FINANCE COMMITTEE MEETING
July 21, 2016
(4:00 P.M. until business is concluded)
2536 Countryside Blvd, Suite 500
Clearwater, FL 33763

PROPOSED AGENDA

I. CALL TO ORDER
   A. Approval of July 21, 2016 Agenda                           Page 1
   B. Approval of May 19, 2016 Finance Committee Minutes        Page 2

II. DISCUSSION
    A. Finance Report                                             Page 4

III. ACTION ITEMS
    A. Accounting & Finance Policies                             Page 9
       16.07.01F
    B. Supplemental Sliding Fee Scale                            Page 179
       16.07.02F

IV. PUBLIC COMMENT
   In accordance with the Florida Government in the Sunshine, all meetings of the Early Learning Coalition of Pinellas County, Inc. and its committees are open to the public. Those in attendance who wish to address the Coalition must submit a public comment card to the recorder prior to addressing the Coalition.

V. ADJOURNMENT
   Next meeting scheduled for: September 15, 2016 at 4:00 p.m.
   ELC, Countryside Towers
   2536 Countryside Blvd. Suite 500
   Clearwater, FL 33763.

*This meeting will be recorded for the purpose of composing the meeting minutes. A copy of the recording can be made available, please contact Eva Mathews at 727.400.4446
I. CALL TO ORDER

Treasurer Jim Madden called the meeting to order at 4:00 p.m.

A. Treasurer Madden called for the approval of the May 19, 2016 agenda.

    A motion was made by Jack Geller and seconded by Elliott Stern to:

    Approve the May 19, 2016 agenda.

    The motion passed unanimously.

B. Treasurer Madden called for the approval of the March 17, 2016 minutes.

    A motion was made by Jack Geller and seconded by Elliott Stern to:

    Approve the March 17, 2016 minutes.

    The motion passed unanimously.

II. DISCUSSION

A. Finance Report

III. ACTION ITEMS

A. CCEP Application FY 2016-2017

Treasurer Madden presented the action item:

A motion was made by Harry Fogle and seconded by Jack Geller to:

Approve the CCEP Application FY 2016-2017 as presented by the Coalition staff.

The motion passed unanimously.

B. Anti-Fraud Plan

Treasurer Madden presented the action item:

A motion was made by Jack Geller and seconded by Craig Phillips to:

Approve the Anti-Fraud Plan as presented by the Coalition staff.

The motion passed unanimously.

C. Proposed Budget FY 2016-2017

A motion was made by Jack Geller and seconded by Elliott Stern to:

To approve the Proposed Budget FY 2016-2017 as presented by the Coalition staff.

The motion passed unanimously.

IV. PUBLIC COMMENT

No public comments were made.

V. ADJOURNMENT: The meeting adjourned at 4:10 p.m.

Next meeting scheduled for September 15, 2016.
ELC, Countryside Towers
2536 Countryside Blvd., Suite 500, Clearwater FL 33763

____________________________    _______________
Jim Madden, Committee Chair     Date
Enclosed you will find the June 2016 reports. Please note the following:

School Readiness Program:

It was expected at the end of the month of June 2016, the fiscal year budget for SR services would be 100% spent. The actual spending rate was 100.4%.

1. The School Readiness budget by category spending rates is in line with state and federal requirements. Actual spending rates are as follows:

<table>
<thead>
<tr>
<th>Spending by SR Budget Category</th>
<th>Expenditures ($)</th>
<th>Year To Date %</th>
<th>Minimum/Maximum Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$1,292,228</td>
<td>4.33%</td>
<td>5% Maximum</td>
</tr>
<tr>
<td>Non Direct</td>
<td>$2,122,231</td>
<td>7.11%</td>
<td>14% Maximum</td>
</tr>
<tr>
<td>Quality</td>
<td>$1,910,341</td>
<td>6.40%</td>
<td>4% Minimum</td>
</tr>
<tr>
<td>Direct Services</td>
<td>$24,502,871</td>
<td>82.15%</td>
<td>78% Minimum</td>
</tr>
<tr>
<td>Total:</td>
<td>$29,827,671</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

2. The School Readiness grant agreement with the Coalition requires a match of 6% from local sources for working poor eligible participants in the School Readiness Program child care slots unless granted a waiver. The Coalition received $62,964.04 from JWB this month, bringing our year-to-date total to $718,843.

