



Not Apply Internal Review Procedure

Eligibility:

- Providers may request to not apply surplus revenues earned in funded, certified Part 820 Residential programs for up to three consecutive fiscal years beginning with the year of certification and the two succeeding years.
- The Part 820 Service may be a new program or a converted service.
- Surplus revenues must be used for Part 820 program purposes, either in the program earning the surplus revenues or in another Part 820 program operated by the provider or in other SUD programming within the provider agency that directly improves services delivery to the part 820 program at the discretion of OASAS Regional Office (RO), Fiscal Administration, and the Commissioner.
- Requests to not apply surplus revenues or retain unspent State aid submitted by **other program types will not be considered as part of this process.**

Procedure:

Providers must submit a written request to “not apply” revenues to their Regional Office Program Manager (with a Cc to the Local Government Unit if applicable) no later than 15 days **before** the submission due date of their annual Consolidated Fiscal Report (CFR).

- For calendar year providers, whose CFR is due on June 1, the submission of the Not Apply request would be due by May 15.
- For fiscal year providers, whose CFR is due on December 1, the submission of the Not Apply request would be due by November 15.

The request must specify the following:

- The amount and source of the projected surplus.
- A rationale why the money is needed and specific details of how it will be spent to the betterment of the program.
- Common uses might include:
 - Hiring of staff including any related recruitment costs. The provider must acknowledge that on-going costs related to new staff will be included in the annual budget for the program and financed through revenues in future years and that no additional State aid will be requested.
 - Equipment
 - Supplies
 - Building renovations/maintenance. Building renovations are limited to a Part 820 site and must be approved by the OASAS Bureau of Capital Management.

- IT expenditures in the areas of equipment, software programs and required annual licenses, other related fees or needed system upgrades.
 - Consideration may also be given for the establishment of contingency accounts to address specific needs such as the transition to Medicaid Managed Care or private insurance billings. Such requests will be reviewed on a case-by-case basis and may not exceed 25% of the approved annual operating expenses of the Part 820 Program.
- The respective OASAS RO will review the request for reasonableness and follow-up for any necessary information.
 - The RO will forward the request with any backup documentation and make a recommendation regarding the request to Division of Fiscal Administration, Bureau of Budget Management (BBM) Mailbox.
 - The BBM will review the submitted request including the RO recommendation.
 - RO will schedule a meeting to review the request with the Commissioner for approval.
 - The RO will notify the provider (with a Cc to the Local Government Unit if applicable) in writing of the Commissioner's determination.
 - If prior approval has not been obtained, all surplus revenues will be used to offset the State Aid. Claims will be adjusted to apply the revenue if prior approval was not obtained.
 - Providers that received approval to "Not Apply" revenues will make a revenue adjustment on the DMH-2, line 39 Other Non-GAAP Adjustments and identify the entry as "OASAS Not Applied Revenues". The amount entered must match the amount approved in writing by the RO. Any amount in excess of the approved amount will be used to offset State Aid.

Additional Information:

- Approval to "Not Apply" revenue will be made on a case-by-case basis and is solely at the discretion of OASAS.
- Programs will still be subject to all reporting and performance monitoring.

For further information email PICM@oasas.ny.gov and OASAS.sm.CFRS@oasas.ny.gov

501 7th Avenue | New York, New York 10018-5903 | oasas.ny.gov | 646-728-4760

1450 Western Avenue | Albany, New York 12203-3526 | oasas.ny.gov | 518-473-3460