

ALLEGHENY COUNTY
DEPARTMENT OF HUMAN SERVICES



CONTRACT SPECIFICATIONS MANUAL
PAYMENT PROVISIONS AND BUDGETS

Original Document: 2008

Revised: September 2025

TABLE OF CONTENTS

INTRODUCTION	3.
---------------------	-----------

CONTRACT SPECIFICATIONS MANUAL PAYMENT PROVISIONS AND BUDGETS	4ERROR! BOOKMARK NOT DEFINED.
--	--------------------------------------

I. DEFINITIONS	4.
II. GENERAL TERMS AND CONDITIONS	5.
III. SPECIFIC FISCAL REQUIREMENTS	7.
IV. MODIFICATION OR TERMINATION OF AGREEMENT	7.
V. INSTRUCTIONS FOR INVOICING/BILLING FOR DHS SERVICES RENDERED	8.
VI. PAYMENT METHODS	10.

INTRODUCTION

The Contract Specifications Manual on Payment Provisions, Budgets and Invoicing provides the special terms and conditions which are applicable to the service or services being provided through an agreement between the Allegheny County Department of Human Services (hereinafter DEPARTMENT) and a contracted Service Provider. By reference throughout the agreement and specifically in this manual, the applicable chapters or provisions of this Contract Specifications Manual are incorporated therein.

Service Provider shall comply with terms set forth under the agreement between SERVICE PROVIDER and the DEPARTMENT.

Further, the manual provides:

- A. Specific Fiscal Requirements as determined by the source of the funds for the agreement and/or Allegheny County
- B. Specific Forms which the provider must complete and return with the executable contract
- C. Specific instructions for invoicing and budget submission
- D. Website address for accessing the manual (in PDF format):
<http://alleghenycounty.us/Human-Services/Resources/Doing-Business/Current-Providers.aspx>

The terms, conditions, forms and procedures in this manual are subject to change, as required by law, and shall be amended or modified by written notification from the COUNTY to the SERVICE PROVIDER. Said notification may come in the form of an email to the CEO of record for the SERVICE PROVIDER in the Allegheny County Master Provider Enterprise Repository (MPER); (see MPER Manual for details). Throughout the manual, the terms **COUNTY** and **DEPARTMENT** are used interchangeably and are meant to represent the same entity, that being the Department of Allegheny County known as the Allegheny County Department of Human Services and all of its subdivisions/offices collectively.

CONTRACT SPECIFICATIONS MANUAL PAYMENT PROVISIONS AND BUDGETS

The provisions of this Chapter apply to services and/or goods purchased by the Allegheny County Department of Human Services through one or more of the following divisions:

- Executive Office
- Office of Administrative (OA)
- Office of Equity & Engagement (OEE)
- Office of Analytics, Technology and Planning (ATP)
- Office of Aging (AAA)
- Office of Behavioral Health (OBH)
- Office of Developmental Supports (ODS)
- Office of Children, Youth & Families (CYF)
- Office of Community Service (OCS)

I: DEFINITIONS

The following definitions apply throughout this Chapter:

- **ADMINISTRATIVE COSTS:** The reasonable and necessary expenses incurred to manage and oversee the service provider's day-to-day operations, rather than for direct program activities. These costs are often general in nature, such as executive leadership, financial management, and office support, and are not specific to the direct programmatic goals. Examples include salaries for personnel in management and administration, office supplies, equipment, and general operational expenses. The SERVICE PROVIDER'S Cost Allocation Plan should determine how these costs are reasonably and consistently allocated to DHS programs.
- **AGREEMENT:** a contract or a letter of agreement binding the department and service provider to specific terms and conditions
- **ALLOCATION STATEMENT:** Identifies the service(s) purchased and amount being paid by the DEPARTMENT
- **CUT-OFF:** A date or time after which an invoice or budget will be delayed
- **DEPARTMENT:** the Allegheny County Department of Human Services or any of the branches identified above
- **FEE FOR SERVICE:** Identifies service(s) purchased on a per unit basis
- **INDIRECT COSTS:** Expenses for shared, common or joint objectives that are necessary for an organization's general operation and cannot be readily assigned to a specific project. Also

referred to as “overhead” costs. The SERVICE PROVIDER’S Cost Allocation Plan should determine how these costs are reasonably and consistently allocated to DHS programs.