3. The School Readiness Utilization Report ending June 2016 indicates the following:
As of June 30, 2016, the Coalition paid for 6,451 children with an average cost per child per month of $339.15.

During a fiscal year, fluctuations in the number of children enrolled in the School Readiness program may result in the amount of School Readiness funds needed to support the program to also fluctuate.

Following is a list of other common variables that may have impacted the cost of providing direct services for this past fiscal year.

i. Attendance of children is not mandatory; therefore, the number of days attended by each child varies.

ii. Parents are required to recertify their child’s eligibility on an on-going basis. During the recertification process parents are assigned a parent fee. The changes in parent fees impact the average daily rate.

iii. The Coalition pays different rates per child depending on the age of each child and the rates charged by each provider. The birthdays of each child during the fiscal year impacts the average daily rate.

iv. School age children are generally authorized to attend full time care when the public school is closed for holidays, planned days off, or half days. As a result, the attendance of school age children on full time days impacts the average daily rate.

v. The projections are based on the children reported for payment during the month of June, 2016. If a provider failed to report an eligible child for payment they are authorized to do so in the following month. The failure to report a child for payment impacts the average daily rate.

vi. The Coalition is required to serve certain populations of children, such as children under the State’s protection, upon receipt of a referral. The cost of services provided to these children impacts the average daily rate.

vii. Parents terminate their child’s School Readiness services for a variety of reasons. The termination of a child’s services impacts the average daily rate.

Voluntary Pre-Kindergarten Program:

It was expected at the end of the month of June 2016, the fiscal year budget for VPK services would be 100% spent.

The actual spending rate was 99.70%. The allowable VPK administrative, enrollment, and monitoring expenses are limited to 4.00% of the total slot expenditures. Currently, the spending rate for Voluntary Pre-Kindergarten is 3.96%.

The Coalition paid for 4,827 children with an average cost per child per month of $114.30.
<table>
<thead>
<tr>
<th>Spending by VPK Budget Category</th>
<th>Expenditures ($)</th>
<th>Year To Date %</th>
<th>Minimum/Maximum Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$482,255</td>
<td>3.96%</td>
<td>4% Maximum (% of Direct Services not Total)</td>
</tr>
<tr>
<td>Direct Services</td>
<td>$14,685,253</td>
<td>96.04%</td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>$15,266,743</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Interim Financial Statements**

Attached are preliminary financial statements for the period ending on June 30, 2016. As indicated on the financial statements, the Coalition’s financial position is sound.

The Coalition’s cash and grant receivable exceed its accounts payable due to providers and advances due back to grantors by $162,296.02.

**Audit of the Financial Statement for the year ending June 30, 2015**

The financial statement audit for the year ending June 30, 2016 will be performed by the Moss, Krusick & Associates. The auditors completed phase one of the field work. The audit went very well.

The auditors will be back in October to complete the audit. The report will be finalized and will be presented to the Audit Committee for review, approval, and acceptance at its meeting in December.

The auditors will be presenting the report at the Board of Directors meeting scheduled for January 2017.
### YTD Utilization Summary

