

County of San Diego
Behavioral Health Services
Administrative Adjustment Request (AAR) Guidelines
For Cost Reimbursement County Contracts

Per Article 4 (Compensation) of Behavioral Health Services contracts, the Contracting Officer Representative (COR) may make administrative Agreement adjustments to change or modify the budget as long as the total Agreement amount or Agreement term of the contract is not modified.

All administrative Agreement adjustments require provider submission of Administrative Adjustment Requests (AARs) for review, analysis and approval by the Contracting Officer Representative (COR) to ensure reasonableness, accuracy and allowability by the County and any applicable funding streams.

A. Internal Controls and Procedures

1. Providers may request a line-item budget adjustment during the fiscal year. Providers are required to submit a one-page AAR and obtain prior written COR approval on the following adjustments:
 - Transfers between Salaries & Benefits (S&B) and Operating Expenses (OE) that are:
 - More than 10% of total annual S&B/OE budgeted amounts or;
 - 10% or less than total of annual S&B/OE, but with a dollar value greater than \$100,000.
 - Transfers from one budget line to another line item that has a \$0 budget, regardless of the dollar amount.
 - Adjustments to expenses such as Leasehold Improvements, Consultants, Flex Funds, etc. that are asterisked (*) or double asterisked (**), regardless of the dollar amount.
 - Overspending by more than \$5,000 on Operating Expense budget line item(s) (except for asterisked (*) and double asterisked (**)) expenses).
 - The one-page AAR must clearly describe the transfer amount, reason for the transfer, the budget line item(s) and amount(s) affected. The adjustments must reflect a net zero bottom line change.
 - One-page AAR will not require the full budget submission, except for the final AAR submission on April 30th or 60 days before end of the contract term for off-cycle contracts.

2. All one-page AAR forms that are approved and signed by the COR must be reflected and adjusted on the next submitted invoice. The internal County budget tracking will be updated with the approved changes.

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3. AARs are expected to be approved by the CORs no later than 30 calendar days upon receipt.
4. Providers should adhere to the following numbering system for AAR submissions:
 - Use the last amendment number; add “a” and the number of times AAR was submitted under this amendment. Example: AAR 3a001.

If providers are unsure of the last amendment number, they can contact the assigned Contract Analyst.

5. The AAR is effective once it is approved by the COR, preferably the 1st of the following month. Only the COR shall write the effective date on the approved AAR form. Providers shall use the revised budget amounts upon receipt of the approved AAR form from the County.