- **INDIVIDUAL:** a specific person, distinct from others in a group **SERVICE PROVIDER/VENDOR:** the *individual* or *organization* contracting with the DEPARTMENT to provide goods and/or services either to the DEPARTMENT or to clients/consumers of the DEPARTMENT, hereinafter called SERVICE PROVIDER
- **ORGANIZATION:** a group of people intentionally organized to accomplish an overall, common goal or set of goals; can range in size from two people to thousands
-
- **PROGRAM FUNDED:** Identifies a service or program in which all or a portion of the cost to operate the program is reimbursed by the DEPARTMENT
- **WORK STATEMENT:** defines the service or services being purchased by the DEPARTMENT

II: GENERAL TERMS AND CONDITIONS

SERVICE PROVIDER shall comply with terms and condition of the agreement between SERVICE PROVIDER and the DEPARTMENT.

DEPARTMENT will not pay/reimburse SERVICE PROVIDER for services not included in the Work Statement and the Allocation Statement.

In consideration of the provisions of the services/goods described in WORK STATEMENT of the agreement and agreed upon by the SERVICE PROVIDER, the DEPARTMENT agrees to pay the SERVICE PROVIDER according to the Program Funded allocation and/or rate schedule included in the Allocation Statement of the agreement.

All arrangements for payment are subject to financial approval and payment by the Commonwealth of Pennsylvania and the Federal Government to Allegheny County (COUNTY) of funds allocated, to enable the DEPARTMENT to reimburse this and other programs as mandated by law. Where said services are funded through a private grant, reimbursement to the SERVICE PROVIDER may be contingent upon receipt of funds from the grantor.

The amount reimbursed/paid hereunder to SERVICE PROVIDER for the term of this AGREEMENT shall be an amount in reimbursement for actual (not estimated or accrued) costs for services/materials actually provided and accepted in accordance with the allowable cost. Costs submitted for reimbursement are subject to audit by DHS and/or the regulatory agency/funding source of the funds used to reimburse the SERVICE PROVIDER costs.

Should actual audited costs of services/materials provided and accepted in accordance with the allowable cost standards be less than costs previously reported and previously reimbursed, the DEPARTMENT will recoup the entire amount from all future submitted SERVICE PROVIDER claims until the recoupment is satisfied.

SERVICE PROVIDER hereby grants COUNTY permission to audit any sister corporations, subsidiary corporations or related parties, profit or non-profit, that are financially or programmatically involved with SERVICE PROVIDER in the receipt, use or expenditure of Department of Human Services funds.

III: SPECIFIC FISCAL REQUIREMENTS

Each SERVICE PROVIDER shall conform to the budgeting, internal control procedures, accounting and financial reporting requirements established by the DEPARTMENT.

- A. Where SERVICE PROVIDER is an organization, at a minimum, accounting procedures shall be established in compliance with the following standards:
 - 1. Recording transactions in books of original entry comprised of a cash receipt journal, cash disbursement journal, payroll journal and general journal.
 - 2. Summarizing transactions from books of original entry and posting to a general ledger.
 - 3. Preparing required reporting and financial statements.
 - 4. The accounting system must provide proper budgetary control for revenues and expenditures to permit a continuing comparison between budgeted and actual revenues and expenditures. Financial statements should include appropriate budgetary comparison.
 - 5. Where indirect costs are charged to the DEPARTMENT, the SERVICE PROVIDER must submit an indirect cost allocation plan, which clearly defines how expenses from various organization programs will be distributed to cover program costs.
- B. Where SERVICE PROVIDER is an Individual the following standards shall apply:
 - 1. SERVICE PROVIDER will maintain a record of service hours and/or goods provided and submit monthly reports upon request to Allegheny County DHS.
 - 2. SERVICE PROVIDER will define deliverables in the AGREEMENT and intended dates of delivery.
 - 3. SERVICE PROVIDER is responsible for all taxes due on funds received through this AGREEMENT.
- C. Unless otherwise stated in the AGREEMENT, DEPARTMENT will not pay for on-call or standby hours.
- D. Personnel Action Plan (PAP Plan) when and if required will list the total budgeted costs for personnel as part of an allocation for a specific program year. The administrative costs will show total salary and benefits as well as percentage allocated for each person.

