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Cúram 8.1.2

Funded Program Management Guide

Note

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Edition

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Funded Program Management is used to manage funds that can be obligated to clients in need of assistance. It is integrated with Provider Management. Funds can be used to pay providers directly for their services.

1.1 Introduction

Purpose

The purpose of this guide is to provide a business overview of Cúram Funded Program Management. Funded Program Management has been set up to work in conjunction with the Cúram Child Care product. Note, however, SEM agencies can choose to customize Funded Program Management to work with their own products.

Audience

This guide is intended for any reader interested in understanding the business concepts of Funded Program Management.

Prerequisites

The following information is helpful to understand before reading this guide:

- Participants (see the *Cúram Participant Guide*)
- Products and cases (see the *Cúram Integrated Case Management Guide*)
- Provider Management™ (see the *Provider Management Guide*)
- System administration (see the *Cúram System Configuration Guide*)

Chapters in this Guide

The following list describes the chapters within this guide:

- **The Components of Funded Program Management**
  This chapter introduces the main components including funds, fund fiscal years, fund fiscal year line items, budget adjustments and associating funds with products and services and rule sets.
- **Configuring Funds**
  This chapter provides information on how to configure funds.
- **Obligating Funds**
  This chapter describes how funds are obligated to clients.

1.2 The Components of Funded Program Management

Introduction

Funded Program Management provides SEM agencies with the ability to create and manage funds which can then be obligated to clients in need of assistance. For example, clients in need of child care assistance can be obligated a budget from a child care fund.

One of the key benefits of Funded Program Management is its integration with Provider Management processing. Instead of paying clients for their child care needs, funds can be used to pay authorized child care providers directly for their services. This gives agencies a middle ground for providing clients with funding that they need.

Funded Program Management offers a simple solution for funding services. Funds can be set up, assigned to fiscal years, and associated with products and services and amounts from the budget can then be obligated to clients in receipt of those services. This chapter describes in more detail the components of Funded Program Management and how it works.

Funds, Fiscal Years and Fund Fiscal Year Line Items

Funds are defined according to their own active period, their fiscal year associations, and their product and service associations. The active period of a fund is defined by a start and end date. From the start date until the end date, amounts can be obligated from the fund to clients.

Fiscal years are periods used for tracking fund fiscal year budgets. The purpose of associating fiscal years with funds is to set targeted budgets for a manageable period of time, i.e., typically one fiscal year. A fiscal year can be associated with a fund provided its active period falls within the fund active period.

A fund fiscal year line item contains details of monies available from a funding source for a fund for a given fiscal year. A fund fiscal year can have many line items associated with it. Each line item contains the initial budget allocation for that funding source, for a specified period.

When associating a fund fiscal year line item with a fund fiscal year, the fund fiscal year budget is set for that fiscal year. Throughout the fund fiscal year, a running tab is automatically kept on the budget amounts, including a record of the original budgeted amount, the amount obligated to clients, and the budget remaining (original minus obligated).

Associating products and services with funds enables the clients in receipt of the products and services to be obligated funds. For example, a client eligible for child care services can receive funding for these services through the child care fund.

Funding Rule Sets

Classic funding rule sets or Cúram Express Rules (CER) can be applied to products and services to identify funds which can be obligated and to determine the fund to be utilized based on the SEM agency's priorities. In addition, these rule sets can be customized by the SEM agency to utilize case evidence to further refine fund selection criteria. For example, a funding rule set can be assigned to a child care product which includes the following rules:

- If a household member is eligible for income support, take the money from the income support fund.
- If there is a child with special needs in the household, take the money from the special needs fund.
- If there are both, then the income support fund should be utilized first.

Funding rule sets are linked to funds through mutual product and service associations. For example, if both the funding rule set and child care fund are associated with the child care product, then the funding rule set will be applied to clients in receipt of the child care product to determine if they are eligible for funding from the child care fund.

A default funding rule set is provided. This basic rule set can be assigned to products and services, and is utilized in determining the priority of which funds to use for a particular product or service.

