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|  |  | OFFICE OF BUDGET, CONTRACTS & BUSINESS SERVICES DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES |

#   OBCBS ALERT 16-03

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| + | POLICY MEMORANDUM 62 GUIDELINES |
|  | This document was created to offer details regarding administrative protocols associated with presenting new and existing lease paperwork to DDDS taking into consideration revised Policy Memorandum 62 (PM62) published 2/20/15. With appropriate documentation, DDDS is permitted to approve up to 30% over HUD FMR. **NEW LEASES**1. Lease Paperwork for new residential sites should be forwarded directly to Pat Weygandt and Lisa Bryant.
2. New leases must be compliant to PM62 guidelines; if not compliant, lease paperwork must be accompanied by support documentation explaining why the provider is incurring costs above HUD FMR.
3. Requests will be rejected if adequate detailed supporting documentation, as defined by PM62, do not accompany the request.
4. DDDS will conduct a review of documentation supplied by provider and render a PM62 compliance decision within 30 business days.
5. If denied by DDDS, the Provider has the right to appeal to the Office of the Secretary. Appeal requests should be forwarded to DDDS’s Office of Budget, Contracts & Business Services (OBCBS) for proper routing within the Division.

**EXISTING LEASES**1. Lease Renewal Paperwork should continue to be turned into OBCBS via assigned contract managers. Contract Managers will forward on to Nicci Johnson for review and recommendation to Valerie Smith who will issue final approval/disapproval.
2. General Reminders:
* Leases renewing with an effective date prior to 2/20/15 will be reviewed without taking the new PM62 compliance procedure into consideration.
* Existing multiple year leases (more than one year) approved prior to 2/20/15 will remain intact and compliance to PM62 will be enforced with the execution of the next renewal period.

 Page Two1. Guidelines for Renewing Existing Leases with an Effective Date between 2/20/15 & 11/30/15:
* If renewing lease amount is **within** HUD FMR values, OBCBC process remains unchanged & a signed Residential Property Approval & Authorization Form will be returned to provider.
* If renewing lease amount is **outside** of HUD FMR values, a conditional letter will be issued by OBCBS stating how many lease payments will be reimbursed at the original lease value verses the HUD FMR value.

**Submitting Requests for Existing Leases Not Compliant with PM62:*** Providers can proactively attach supporting documentation to their lease renewal paperwork (recommended by DDDS).
* Providers may also chose to submit justification paperwork after receiving a non-compliance conditional letter.
* Documentation provided by the provider must explain why an amount greater than the HUD FMR is needed by either:
	+ completing the Universal Design Scoresheet (if the reasons are due to accessibility)

 **OR** * + preparing a written statement explaining why additional costs are being incurred specifying if the costs are attributed to programmatic and/or demographic reasons.
* DDDS will render a PM 62 compliance decision within 30 business days.
* If denied by DDDS, the Provider has the right to appeal to the Office of the Secretary. Appeal requests should be forwarded to DDDS’s Office of Budget, Contracts & Business Services (OBCBS) for proper routing within the Division.
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