IV: MODIFICATION OR TERMINATION OF AGREEMENT

In the event of an AGREEMENT modification, If SERVICE PROVIDER provides multiple services through an AGREEMENT, the allocation for the specific services being reduced will also be reduced using a pro rata calculation established by the DEPARTMENT.

SERVICE PROVIDER does not have the authority to transfer allocated funds from the category of reduced services to other service categories/programs without prior written approval of the DEPARTMENT.

In the event of a TERMINATION of any service as part of an AGREEMENT, the allocation for said services should be considered withdrawn.

In the event of a complete TERMINATION of an AGREEMENT in its entirety, the SERVICE PROVIDER should consider the complete allocation withdrawn.

V: INTRODUCTION AND INSTRUCTIONS FOR INVOICING/BILLING AND BUDGETING FOR DHS SERVICES RENDERED

ALLOCATION Reimbursement Overview

A SERVICE PROVIDER ALLOCATION will be reimbursed on a FEE FOR SERVICE or PROGRAM FUNDED basis. Services provided on a FEE FOR SERVICE basis will have a rate and unit component. FEE FOR SERVICE billing will be entered into the appropriate system by the SERVICE PROVIDER in a timely and routine manner. In the event of erroneous input, the SERVICE PROVIDER must notify the DEPARTMENT immediately.

A PROGRAM FUNDED allocation will be cost reimbursed by the DEPARTMENT. Under the terms of a PROGRAM FUNDED allocation all or a portion of the cost to operate a service will be available for reimbursement. PROGRAM FUNDED billing will be entered into the appropriate system by the SERVICE PROVIDER in a timely and routine manner with supporting documentation (Profit & Loss Statement, General Ledger Reports, General Ledger Detail/Transaction Reports, Payroll Reports, Allocated Cost Calculations for Administrative and/or Indirect Costs, List of Clients Served, etc.) for the costs that are submitted for reimbursement. For certain grants, receipts or source documents for any expense may also be required in order to meet the documentation and invoicing requirements of the grantor. The DEPARTMENT may request receipts or source documents for any expense that the SERVICE PROVIDER has been reimbursed for or is seeking reimbursement for. In the event of erroneous input, the SERVICE PROVIDER must notify the DEPARTMENT immediately.

PROGRAM FUNDED allocations will require the SERVICE PROVIDER to submit a budget for each PROGRAM FUNDED service in an ALLOCATION. Budget submission is subject to approval by the DEPARTMENT. In limited situations, and as allowed by the DEPARTMENT, a waiver may be granted for the budget requirement of a PROGRAM FUNDED allocation.

DHS BILLING AND SYSTEMS OVERVIEW

A. Monthly Invoices/Billing for Services Rendered

1. Invoices submitted by a SERVICE PROVIDER are subject to “Cut-off” dates and times of the systems and the DEPARTMENT for reimbursement of an ALLOCATION.
2. Further, the DEPARTMENT may defer payment to the following month or a later date for billings not received in a timely manner.
3. All invoices received after the “Cut-off” dates and times may be deferred to the next month since the invoice was received after the due date.
4. Details of the client services rendered and the supporting documentation (Profit & Loss Statement, General Ledger Reports, General Ledger Detail/Transaction Reports, Payroll Reports, Allocated Cost Calculations for Administrative and/or Indirect Costs, List of Clients Served, etc.) for the costs that are submitted for reimbursement will be maintained by each Service Provider and will be submitted along with the monthly invoice to the DEPARTMENT or; Client service details must be entered into a specifically defined DHS case management system or submitted with the monthly invoice if no DHS case management system is applicable. For certain grants, receipts or source documents for any expense may also be required in order to meet the documentation and invoicing requirements of the grantor. The DEPARTMENT may request receipts or source documents for any expense that the SERVICE PROVIDER has been reimbursed for or is seeking reimbursement for.
5. All Service Provider invoices will generate a unique invoice number after submission to a DEPARTMENT reimbursement system. In the unique circumstance of invoice submission outside of a DEPARTMENT system, that invoice must include the Department Agreement/Contract Number and have a unique invoice number. Duplicate invoice numbers cause delays in payment.
6. Invoices submitted outside of DEPARTMENT system/application must be submitted on SERVICE PROVIDER’s business letterhead (or equivalent for individuals) include the invoice date, an itemized detail of services/ goods provided, dollar value per line item and total dollar amount being invoiced to DEPARTMENT. SERVICE PROVIDER must ensure that all data is

reported as required. Payments may be withheld until providers comply with all requirements.