Budget Adjustment

There are two types of budget adjustment which can be applied to a fund fiscal year line item. The Budget, also termed initial allocation, details the sum of money assigned to a fund fiscal year line item on creation. The Budget Adjustment details any adjustments made to the initial budget allocation. This enables the balance of a fund fiscal year line item to be increased or decreased depending on the financial circumstances of the business.

Obligations

An obligation details the amount obligated to a client from a fund fiscal year. An obligation, when created, impacts the budgeted balance of the fund fiscal year by the value of the obligation amount. Funds can be can be configured to allow an obligation even if it sends the budget balance negative. Funded Program Management uses a default logic which allocates an obligation to the fund fiscal year in which the obligation period starts..

Obligation details can be adjusted if required, if for example, the obligation amount or period has changed. An update to an obligation can affect the period that the obligation applies to or the obligation amount and budgeted balance.

Fund Wait Lists

Fund wait lists allow clients to be placed on a wait list for a fund fiscal year when funds are insufficient to cover the full amount of an obligation and where a fund balance cant fall below zero. The fund must be configured to enable wait listing. For example, when a client is authorized to received child care services and in turn, an obligation request is received for the child care fund, if the child care fund does not have a sufficient amount to cover the obligation, over obligation is not permitted and wait listing is configured, the client is placed on a wait list for that fund fiscal year.

When funds become available, the request(s) to obligate funds on behalf of the client for the child care case plan items can be reassessed, and the obligation associated with the fund fiscal year can be processed.

Clients receive a wait list position which allow SEM agencies to manage priority and fairly process wait list entries in accordance with their policies. Each wait list entry also has an expiry date. On this date, the system will expire the wait list entry and notify the case owner that it has expired. A case transaction log is also created to acknowledge that the wait list entry has expired.

1.3 Configuring Funds

Introduction

The administration component of Funded Program Management provides fund administrators with the ability to:

- Configure and Associate funds and fiscal years
- Create fund fiscal year line items and associated budgets
- Adjust fund fiscal year budgets
- Associate products and services with funds
- Assign rule sets to products and services

> **Important:** Fund administrators must have the appropriate security access rights to configure funds. The Funded Program Management SID must be included in the administrator's user role for the administrator to be able to configure funds.

Configure and Associate Funds and Fiscal Years

Funded Program Management configuration of funds begins with fund and fiscal year creation. The fund and relevant fiscal years are associated with each other. This establishes the time period during which a fund is active, and the fiscal years it is associated with during that time period. At a glance, setting up a fund includes the following steps:

1. The creation of the fund which includes defining the fund name, type, and active period.
2. The creation of one or more fiscal years during which a fund is active; fiscal years also have names, categories, and active periods.
3. The association of a fiscal year with a fund.

To assist fund administrators in configuring funds and their fiscal years, the administration component of Funded Program Management displays the list of fiscal years associated with the fund and the budgets for each one of these fund fiscal years.

Funded Program Management administrators can modify fund details, associate new fiscal years to the fund, and remove funds. Note, however, funds can only be removed if there are no active associations, including associated fund fiscal year balances and fund associations.

Creating Fund Fiscal Year Line Items and Associated Budgets

When a fund and a fiscal year are associated, fund fiscal year line items can be added to these fund fiscal years. The creation of a fund fiscal year line item facilitates the addition of the budget. One or more fund fiscal year line items can be added to a fund fiscal year. These line items allow the source of funding to be captured. For example, federal or state funding.

The sum of the fund fiscal year line item budgeted amounts represents the total budget for the fund fiscal year. The sum of obligations for a fund fiscal year is deducted from this total, which allows the fund administrator to gauge whether or not funds are approaching limits that would prevent further obligations.

The fund fiscal year line item contains the budgeted amount for that particular line item, this includes the initial allocation and any adjustments to this budget. Each fund fiscal year line item lists the amount of each budget adjustment and whether that amount is a credit or debit.

Adjust Fund Fiscal Year Budgets

Fund administrators can adjust fund fiscal year budgets for each fund fiscal year line item. Each budget adjustment has an effective date and an amount. Adjustment amounts can be negative or positive, indicating a debit or credit. A negative budget adjustment may not exceed the remaining budget available for the fund fiscal year.