**FY 2015-2016**

<table>
<thead>
<tr>
<th>OCA</th>
<th>Line Items</th>
<th>Budget FY 2015-16</th>
<th>% of Budget Utilized</th>
<th>YTD Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>97FA</td>
<td>Administration</td>
<td>1,252,942</td>
<td>100.00%</td>
<td>1,252,942</td>
</tr>
<tr>
<td>97FR</td>
<td>Fraud - administration</td>
<td>39,296</td>
<td>100.00%</td>
<td>39,296</td>
</tr>
<tr>
<td>97RB</td>
<td>Nonadministration</td>
<td>911,098</td>
<td>100.00%</td>
<td>911,098</td>
</tr>
<tr>
<td>97RQ</td>
<td>Quality</td>
<td>624,124</td>
<td>100.00%</td>
<td>624,124</td>
</tr>
<tr>
<td>97RC</td>
<td>Child Screening</td>
<td>311,683</td>
<td>100.00%</td>
<td>311,683</td>
</tr>
<tr>
<td>97TD</td>
<td>TA to Providers</td>
<td>212,050</td>
<td>100.00%</td>
<td>212,050</td>
</tr>
<tr>
<td>97PD</td>
<td>Professional dev.</td>
<td>283,123</td>
<td>100.00%</td>
<td>283,123</td>
</tr>
<tr>
<td>97C14</td>
<td>ECDRR</td>
<td>158,421</td>
<td>100.00%</td>
<td>158,421</td>
</tr>
<tr>
<td>97QN</td>
<td>Inclusion</td>
<td>40,551</td>
<td>100.00%</td>
<td>40,551</td>
</tr>
<tr>
<td>97BE</td>
<td>Eligibility support</td>
<td>1,211,132</td>
<td>100.00%</td>
<td>1,211,132</td>
</tr>
<tr>
<td>97NT</td>
<td>Infant &amp; Toddlers</td>
<td>271,379</td>
<td>100.00%</td>
<td>271,379</td>
</tr>
<tr>
<td>97DO</td>
<td>CEEP slots</td>
<td>1,040,000</td>
<td>100.00%</td>
<td>1,040,000</td>
</tr>
<tr>
<td>97RO</td>
<td>All-Risk slots</td>
<td>4,966,116</td>
<td>100.00%</td>
<td>4,966,116</td>
</tr>
<tr>
<td>97DD</td>
<td>Transitional slots</td>
<td>2,740,348</td>
<td>100.00%</td>
<td>2,740,348</td>
</tr>
<tr>
<td>97SG</td>
<td>Gold seal slots</td>
<td>1,129,360</td>
<td>100.00%</td>
<td>1,129,360</td>
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<tr>
<td>97PC</td>
<td>Working Poor slots</td>
<td>11,255,147</td>
<td>100.00%</td>
<td>11,255,147</td>
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<tr>
<td>97WW</td>
<td>SAF slots</td>
<td>3,518,715</td>
<td>100.00%</td>
<td>3,518,715</td>
</tr>
</tbody>
</table>

**Total costs**

<table>
<thead>
<tr>
<th>YTD</th>
<th>Non-slot</th>
<th>5,124,800</th>
<th>100.00%</th>
<th>5,124,800</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Surt</td>
<td>24,379,906</td>
<td>82.3%</td>
<td>24,502,871</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>29,738,888</td>
<td>100.00%</td>
<td>29,738,888</td>
</tr>
</tbody>
</table>

**Total YTD Expenditures**

| 29,704,708 | 100.41% | 29,827,671 |

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td>2,426,125</td>
<td>2,504,647</td>
</tr>
<tr>
<td>Total</td>
<td>5,124,800</td>
<td>5,545,945</td>
</tr>
</tbody>
</table>

**Targeted Slot Spending**

| 24,379,906 | 2,046,445 | 2,046,445 | 2,046,445 | 2,046,445 | 2,046,445 |

**Children Served**

| 6,151 | 6,005 | 5,969 |

**Slot Dollars per Child**

| 334 | $401.38 | $318.76 |

**Fiscal Year**

| 24,379,906 | 2016-17 |

| Non-slot Dollars | 4,891,066 | 5,424,800 | 109.1% |
| Slot Dollars | 22,484,947 | 24,502,871 | 108.4% |
| Total | 27,376,014 | 29,827,671 | 108.4% |

