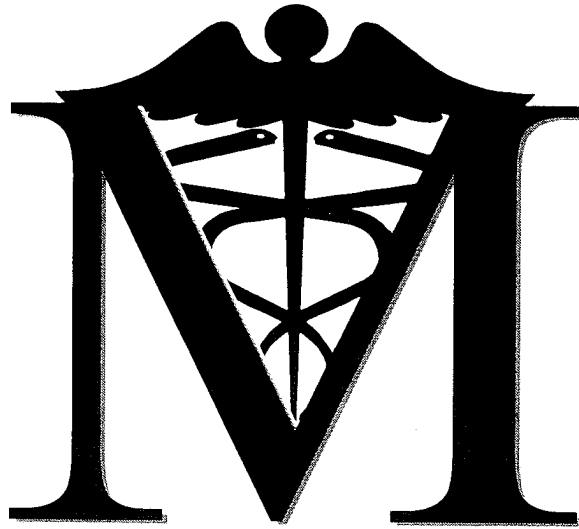


**MedSource
Community Services, Inc.**

Fiscal Management Services



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MedSource Community Services, Inc. has provided supports to people with Developmental Disabilities since 1985. Our organization began as a residential provider utilizing the Group Home and Alternative Living Unit models. Throughout the years we have evolved as the preferences, desires and needs of our service recipients have changed. Our organization now provides services utilizing the following models:

Group Homes *Individual Support Services*
Alternative Living Units *Family Support Services*
Community Supported Living Arrangements
Fiscal Management Service

In addition to expanding our service models, we have experienced a dramatic transition in our perspectives regarding customer directed and controlled services. We have utilized a fiscal intermediary approach with numerous people we support. Our organization has clearly seen the benefits provided by the individual and their natural supports being vested with the authority to implement their Individual Plan. Our first experience showed the customer and their natural supports will get the services delivered on time and in a more cost-effective manner than past agency efforts. Over the years, the customer and their natural supports have been very efficient and effective in overcoming service delivery problems.

Although the individual service recipient and their natural supports are effective, they still need supports with fiscal management, regulatory compliance, personnel management and other technical issues that may arise. MedSource Community Services, Inc. has been successful in supporting many individuals and families as they have problems with service delivery. We have placed ourselves in the role of "business consultant" to the individual and their natural supports. We provide the customer with opinions and directions based on past experience, printed regulations, previous agreements and possible risks. We have worked with people who have chosen to follow our recommendations and people who have chosen not to follow our recommendations. Regardless of the client's decision, we have continued to stand by and support the people in our program. The support may be helping pick up the pieces when the decision fails or acknowledging the client's decision did work, despite our recommendations. We firmly believe the final decision rests with the individual and their natural supports. Our role is to listen, educate and provide technical support when requested.

MedSource Community Services, Inc. greatly appreciates the opportunity to provide Fiscal Management Services to a larger number of people in the State of Maryland. We anticipate many of our current policies and practices will meet the needs of our future clients. Additionally, we recognize, as the program is implemented, we will need to be flexible and innovative to meet the unforeseen challenges faced by our clients and their natural supports.

Fees

MedSource Community Services, Inc. proposes to charge the following for Fiscal Management Services:

Low Utilization for Service Recipients Requiring Payments to One Vendor

MedSource Community Services, Inc. will generate 1 disbursement per month to a single vendor for 12 months. The amount of the disbursement will remain constant. The service recipient will utilize one vendor. The disbursement will require one Request for Disbursement of Budgeted funds for the IP year. MedSource Community Services, Inc. will generate a 1099, when applicable. MedSource Community Services, Inc. will generate a monthly account statement. The fees are as follows:

1.	Initial Enrollment	\$110	Start up for service recipients with only one vendor, as described above.
2.	Monthly Fee	\$60	Monthly

Initial Enrollment will include the following:

- A. Up to 1.5 hours of phone contact in the first three months of service,
- B. Introductory Mailing;
 - 1) 2 copies of HIPAA Statement with 1 copy to be signed and returned,
 - 2) Letter of Introduction,
 - 3) 2 copies of approved budget with 1 copy to be signed and returned,
 - 4) Copies of Disbursement Requests to be completed and returned,
 - 5) Copies of W-9's to be completed and returned,
 - 6) 2 copies of processing requirements with 1 copy to be signed and returned,
 - 7) Information face sheet to be completed and returned.
- C. Set up of general ledger accounts,
- D. Set up of client file,
- E. Contact after receipt of completed forms to review information and ensure accuracy,
- F. Completion of State of Maryland contract forms for the specified client.