Associating Products and Services with Funds

Funds are associated with products and services in order to make them available to clients. Product or services can be added, modified, and viewed. These associations can also be removed provided the fund associated with the product or service has no fund fiscal year obligations. Fund administrators can view a summary of related associations. This summary is populated with all associated funds for the product or service currently being viewed.

The following describes the process of associating funds with products and services and how Funded Program Management uses the information captured:

- A search facility is provided to find the product or service to be associated with the fund. The type of association selected, i.e., product or service, determines the search available. If 'product' is selected, then the search option provides a list of available products that can be associated with the fund. If 'service' is selected, the list of available services is displayed. When the services selected are authorized, clients in receipt of those services may also be eligible for the fund.
- Each product or service association with a fund has an active period and a priority. The priority can be used to determine the order in which funds should be evaluated when selecting a fund source to be obligated for the client. The product or service with a priority of 1 will have first availability to the funds.
- Funding rule sets are also associated with products and services. If a client is eligible for the associated service, the system uses the rule set to identify the funds to be obligated. For information on assigning funding rule sets to products and services, see Assigning Funding Rule Sets to Products and Services on page 13.

Assigning Funding Rule Sets to Products and Services

CER or Classic Funding rule sets can be assigned to any product or service. The process begins with selecting whether the rule set applies to a product or service. The product or service must then be located on the system. The next step in the process is to search for and select the rule set from the list of available rule sets.

Rule set associations with products and services can be updated and removed. Note, however, these associations should not be removed if they have been used to allocate funds to clients. The actual rule sets themselves can be maintained using the Rules Editor. Typically rules are maintained by a rules developer.

It is important to note that in order for funds to be obligated to clients, there must be at least one rule set associated with the service or product which is associated with the fund. If no rules sets are specified for the service or product, then the system will assume that it is not utilizing Fund Program Management and thus funds will not be obligated.

Searching for Wait Listed Items associated with Funds

Fund administrators can use the wait list search to search for wait list entries. The search criteria available include the fund fiscal year, wait list status, case participant, case reference, wait list priority, and wait list expiration from and/or to dates. By selecting the fund fiscal year, administrators can view all wait list entries associated with a specific fund fiscal year.

1.4 Obligating Funds

Introduction

This chapter provides a detailed description of how Funded Program Management obligates funds to clients.

Obligating Funds for Service Authorizations

Each product or service associated with a fund can have its own triggers for determining whether or not funds should be obligated to clients. The following scenario provides an example of the initiation process. By default, the obligate funds process is initiated when service authorizations are issued by Cúram Child Care to clients for services associated with active funds.

1. A client requests child care assistance so that she can go back to work.
2. A suitable child care provider is found for the client.
3. The agency authorizes the child care provider to offer their child care services to the client by approving the child care plan item.
4. Authorization of these services triggers Funded Program Management to search for active funds associated with the child care service.

Funds associated to the child care service will be evaluated, before one is selected for obligation.

Evaluating and Selecting Funds

Evaluating and selecting funds is one of the key processes of Funded Program Management. It is during this process that a decision is made whether or not to obligate funds to clients. In out-of-the-box Cúram Child Care, service authorization triggers this process. SEM agencies can implement their own triggers, as required. The following details the steps in the evaluating and selecting funds process:

1. The system identifies the service or product specified, e.g., the service relating to the service authorization.
2. The system determines that at least one fund association exists for the service or product.
3. The system evaluates whether or not to obligate funds by searching for a funding rule set associated with the specified service or product. If no rules are found, Funded Program Management will not process an obligation.
4. The system retrieves the funds associated with the product or service to create a list of potential funds with active fund fiscal years.
5. The system invokes the associated fund rule set. The sample rule set provided with Funded Program Management will sort the list of funds by priority.

6. The system cycles through the funds in the list until it finds a fund fiscal year with enough balance remaining to cover the obligation amount.
7. If no fund fiscal year is found to have sufficient funds, then the obligation cannot be created.
8. If a fund is configured for wait listing, then a wait list entry is created for the fund fiscal year.