**Prior Year Utilization and Enrollment**

| 24,110,076 | 1,831,491 | 1,893,651 |

**Children Served**

| 6,023 | 5,810 | 5,752 |

**Slot Dollars per Child**

| 334 | $401.38 | $318.76 |

**FY 2015-2016 Utilization Summary**

**Notes:**
- Administrative Cap: 5%
- Administrative, Quality, and Non Direct services Cap: 22%
- CQF: 4% - may exceed the minimum
- Direct Services: minimum 78%
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>VPADM</td>
<td>Administration 225,735</td>
<td>100.0%</td>
<td>225,735</td>
<td>18,459</td>
<td>17,305</td>
<td>18,795</td>
<td>27,794</td>
<td>21,841</td>
<td>18,312</td>
<td>27,813</td>
<td>29,113</td>
<td>25,259</td>
<td>5,034</td>
<td>7,053</td>
<td>8,957</td>
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<tr>
<td>VOPENR</td>
<td>Enrollment 362,971</td>
<td>98.0%</td>
<td>355,755</td>
<td>16,022</td>
<td>21,251</td>
<td>34,929</td>
<td>54,820</td>
<td>36,490</td>
<td>32,450</td>
<td>34,936</td>
<td>40,754</td>
<td>37,770</td>
<td>33,378</td>
<td>8,092</td>
<td>4,863</td>
</tr>
<tr>
<td>VPPRS</td>
<td>Slots 14,717,663</td>
<td>99.8%</td>
<td>14,685,253</td>
<td>313,901</td>
<td>395,362</td>
<td>1,580,023</td>
<td>1,705,915</td>
<td>1,323,542</td>
<td>1,166,581</td>
<td>1,465,872</td>
<td>1,613,027</td>
<td>1,388,199</td>
<td>1,630,678</td>
<td>1,550,435</td>
<td>551,719</td>
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<tr>
<td>P7ADV</td>
<td>Total costs 15,306,369</td>
<td>99.7%</td>
<td>15,266,743</td>
<td>348,382</td>
<td>433,918</td>
<td>2,633,747</td>
<td>1,788,529</td>
<td>1,381,873</td>
<td>1,217,343</td>
<td>1,528,621</td>
<td>1,682,894</td>
<td>1,451,228</td>
<td>1,669,091</td>
<td>1,565,580</td>
<td>565,540</td>
</tr>
<tr>
<td></td>
<td>YTD</td>
<td>12,746,974</td>
<td>99.7%</td>
<td>12,755,307.50</td>
<td>39,626</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-Slot 4.0%</td>
<td>482,255</td>
<td>581,490</td>
<td>34,481</td>
<td>38,556</td>
<td>53,724</td>
<td>82,614</td>
<td>58,331</td>
<td>50,762</td>
<td>62,749</td>
<td>69,867</td>
<td>63,029</td>
<td>38,413</td>
<td>15,145</td>
<td>13,820</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12,746,974</td>
<td>119.8%</td>
<td>12,746,974</td>
<td>12,264,719</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Targeted Slot Spending</td>
<td>1,226,472</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>$1,205,639</td>
<td>1,205,639</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Children Served</td>
<td>5,220</td>
<td>309</td>
<td>4,806</td>
<td>5,562</td>
<td>5,962</td>
<td>5,963</td>
<td>5,937</td>
<td>5,920</td>
<td>5,949</td>
<td>5,861</td>
<td>5,811</td>
<td>5,738</td>
<td>4,827</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slot Dollars per Child</td>
<td>703.26</td>
<td>$1,015.86</td>
<td>$82.26</td>
<td>$284.07</td>
<td>$286.14</td>
<td>$221.96</td>
<td>$196.49</td>
<td>$247.61</td>
<td>$271.14</td>
<td>$236.85</td>
<td>$280.62</td>
<td>$270.20</td>
<td>114.30</td>
<td></td>
</tr>
<tr>
<td>% Budget used</td>
<td>Non-Slot Dollars</td>
<td>482,255</td>
<td>581,490</td>
<td>120.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slot Dollars</td>
<td>12,264,719</td>
<td>14,685,253</td>
<td>119.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12,746,974</td>
<td>15,266,743</td>
<td>119.8%</td>
<td>119.8%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year Utilization and Enrollment</td>
<td>Slot Dollars</td>
<td>14,993,550</td>
<td>605,809</td>
<td>716,832</td>
<td>1,596,264</td>
<td>1,747,988</td>
<td>1,219,578</td>
<td>1,210,586</td>
<td>1,471,423</td>
<td>1,529,459</td>
<td>1,547,990</td>
<td>1,471,969</td>
<td>1,430,216</td>
<td>445,438</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Children Served</td>
<td>4,622</td>
<td>517</td>
<td>5,469</td>
<td>5,679</td>
<td>5,810</td>
<td>5,887</td>
<td>16</td>
<td>5,874</td>
<td>5,885</td>
<td>5,932</td>
<td>5,771</td>
<td>4,713</td>
<td>4,015</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slot Dollars per Child</td>
<td>6,599.90</td>
<td>$1,171.78</td>
<td>$131.07</td>
<td>$281.08</td>
<td>$300.86</td>
<td>$207.16</td>
<td>$75,661.60</td>
<td>$250.50</td>
<td>$259.89</td>
<td>$265.43</td>
<td>$255.06</td>
<td>$303.46</td>
<td>110.94</td>
<td></td>
</tr>
</tbody>
</table>