7. In the event of an Invoice not submitted through a DHS system/application, the submission of that invoice must be coordinated between the SERVICE PROVIDER and the SERVICE PROVIDER'S fiscal contact.

INVOICE MATRIX

Application	Cut-off date	Mock Run	Batch Run
KIDS	<i>Contracted:</i> 10 th business day of the month <i>Non-Contracted:</i> Specific dates throughout the year	<i>Contracted:</i> 1 st Mock - 1st business day of the month (All) 2 nd Mock - 8th business day of the month (Internal) <i>Non-Contracted:</i> 1 st Mock - 1st business day of the month 2 nd Mock - 1 business day prior to actual	<i>Contracted:</i> 10 th business day of the month <i>Non-Contracted:</i> Specific dates throughout the year
CIPS	6 th business day of the month (changes if on weekend)		10 th of the month (changes if on weekend)
Program Funded (MPER)	8 th business day of the month	5 th business day of the month	10 th business day of the month
OBH Early Intervention	10 th business day of the month		10 th of the month (changes if on weekend)
AAA	7 th business day of the month		10 th business day of the month
OBH Student Assistance Program	4 TH Business day of the month		10 th business day of the month

IRES	<i>10th business day of the month</i>	<i>Contracted and Non-Contracted mock runs: 1st business day of the month</i>	10 th business day of the month
------	--	--	--

VI: PAYMENT METHODS & TIMING

Reimbursement/payment to the SERVICE PROVIDER is to be made within a reasonable time by COUNTY, upon approval of the Director of the Allegheny County Department of Human Services or their designee for services/materials authorized and invoiced in a timely manner, provided there are no problems (such as duplicate invoice number, no signature, no agreement/contract number, missing documents) and no holidays or system disruptions. Final payments will only be made after all required documents and programmatic financial reports have been received.

Payments to SERVICE PROVIDERS are made via the Allegheny County Treasurer's Office, with coordination through the Allegheny County Controller's Office. Once DHS Fiscal approves a SERVICE PROVIDER'S claim submission/invoice for payment, the Allegheny County Controller's Office performs a quality review to ensure that there is adequate allocation or funds available on the SERVICE PROVIDER'S contract before processing and preparing for payment. The Allegheny County Controller's Office requests 7-10 business days to complete their review and to prepare a payment file for the Allegheny County Treasurer's Office listing all payments to be made. The Allegheny County Treasurer's Office produces checks or electronic transfers to facilitate payment to the SERVICE PROVIDERS.

GENERAL TERMS AND CONDITIONS FOR PROVISION OF PAYMENT

The SERVICE PROVIDER shall submit to the DEPARTMENT report of costs and revenues by service category for each service the DEPARTMENT purchases from the SERVICE PROVIDER. The costs and revenues shall be reported utilizing the forms provided by the DEPARTMENT.

SERVICE PROVIDER agrees to seek all possible sources of funding including, but not limited to, Medical Assistance, Early Periodic Screening Diagnosis and Treatment (EPSDT); and Drug and Alcohol Act 152 Funding. Any funds received from such sources must be used to reduce the COUNTY's financial liability.

Reimbursement to the SERVICE PROVIDER is to be made within a reasonable time by COUNTY upon approval of the Director of the Allegheny County Department of Human Services or their designee for services/materials authorized and invoiced in a timely manner.

No changes can be made to the rate schedule and/or program funded allocations contained in an ALLOCATION without prior written agreement of both parties (COUNTY and SERVICE PROVIDER). In the event there are projected unspent funds in one program funded service, they may not be shifted to another program funded service without prior written approval of the COUNTY. Further, if a service is being terminated, the allocation for said services should be considered withdrawn.

In the event the agreement is modified for additional periods, unspent funds from any specified period may not be carried forward to the next period for which modification has been executed unless specifically stated within the modification.