Creating Obligations

Using a default logic a fund fiscal year is selected for an obligation to be created. The amount of the obligation is set to the obligation amount requested. As part of creating an obligation, the system also updates the total obligated amount for the corresponding fund fiscal year and the budget remaining. The fund fiscal year can be set to accept obligations and allow the fund fiscal year to be over obligated if the fund administrator selects this configuration setting. For example, an obligation is created for a client for $500 for the child care fund, the total obligated amount for the fund fiscal year is increased by $500, and the budget remaining in the fund fiscal year will be decreased by $500.

Adjusting Obligations

An obligation may need to be adjusted due to changes in the obligation period or amount. When an obligation request is received, the system searches to see if a previous obligation exists for that same originating reference. When adjustments are made to an obligated amount or period, the system will update the existing obligation record with an amount equivalent to the overall obligation for the period. Also, the total obligated amount and the budget remaining for the corresponding fund fiscal year will be adjusted accordingly.

When an obligation update is requested, the system will check the fund fiscal year that the obligation start date falls in. If the fund fiscal year that the update relates to falls into a different fund fiscal year to the original obligation, the system retains the previous information for the obligation as historical information. It subtracts the previous obligation amount from the Obligated Total from the fund fiscal year the original obligation applied to.It then creates an obligation for the updated amount requested and adds the obligation amount to the obligated total for the corresponding fund fiscal year.

Wait Listing Clients for Funds

Clients are wait listed for funds when the system is unable to find funds associated with the product or service which have sufficient fund balances to cover the requested obligation. When a budget associated with a fund is increased or created, the case owners for clients on the wait list will be alerted so that they can resubmit the obligation requests for funding. If successful, the case owners can remove the client from the wait list.

Wait list entries can be removed and expired.The Wait List Expiry Date application property sets the number of days after the wait list entry is created on which it will be expired. For example,when this property is set to 5, a wait list entry will be expired 5 days after its creation date. Fund administrators require security access to application properties in order to set this date. For more information on application properties and security, see the Cúram Administration Guide.

For expired wait list entries, a case transaction log is created of type 'Fund Wait List Expiration'. The system automatically adjusts the wait list positions for the remaining wait list entries in order

to reflect an expired or removed entry. A wait list status history is maintained for each wait list entry. The following table describes the wait list statuses.

Table 1: Description of Wait List Statuses

This table describes wait list statuses.

Wait List Status	Description
Open	A wait list entry is 'open' when it is first added to the wait list and remains open until allocated, removed, or expired.
Allocated	A wait list entry is 'allocated' when sufficient funds become available and an obligation is created for the wait list entry.
Removed	A wait list entry is 'removed' when a system user manually removes the entry
Expired	A wait list entry is 'expired' a configurable number of days after the entry is created.

1.5 Conclusion

Summary of Main Concepts

The following is a summary of the main concepts covered in this guide:

- Funds are budgeted on a fund fiscal year basis.
- Funds can be associated with products and services, thus making them available to be associated with financial transactions related to these products or services.
- Funding rule sets provide logic for evaluating and selecting fund fiscal years for use in obligations. These rule sets are associated with products and services.
- Fund fiscal year line items are created when the budget is first defined. A budget adjustment is created anytime this budget is adjusted.
- An obligation is created each time a fund fiscal year is obligated in respect of a client.

Sample Business Scenario

A family in receipt of public assistance requests child care services. The SEM agency has defined specific child care services for public assistance recipients or customized the out-of-the-box sample fund rule set to evaluate a client's public assistance status as part of selecting funds.

A child care case worker defines a care plan, specifying the child care services to be delivered to the eligible children in the family. The case worker approves the plan item and Funded Program Management is invoked by this process.

The system identifies a list of potential funds to which the service can be associated, for example, Federal TANF fund, State Assistance Fund and a City Assistance fund. The funds are then sorted based on a spending priority, for example, (1) State Assistance fund (2) TANF fund and (3) City Assistance fund, and evaluated in order to determine if sufficient funds exist to obligate the child care service.

The State Assistance funds do not have sufficient funds; however, there are sufficient funds for the TANF fund and City Assistance fund. TANF fund, being higher priority, is selected for the obligation. An obligation is created against the TANF fund for the expected cost of the child care plan line item and a successful indication is returned to the child care module.

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