**YTD % of admin expen vs. slots** 3.96%  
State Requirement: 4.00%
Early Learning Coalition of Pinellas County, Inc.
July 21, 2016

Subject: Fiscal Policy & Procedures

BACKGROUND

The Fiscal Policy and Procedures are part of the Coalition’s Standard Operating procedures. They summarize the fiscal policies and procedures of the Coalition.

The policies are consistent with the accounting principles prescribed by the American Institute of Certified Public Accountants.

Sections are designed to give a comprehensive overview of the Coalition organization, nature authority, accounting system, internal controls, and fiscal policies and procedures.

The Coalition has updated the fiscal policy and procedures to align them with new federal regulations. The Office of Management and Budget (OMB) released final guidance, “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards also known as Uniform Grant Guidance or 2 CFR Part (200).

PROPOSED COALITION ACTION

To approve the Coalition’s Fiscal Policy & Procedures.

Approval

Chair Signature

Date

Supporting Documents:

- Fiscal Policy and Procedures Manual
EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

Effective Date(s) of Accounting Policies

The effective date of all accounting policies described in this manual is JULY 1, 2016. If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

Policy: ELCPC 400.01

Effective Date of Policy: July 1, 2016

Date Last Amended: June 30, 2016

Date of Next Review (if policy requires periodic review): July 1, 2017
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INTRODUCTION

The following manual is intended to provide an overview of the accounting policies and procedures for the Early Learning Coalition of Pinellas County, Inc., which shall be referred to as “the Coalition” or “the Organization” throughout this manual.

The Organization is incorporated in the state of Florida and is exempt from federal income taxes under IRS Section [501(c) (3)] as a nonprofit corporation. The Organization’s tax-exempt mission is to:

“Lead the community in the development and delivery of a high quality early learning system and family support services that maximize each child's potential and promote the economic self-sufficiency of families”.

This manual shall document the financial operations of the Organization. Its primary purpose is to formalize accounting policies and selected procedures for all staff that have a role in accounting processes and to document internal controls.

If a particular grant or award has provisions that are more restrictive than those in this manual, the more restrictive provisions will be followed only for that grant or award.

The contents of this manual were approved as official policy of the Organization by the Board of Directors, Chief executive Officer, and Chief Financial Officer. All Coalition staff members are bound by the policies herein, and any deviation from established policy is prohibited.

The Board of Directors should approve this manual and all updates to it.

