rules

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- ✓ If In-kind is used/employed , can you meet the documentation and verification requirements
 - ✓ What are indirect cost requirements/limits
 - ✓ How will funding be provided
 - ✓ When will funding be provided ,at what pace and process
 - ✓ What is the services/activity reporting required
 - ✓ What is the billing requirements
 - ✓ What type of application is it
RFA/RFP/RFQ/Request for Funding
 - ✓ Does the application have guidelines if so what are they

Added Critical Business Development Steps

- EIN acquisition
- GATA registration
- GATA Prequalification
- Secretary of State Registration
- County Registration(Business)
- Federal FEIN registration
- 501 C-3 Registration
- DHS CSA registration
- DHS CSA Archive registration
- Licensure/Certifications
- Illinois NOFO location
- State of Illinois ID registration
- Charitable Organization registration

Award Notifications

- NOFOs/RFQ/RFA
<https://www.dhs.state.il.us/page.aspx?item=85526>
- Population Requirements
- Reporting and Billing Requirements
- Evaluation Requirements
- Special Requirements
- Submission
requirements/limits/timelines
- Dollar Amounts

Organizational Structure /Continued

➡ Operational Procedures manuals :

1. Financial accounting practices/procedures
2. Human Resources/Personnel hiring /Evaluations
3. Services /activities provision
4. Business operations
5. Service reporting and billing
6. Personnel manual
7. Audits
8. Documentation/ Record Keeping
9. Tax/Insurance policies and procedures
10. Local/County/state requirements; buildings or activities
11. Licensure requirements Insurance/Liability
12. Cash Flow for pre-funding startup costs/activities

What KEY rules apply

- Administrative code Title 44;Subtitle F; Chapter 1; Part 7000 –Grant Accountability and Transparency act
- Federal 2CFR200: Title 2;Subtitle A; Chapter 2;Part 200
- Contract document
- Contractual Policy manuals
- Federal and state regulations
- Federal/ Local/state Regulations / Key ones :
 - Illinois Admin Code:
 - Title 77/Chapter X/Subchapter g/Part 2090 audits
 - Title 44/Subtitle F/ Chapter 1/ Part 7000 Accountability//Transparency
 - Title 89/Chapter XX/ part 509 Fiscal/Administrative Record Keeping
 - Title 89/Chapter IV/Subchapter a/Part 507 audit requirements-DHS
 - Title 89/Chapter IV/part 511 Grant Funds Recovery
 - Title 44/Chapter V/part 7040 General Grant making (DHS) Title 77/Chapter X/subchapter d/part 2060 licenses requirements (ownership)
- Others ..see DHS web site <https://www.dhs.state.il.us/page.aspx?item=22450>



Added Federal Rules and Regs

Federal

1. Fee-for-Service (Medicaid) and Grant Funded
2. Program Fraud Civil Remedies Act (45 CFR, Part 79).
Certification of compliance with the Program Fraud Civil Remedies Act.
3. Federal regulations regarding Diagnostic, Screening, Prevention, and Rehabilitation Services (Medicaid) (42 CFR 440.130).
4. Confidentiality of Substance Use Disorder Patient Records (42 CFR, Part 2).
5. Federal regulations regarding Opioid Maintenance Therapy (21 CFR 291.505 (FDA)), (21CFR1301-1307 (DEA)).

Grant Funding DHS SUPR

1. The Substance Abuse Prevention Block Grant Regulations (45 CFR, Part 96).
2. Charitable Choice: Religious organizations as defined under 42 CFR 54.2(b), shall comply with the Charitable Choice Regulations as set forth in 42 CFR 54.1 et seq. regarding funds provided directly to pay for substance use disorder prevention and treatment services under 42 U.S.C. 300x-21 et seq.; 42 U.S.C. 290aa, et seq.; and 42 U.S.C. 290cc-21 to 290cc-35.
 - A. Notice shall be given to each patient and potential patient of his/her right to receive alternative services from another organization, and the right to be referred to alternative services that reasonably meet the requirements of timeliness, capacity, accessibility and equivalency as set forth in 42 CFR 54.8 and 54a.8. It is recommended that the "model notice" set forth in Appendix A of 42 CFR 54a be used.
 - B. Referrals shall be made to alternative organizations as set forth in 42 CFR 54.8 and 54a.8 can be made utilizing 1-833-2FINDHELP or www.helplineil.org to identify suitable alternative organizations.
 - C. A record of referrals made pursuant to these regulations shall be maintained and provided to IDHS on an annual survey as requested.
 - D. No patient or potential patient may be discriminated against based on religion, a religious belief, or a refusal to actively participate in a religious practice.
 - E. Funds shall not be used for inherently religious activities, such as worship, religious instruction, or proselytizing.