Final programmatic and financial reports/invoices must be submitted within 30 days of the term of the agreement (or within 30 days of the end of a fiscal period for multi-year agreements); final payments will only be made after all final programmatic and financial reports/invoices are received. Any exceptions to this provision must be requested by the SERVICE PROVIDER in writing and be agreed to by the COUNTY in writing.

Each invoice submitted by SERVICE PROVIDER under the terms of the agreement must:

- A. Clearly identify the programs for which the invoice is being submitted; note: if the SERVICE PROVIDER renders more than one program funded service, a separate invoice must be submitted for each program.
- B. Provide a unique invoice number, if submitted outside of a DEPARTMENT system. The invoice number should be one that has not been used by the PROVIDER throughout the life of the relationship between AC DHS and SERVICE PROVIDER.

- C. Invoices submitted outside of a DEPARTMENT system should Identify the month of service represented on the invoice; if the SERVICE PROVIDER is submitting for multiple months, a separate invoice is required for each month.
- D. Provide the contract number.
- E. Include supporting documentation (General Ledger, General Ledger Detail, Payroll Reports, Allocated Cost Support, etc.) for the costs that are submitted for reimbursement.
- F. Invoices submitted outside of a DEPARTMENT system should be submitted by the eighth (8th) business day of the month in order to be reviewed by the DHS Program Office and fiscal lead; note: invoices received after the 8th business day of the month may be subject to processing delays. Invoices submitted through a DEPARTMENT system are subject to the "cut-off" dates listed in this manual.

PAYMENT ADDRESS

SERVICE PROVIDER shall be paid at the corporate address identified on Page One (1) of the AGREEMENT unless SERVICE PROVIDER otherwise notifies COUNTY in writing.

COMPENSATION

In consideration of the provisions of the services described in ALLOCATION STATEMENT of the agreement and agreed upon by the provider by the SERVICE PROVIDER, the DEPARTMENT (hereinafter meaning the Allegheny County Department of Human Services) agrees to pay the SERVICE PROVIDER according to the program and/or rate schedule included in Exhibit B of the agreement.

FIXED ASSETS

For services that are program funded or unit funded other than per diem, the following provisions shall apply:

- A. SERVICE PROVIDER agrees to obtain all supplies, furnishings and equipment for use in the performance of this AGREEMENT at the lowest practical cost and to purchase by means of a system of competitive bidding whenever practical.

- B. Any furnishings and/or equipment purchased by SERVICE PROVIDER with funds hereunder for use in the performance of this AGREEMENT shall be the property of DEPARTMENT and shall be delivered to the DEPARTMENT upon the termination or conclusion of this AGREEMENT.
- C. SERVICE PROVIDER shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, preservation and insurance of all furnishings and equipment belonging to the DEPARTMENT and used by SERVICE PROVIDER in the performance of this AGREEMENT.
- D. Any furnishings and/or equipment belonging to the DEPARTMENT and used by SERVICE PROVIDER in the performance of this AGREEMENT shall be used only in the performance of this AGREEMENT.
- E. In the event the SERVICE PROVIDER is indemnified, reimbursed or otherwise compensated for any loss or destruction of, or damage to, any furnishings or equipment belonging to the DEPARTMENT and used by SERVICE PROVIDER in the performance of this AGREEMENT, it shall use the proceeds to repair, renovate or replace the DEPARTMENT property involved, or it shall credit such proceeds against the cost of the work covered by the contract or shall otherwise reimburse the DEPARTMENT as directed by the Director
- F. SERVICE PROVIDER does not have the authority to transfer allocated funds from the category of reduced services to other service categories/programs without prior written approval of the DEPARTMENT.

Follow the payment grid below to ensure a timely payment process.