It is the Coalition practice to present updates to the Finance Committee, and annually to the full Board for its approval.
GENERAL POLICIES

ORGANIZATIONAL STRUCTURE

The Role of the Board of Directors

The Organization is governed by its Board of Directors, which is responsible for the oversight of the Organization by:

1. Planning for the future.
2. Establishing broad policies, including financial and personnel policies and procedures.
3. Approving grant applications.
4. Reviewing and approving the annual audit.
5. Reviewing financial information.
6. Identifying and proactively dealing with emerging issues.
7. Interpreting the Organization’s mission to the public.
8. Soliciting prospective contributors.
9. Hiring, evaluating, and working with the Chief Executive Officer (CEO).
10. Establishing and maintaining programs and systems designed to ensure compliance with terms of contracts and grants.
11. Authorizing establishment of all bank accounts and check signers.

The CEO shall be responsible for the day-to-day oversight and management of the Organization.

Board of Directors Committee Structure

The Board of Directors shall form committees to assist the board in fulfilling its responsibilities. These committees are responsible for the review of particular programs and providing recommendations to the full board.

Standing board-level committees of the Organization consist of the following:

1. Executive Committee
2. Finance Committee
3. Audit Committee
4. Board Development & Nominating Committee
5. Program Development Committee

See the Organization’s bylaws for board and committee details. However, roles of committees with direct responsibilities for the financial affairs of the Organization are further described in this manual.

These committees shall be referred to in appropriate sections of this manual.
**Finance Committee Responsibilities**

The Finance Committee is responsible for direction and oversight regarding the overall financial management of the Organization. Functions of the Finance Committee include:

1. Review and recommendation of the Organization’s annual budget (prepared by the staff) for final approval by the full board.
2. Long-term financial planning.
4. Evaluation and approval of facilities decisions (i.e., leasing, purchasing property).
5. Monitoring of actual vs. budgeted financial performance.
6. Oversight of reserve funds.

The review of the Organization’s financial statements shall not be limited to the Finance Committee, but shall involve the entire Board of Directors.

**Audit Committee Responsibilities**

The Audit Committee recommends an independent CPA firm to the full board for its approval. The Audit Committee communicates directly with the CPA firm for an annual audit, as described in the Organization’s bylaws. The full board shall review and approve the final audited financial statements and any other communications received from the auditor regarding internal controls, illegal acts, or fraud.

The Audit Committee also serves as the primary point of contact for any employee who suspects that fraud has been committed against the Organization or by one of its employees or board members.

The Audit Committee’s role in the annual audit is more fully explained in the section of this manual covering the annual audit.

**The Roles of the Chief Executive Officer and Staff**

The Board of Directors hires the Chief Executive Officer (CEO), who reports directly to the board. The CEO is responsible for hiring and evaluating Department Directors for each of the Organization’s departments.

Each Department Director reports to the CEO.

All employees within a department shall report directly to their supervisor or to that department’s Department Director, according to the organization chart below.

The Director and/or supervisors shall be responsible for managing and evaluating all employees within the department that they direct, manage and/or supervise.
Organization Chart

Board of Directors

Chief Executive Officer

Auditor

Administration (Finance, HR, IT, Planning & Communication)

Community Partnership & Public Relations

Federal State & Local Funding

Program Operations

Quality Programs

Family Services

Provider Services

Child Screening Development & Inclusion Services

Targeted TA to Providers

Resource & Referral Services

Professional Development
ACCOUNTING DEPARTMENT OVERVIEW

Organization Structure

The accounting department consists of 5 (five) staff members who manage and process financial information for the Organization. The following positions comprise the accounting department:

- Chief Financial Officer
- Accounting Manager
- Fiscal Budget Specialist
- Contract Specialist
- Purchasing Specialist

Other officers and employees of the Organization who have financial responsibilities are as follows:

- Chief Executive Officer
- Department Directors
- Human Resources Generalist/Payroll
- Executive Assistant - Cash Receipts
- Treasurer – Board level
- Finance Committee – Board level
- Audit Committee – Board level
- Executive Committee – Board level
- Full Board of Directors

