# Promoting Fiscal Health

OPWDD recognizes that current economic conditions impact the financial health of provider organizations. Shifts in revenue, wages and costs of service delivery can create challenges. While a majority of OPWDD service providers are able to operate in today's fiscal environment, the purpose of this toolkit resource is to:

- Identify board and agency leadership responsibilities in ensuring fiscal health
- Assist providers and staff in identifying early signs of fiscal distress

## Fiscal Oversight

Boards of Directors and agency leadership have responsibilities for overseeing the fiscal health of their organization. Key questions for board members and agency administration to consider are:

- Are there unusual trends in income and expenses? Can the organization access funding/capital in an emergency?
- How is the agency performing financially? Does revenue exceed expenses? Are there operating losses? Does the agency have a sound financial plan to address shortfalls, if any?
- Does the agency have a positive cash flow? Is the agency audited by an independent firm and does the agency have a clean audit opinion? Are certified financial statements filed in a timely manner or are there any concerns? Are there any outstanding loans, liens, debts, liabilities or recoupments? Are vendors and subcontractors being paid on time?
- Is there any indication of misconduct, fraud or illegal/inappropriate activities?

Early recognition of fiscal issues by an active board and agency administration allows the organization to proactively address concerns.

## OPWDD's Early Alert Process

If an agency is unable to address fiscal concerns and they become pervasive and systemic in nature, referral and placement on Early Alert may be warranted. OPWDD's goal is to work with agencies, through the Early Alert process, to find solutions to fiscal challenges that impact the ability to remain fiscally viable before such issues develop into crisis situations that could affect the health, safety and welfare of individuals served.

As part of the Early Alert process, OPWDD provides enhanced monitoring and site visits to the provider agency. In addition, the provider agency is required to submit a fiscal management plan, including monthly updates, that addresses all the steps that will be taken to rectify the issues identified.

## Impact of Fiscal Distress on Quality of Care

There are several areas in which the lack of adequate funding can have an adverse effect on quality of care. Often it is a change in circumstances at a residential program that can be the forerunner to more serious problems.

**Providers and staff should ensure:**

- Individuals continue to participate in community and recreational activities
- Adequate food and a variety of food is available in the facility
- Utilities and telephone service are consistently provided
- Heating and cooling is adequate and appropriate to the season
- Transportation is available
- Staff are paid on time and payroll is met on a consistent basis
- Appropriate medical supplies, medicine and transportation to and from medical services is provided
- Furnishings are in a good state of repair
- Minimum staffing ratios are maintained
- Adequate nursing coverage is provided

The absence of any of the above may be an indicator that an agency or program is unable to meet its financial obligations.

### Resources

If you are an agency experiencing financial difficulties or your agency is in a position to assist another agency, please contact your OPWDD Regional Office.