State of Illinois Regulations

Fee-for-Service (Medicaid) and Grant Funded

1. The Illinois Substance Use Disorder Act (20 ILCS 301), (referred to as the "Act").
2. Title 77 Ill. Adm. Code, Parts 2030, 2060 and 2090.
3. Title 44, Part 7000, Grant Accountability and Transparency Act.
4. Public Act 100-1058 Section 10, The Health Care Worker Self-Referral Act.

Award Notifications

- Eligibility Requirements
- Service(s) Requirements
- Funding Restrictions
- Budget Requirements
- Cash Flow Requirements
- Provider Requirements
- Licensure Requirements
- Enrollment Requirements
- Pre-Qualification Requirements

Business Requirements

- FEIN
- Secretary of State
- County Business Registry
- **Illinois . Gov Account / How to create it :**
 1. Go to ID.Illinois.gov.
 2. Click the Create Illinois.gov Account link.
 3. Follow the instructions provided to create your account.
 4. The system will provide you an Illinois.gov Username. ...
 5. Once you have your username, go back to ID.Illinois.gov and click the Account Recovery Options link.
- Unique Entity Identifier number / Sams.gov number
<https://sam.gov/content/home>
- GATA grantee portal : <https://grants.illinois.gov/portal/>
- GATA –GOMB information : <https://gata.illinois.gov/>
- DHS Community Service agreement Tracking system enrollment
[:https://www.dhs.state.il.us/page.aspx?item=61069](https://www.dhs.state.il.us/page.aspx?item=61069)

501 C-3 Status

- Organizations described in section 501(c)(3) are commonly referred to as **charitable organizations**. Organizations described in section 501(c)(3), other than testing for public safety organizations, are eligible to receive tax-deductible contributions in accordance with Code section 170.
- The organization must not be organized or operated for the benefit of private interests, and no part of a section 501(c)(3) organization's net earnings may inure to the benefit of any private shareholder or individual. If the organization engages in an excess benefit transaction with a person having substantial influence over the organization, an excise tax may be imposed on the person and any organization managers agreeing to the transaction.
- Section 501(c)(3) organizations are restricted in how much political and legislative (*lobbying*) activities they may conduct. For a detailed discussion, see Political and Lobbying Activities. For more information about lobbying activities by charities, see the article Lobbying Issues**PDF**; for more information about political activities of charities, see the FY-2002 CPE topic Election Year Issues**PDF**.

501-C3 status

- How does this fit with other Organization Types:
LLC, Partnerships , Sole Proprietor, Incorporated
- To apply for recognition by the IRS of exempt status under section 501(c)(3) of the Code, use a [Form 1023-series](#) application. The application must be submitted electronically on [Pay.gov](#) and must, including the appropriate user fee. See [Application Process](#) for a step-by-step review of what an organization needs to know and to do in order to apply for recognition by the IRS of tax-exempt status. Frequently asked questions about [applying for exemption](#) are also available. You may also want to [view some of our tools](#) designed to help you apply for exemption.
- <https://www.irs.gov/charities-non-profits/application-for-recognition-of-exemption>



ILLINOIS ATTORNEY GENERAL

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www.IllinoisAttorneyGeneral.gov

- Under Illinois law, fundraisers and charitable organizations are required to register each year with the Attorney General's office. Potential donors may then access important information such as income, expenditures, programs and administration before giving to the charity.
- Contact the Attorney General's Charitable Trust Bureau at 312-814-2595 (TTY: 1-800-964-3013)
- <https://illinoisattorneygeneral.gov/charities/>