Department Responsibilities

The primary responsibilities of the accounting department consist of:

- General ledger
- Budgeting
- Cash and investment management
- Asset management
- Grants and contracts administration
- Purchasing
- Accounts receivable and billing
- Cash receipts
- Accounts payable
- Cash disbursements
- Payroll
- Financial statement processing
- External reporting of financial information
- Bank reconciliation
- Reconciliation of subsidiary ledgers
- Compliance with grant reporting requirements
- Annual audit
- Leases
- Insurance
Standards for Financial Management Systems

In accordance with 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Coalition maintains a financial management system that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate sections of this manual.

1. Identification, in all its accounts, of all Federal awards received and expended and the Federal programs under which they were received.

2. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of 2 CFR Parts 200.327, Financial Reporting, and 200.328, Monitoring and Reporting Program Performance, and/or the award.

3. Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be fully supported by source documentation.

4. Effective control over and accountability for all funds, property, and other assets. The Organization must adequately safeguard all such assets and ensure they are used solely for authorized purposes.

5. Comparison of outlays with budget amounts for each award.

6. Information that relates financial data to performance accomplishments and demonstrates cost effective practices as required by funding sources. (2 CFR Part 301, *Performance Measurement*).

7. Written procedures to minimize the time elapsing between the transfer of funds and disbursement of funds by the Coalition. Advance payments must be limited to the minimum amount needed and be timed to be in accordance with actual, immediate cash requirements (2 CFR Part 200.305 Payment).

8. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the 2 CFR Part 200 Subpart E, Cost Principles, and the terms and conditions of the award.
BUSINESS CONDUCT

Practice of Ethical Behavior

The Organization requires board members, committee members, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and all directors, committee members, and employees to comply with all applicable laws and regulatory requirements. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of the Organization depend to a very large extent on the following considerations.

Each employee must apply her or his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. Each employee is responsible for applying common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with the Coalition policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Organization or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all of these questions before taking action.

Each director, manager, and supervisor is responsible for the ethical business behavior of her or his subordinates. Directors, managers, and supervisors must carefully weigh all courses of action suggested in ethical, as well as economic, terms and base their final decisions on the guidelines provided by this policy, as well as their personal sense of right and wrong.

Compliance with Laws, Regulations, and Organization Policies

Our Organization does not tolerate:

- The willful violation or circumvention of any federal, state, local, or foreign law by an employee during the course of that person's employment.

- The disregard or circumvention of the Coalition policy or engagement in unscrupulous dealings.

Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden. The performance of all levels of employees will be measured against implementation of the provisions of these standards.
CONFLICTS OF INTEREST

This section addresses conflict of interest in business dealings. The Coalition has a separate conflict of interest policy: ELCPC 20.2 and shall comply in full with it.

Introduction

In the course of business, situations may arise in which a Coalition’s decision maker has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All directors and employees have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of the Organization in dealing with outside entities or individuals,

2. Disclose real and apparent conflicts of interest to the Board of Directors, and

3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.

What Constitutes a Conflict of Interest

All employees and directors of the Organization owe a duty of loyalty to the Organization. This duty necessitates that in serving the Organization they act solely in the interests of the Organization, not in their personal interests or in the interests of others.

The persons covered under this policy shall hereinafter be referred to as “interested persons.” Interested persons include all members of the Board of Directors and all employees, as well as persons with the following relationships to directors or employees:

1. Spouses or domestic partners
2. Brothers and sisters
3. Parents, children, grandchildren, and great-grandchildren
4. Spouses of individuals listed in 2 and 3
5. Closed friendships
6. Corporations, partnerships, limited liability companies (LLCs), and other forms of businesses in which an employee or director, either individually or in combination with individuals listed in 1, 2, 3, or 4, collectively possess a 35% or more ownership or beneficial interest.