Monthly Fee will include the following:

- A. Printing the check prior to the vendor's due date,
- B. Mailing the check to the vendor,
- C. Reconciling vendor's bills against past payments,
- D. Reviewing disbursement request for compliance with the individual budget,
- E. Reconciling the general ledger,
- F. Printing and distributing the individual financial statements,
- G. Completion of quarterly and annual State of Maryland contract forms for the specified individual,
- H. Distribution of satisfaction survey,
- I. Year end printing and distribution of 1099's for 1 vendor,
- J. 15 minutes per month phone consultation,
- K. Reissue of 1 stale dated check per fiscal year,
- L. Copy of 1 canceled check per year,
- M. Stop payment on 1 check per year.

Moderate Utilization for Service Recipients Requiring Payments to Vendors

MedSource Community Services, Inc. will generate up to 15 disbursements per month for up to 15 vendors in a calendar year. The disbursement amount may vary. The service recipient can utilize up to 15 vendors. The disbursement request will require a unique Request for Disbursement of Budgeted Funds for each disbursement. MedSource Community Services, Inc. will generate a 1099 for up to 15 vendors, when applicable. MedSource Community Services, Inc. will generate a monthly account statement. The fees are as follows:

1.	Initial Enrollment	\$195	Start up for service recipients with more than one vendor per year, as described above.
2.	6 or less vendors per calendar year	\$105	Monthly
3.	7 to 15 vendors per calendar year	\$185	Monthly

Initial Enrollment will include the following:

- A. Up to 3.5 hours of phone contact in the first three months of service,
- B. Introductory Mailing;
 - 1) 2 copies of HIPAA Statement with 1 copy to be signed and returned,
 - 2) Letter of Introduction,
 - 3) 2 copies of approved budget with 1 copy to be signed and returned,
 - 4) 72 copies of Disbursement Requests to be completed and returned,
 - 5) 10 Copies of W-9's to be completed and returned,
 - 6) 2 copies of processing requirements with 1 copy to be signed and returned,
 - 7) Information face sheet to be completed and returned.
- C. Set up of general ledger accounts,
- D. Set up of client file,
- E. Phone contact after receipt of completed forms to review information and ensure accuracy,
- F. Completion of State of Maryland contract forms for the specified client.

Monthly Fee will include the following:

- A. Printing the check prior to the vendors' due dates,
- B. Mailing the checks to the vendors,
- C. Reconciling vendors' bills against past payments,
- D. Reviewing disbursement requests for compliance with the individual budget,
- E. Reconciling the general ledger,
- F. Printing and distributing the individual financial statements,
- G. Completion of quarterly and annual State of Maryland contract forms for the specified individual,
- H. Distribution of satisfaction survey,
- I. Year end printing and distribution of 1099's for 6 vendors.
- J. 30 minutes per month phone consultation,
- K. Reissue of 1 stale dated check per fiscal year,
- L. Copy of 1 canceled check per year,
- M. Stop payment on 1 check per year.

High Utilization for Service Recipients requiring Payroll Services and Vendor Payments

MedSource Community Services, Inc. will assist the service recipient with establishing an Employer Identification Number, Maryland Combined Registration, Employee Payroll Files, Employee Training and Qualification Files, Worker's Compensation Insurance, Criminal Background Checks and Appointment of Employer Agent. MedSource Community Services, Inc. will generate payroll for up to 6 employees per calendar year. MedSource Community Services, Inc. will generate payroll 26 times per year on specified dates. MedSource Community Services, Inc. will generate a monthly account statement. MedSource Community Services, Inc. will accrue payroll by month in accordance with generally accepted accounting procedures.