Program Office	Program Requirement	Invoicing Requirement	Fiscal Requirement
	Service	Invoice Description and Submission Dates	Financial Statements and Budgets
AAA, CYF, OBH, OCS	SERVICE PROVIDER must provide Service(s) outlined in the Contract Work Statement. SERVICE PROVIDER must maintain record to evident services provided. E.g. Sign in Sheets, Progress Notes, and Encounter Forms etc.	SERVICE PROVIDER must submit invoices using appropriate invoice forms. Contact your Program Office contact or fiscal lead for your invoice forms. Invoices must include the DHS contract number and a unique invoice number generated by the DHS Fiscal. All Program funded invoices should be submitted via the MPER Program Funded system by 8th day of each month for services rendered in the previous month. All services through KIDS should be entered by the SERVICE PROVIDER on or before the 10th business day following the month the services were rendered. All services through CIPS should be entered by the SERVICE PROVIDER on or before the 6th business day following the month the services were rendered. All services through SAMS should be entered by the SERVICE PROVIDER on or before the 7th business day following the month the services were rendered.	All SERVICE PROVIDERs should record financial transactions in books of original entry. All program funded providers must submit a budget for review and approval by your Program Office contact. For required budget forms contact your Program Office contact. The accounting system must provide budgetary control for revenue and expenditure to permit a continuing comparison between budgeted and actual activity.

		Termination or Reduction of Service	Advance Invoice	Fixed Assets	
	AAA, CYF, OBH, OCS	If the SERVICE PROVIDER has received an advance for services that are being reduced or terminated with the prior approval of DHS and/or at the direction of the COUNTY, the SERVICE PROVIDER shall refund to DHS those funds that have not been obligated and/or expended for appropriate program expense.	Some of the DHS programs allow the SERVICE PROVIDERS to request an advance payment upon the execution of their current year's contract. Each SERVICE PROVIDER must check with their program service coordinator to determine if an advance payment is available under the services funded by your current DHS contract. A request for an advance needs to be approved by the respective DHS Program Office and a DHS Advance Request Form must be completed for review and approval by the DHS Fiscal Administrator.	Any furnishings, equipment and/or vehicles purchased by SERVICE PROVIDER with funds hereunder for use in the performance of this AGREEMENT shall be the property of DHS and shall be delivered to the DHS upon the termination or conclusion of this AGREEMENT.	
		Allocation Statement	Indirect Costs	Payment Method	
	AAA, CYF, OBH, OCS	DHS will not pay/reimburse SERVICE PROVIDER for services not included in Exhibit B Attachment 1, the Allocation Statement.	Where indirect costs are invoiced to DHS, SERVICE PROVIDER must provide a reasonable cost allocation plan to DHS. Indirect Cost Allocations should be reasonable and justifiable based on SERVICE PROVIDER financial information. SERVICE PROVIDER shall not utilize more than 10% of DHS funding for Indirect Costs, without written consent by the DHS Program Office or DEPARTMENT.	Reimbursement to the SERVICE PROVIDER is to be made within a reasonable time by COUNTY, upon approval of the Director of DHS or their designee for services/materials authorized and invoiced in a timely manner.	
		Non-Compliance	Penalty and Fees for Late Invoices (AAA ONLY)	Administrative Cost	

	AAA, CYF, OBH, OCS	If the SERVICE PROVIDER fails to fully implement the Corrective/Formal Action Plan to correct non-compliance with the Contract, DHS has the right to terminate the AGREEMENT as per Article 20, Section 1.C Termination of Cause.	A SERVICE PROVIDER'S failure to submit invoices/reports required by the contract within the required time frame may result in the assessment of a penalty of up to five percent (5%) of the full applicable payment for each five business day period delayed. Then penalty amount will be applied as a decrease from the total current, pending or future invoice amount.	SERVICE PROVIDER shall not utilize more than 10% of DHS funding for administrative costs. Except HUD with a more stringent requirement; 3.5%. The Administrative Detail form must be submitted on or before June 1 documenting how the 10% shall be used. The electronic version verifies the 10% based on the SERVICE PROVIDER's completion of the detailed budget first.
		Retained Revenue (MH ONLY)		
	OBH	SERVICE PROVIDER will be permitted to budget a retained revenue allowance up to three percent (3%) of gross eligible expenditures, not to exceed the total amount of the provider contract for program funded cost centers, except Community Services. Retained revenue is awarded as an incentive for agencies to operate efficiently and pursue third-party revenue or is allowed to be used in combination as a budget item and efficiency incentive. Determination of the amount of retained revenue to be included in the final Allocation will be made by the DHS upon receipt of the SERVICE PROVIDER's final invoice depicting gross eligible expenditures. The awarding of retained revenue may be subject to verification of gross eligible expenditures reported. Retained revenue will be based on prudent management practice and not as the result of savings realized through a reduction in service.		