MedSource Community Services, Inc. will generate up to 15 disbursements per month for up to 15 vendors in a calendar year. The disbursement amount may vary. The service recipient can utilize up to 15 vendors. The disbursement request will require a unique Request for Disbursement of Budgeted Funds for each disbursement. MedSource Community Services, Inc. will generate a 1099 for up to 15 vendors, when applicable. MedSource Community Services, Inc. will generate a monthly account statement. The fees are as follows:

1.	Initial Enrollment	\$1150	Start up for service recipients with payroll
2.	Monthly Fee for up to 6 employees per calendar year and up to 6 monthly vendor payments per calendar year	\$300	Per Month
3.	Monthly fee for 7 to 15 employees per calendar year and 7 to 15 monthly vendor payments per calendar year.	\$460	Per Month
7.	Worker's Compensation Insurance	Market Rate plus 2.5%	Purchased for one calendar year
8.	W-2's for each employee in excess of the number of employees allowed per calendar year	\$10	Per W-2
9.	Payroll for each employee in excess of the number of employees allowed per calendar year	\$28	Per employee per payroll

Initial Enrollment will include the following:

- A. Up to 6 hours of travel and meetings in the first month of service,
- B. Up to 6 hours of phone contact in the first three months,
- C. Introductory Payroll Packet;
 - 1) 2 copies of HIPAA Statement with 1 copy to be signed and returned,
 - 2) Letter of Introduction,
 - 3) 2 copies of approved budget with 1 copy to be signed and returned,
 - 4) Application for FEIN #,
 - 5) Employer Appointment of Agent
 - 6) Application for Combined Registration for the State of Maryland
 - 7) 15 Employment Applications
 - 8) 15 Employee Training Requirements
 - 9) 15 Personnel Action Forms
 - 10) 15 Federal Withholding Forms
 - 11) 15 State Withholding Forms
 - 12) 15 Applications for Criminal Background Check
 - 13) 15 Fair Credit Reporting Act sign off
 - 14) 26 Bi-weekly time record for payroll processing
 - 15) Statement of minimum employee qualifications
 - 16) Statement of minimum employee training

- 17) 15 Non-employee of Fiscal Management Service sign off
- 18) 15 I-9 Forms
- 19) Completion of Worker's Compensation Insurance Application,
- 20) Review of Worker's Compensation Insurance reporting requirements and forms
- 21) Provide employer postings as required by state and federal laws and regulations
- 22) Instruction and requirements for payroll processing.
- D. Submission of forms to the IRS
- E. Submission of forms to the State of Maryland
- F. Submission and immediate payment of Worker's Compensation Insurance Policy
- G. Certified Registered Restricted Delivery Mailing of Proof of Insurance to the service recipient or designee,
- H. Establish payroll processing service and ensure compliance with state and federal laws and regulations
- I. Set up employee files
- J. Set up general ledger accounts
- K. Set up client file
- L. 15 Criminal Background and Debarment List Checks
- M. Phone contact after receipt of the first 6 payrolls to review information and ensure accuracy

Monthly Fee will include the following:

- A. Maintaining employee files for active employees
- B. Completion of up to 6 criminal background check per year after the initial start up of 15
- C. Receiving Bi-weekly time record for payroll processing
- D. Printing of paychecks
- E. All work necessary to ensure compliance with state and federal tax and withholding requirements
- F. First report of hire notification
- G. Distribution of employee paychecks via US Mail
- H. Entry of Payroll into the general ledger
- I. Reviewing payroll for compliance with the individual budget
- J. Annual reconciliation of the Employer 940 for each client
- K. Quarterly reconciliation of the Employer 941 for each client
- L. Quarterly reconciliation of state unemployment reports
- M. Annual reconciliation of State withholdings
- N. Reconciling the general ledger
- O. Monthly accrual of employee payroll
- P. Printing and distributing the individual financial statements
- Q. Completion of quarterly and annual State of Maryland contract forms for the specified individual
- R. Distribution of satisfaction survey
- S. Year end printing and distribution of W-2
- T. Maintaining employee and employer records in accordance with federal and state requirements – up to 7 years.
- U. Printing the check prior to the vendors' due dates,
- V. Mailing the checks to the vendors,
- W. Reconciling vendors' bills against past payments,
- X. Reviewing disbursement requests for compliance with the individual budget,
- Y. Reconciling the general ledger,
- Z. Printing and distributing the individual financial statements,

- AA. Year end printing and distribution of 1099's for 6 vendors.
- AB. 30 minutes per month phone consultation,
- AC. Reissue of 1 stale dated check per fiscal year,
- AD. Copy of 1 canceled check per year,
- AE. Stop payment on 1 check per year.