The above list is not comprehensive. Other relationships may also cause a conflict of interest; however, each situation must be evaluated for potential conflict.
Conflicts of interest arise when the interests of an interested party may be seen as competing with those of the Organization. Conflicts of interest may be financial where an interested party benefits financially directly or indirectly or non-financial such as seeking preferential treatment, using confidential information, etc.

A conflict of interest arises when a director or employee involved in making a decision is in the position to benefit, directly or indirectly, from his or her dealings with the Organization or person conducting business with the Organization.

Examples of conflicts of interest include, but are not limited to, situations in which a director or employee:

1. Negotiates or approves a contract, purchase, or lease on behalf of the Organization and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services.

2. Negotiates or approves a contract, sale, or lease on behalf of the Organization and has a direct or indirect interest in, or receives personal benefit from, the entity or individual receiving the goods or services.

3. Employs or approves the employment of, or supervises a person who is an immediate family member of the director or employee.

4. Sells products or services in competition with the Organization.

5. Uses the Organization’s facilities, other assets, employees, or other resources for personal gain.

6. Receives a substantial gift from a vendor, if the director or employee is responsible for initiating or approving purchases from that vendor.

**Honoraria Acceptance**

The Organization employee shall not accept an honorarium for an activity conducted where agency-reimbursed travel, work time, or resources are used or where the activity can be construed as having a relationship to the employee’s position with the Organization; such activity would be considered official duty on behalf of the Organization. A relationship exists between the activity and the employee’s position with the Organization if the employee would not participate in the activity in the same manner or capacity if they did not hold their position with the Organization. The employee should make every attempt to avoid the appearance of impropriety.

An employee may receive an honorarium for activities performed during regular non-working hours or while on annual leave if the following conditions are met:

- All expenses are the total responsibility of the employee or the sponsor of the activity in which the employee is participating.
- The activity has no relationship to the employee’s Organization duties.
Nothing in this policy shall be interpreted as preventing the payment to the Organization by an outside source for actual expenses incurred by an employee in an activity, or the payment of a fee to the Organization (in lieu of an honorarium to the individual) for the services of the employee. Any such payments made to the Organization should be deposited to the Organization account and an appropriate entry should be made coded to the same program or department to which the employee’s corresponding time was charged.

**Disclosure Requirements**

A director or employee who believes that he or she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.

Therefore, the Organization requires the following:

1. At the inception of employment or volunteer service to the Organization, and on an annual basis thereafter, the accounting department shall distribute a list of all contractors with whom the Organization has transacted business at any time during the preceding year, along with a copy of the disclosure statement to all members of the Board of Directors, the CEO, members of senior management, and employees with purchasing and/or hiring responsibilities or authority. Using the prescribed form, these individuals shall inform, in writing and with a signature, the CEO and the chair of the Audit Committee, of all potential reportable conflicts.

2. During the year, these individuals shall submit a signed, updated disclosure form if any new potential conflict arises.

3. The CEO shall review all forms completed by employees, and the Audit Committee shall review all forms completed by directors and the CEO and determine appropriate resolution in accordance with the next section of this policy.

4. Prior to management, board, or committee action on a contract or transaction involving a conflict of interest, a staff, director, or committee member having a conflict of interest and who is in attendance at the meeting shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting.

5. A staff, director, or committee member who plans not to attend a meeting at which he or she has a reason to believe that the management, board, or committee will act on a matter in which the person has a conflict of interest shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

6. A person who has a conflict of interest shall not participate in or be permitted to hear management’s, the board’s, or the committee’s discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter.
7. A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining a quorum for purposes of the vote. The person having a conflict of interest may not vote on the contract or transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote and abstention from voting shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of Sample Organization has a conflict of interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.

8. Board and staff members with procurement responsibilities will annually review a list of vendors to identify potential conflicts of interest.

9. If required by the awarding agencies, the Organization will notify those agencies in writing of any potential conflict of interest (2 CFR Part 200.112, Conflict of interest).

Resolution of Conflicts of Interest

All real or apparent conflicts of interest shall be disclosed to the Audit Committee and the CEO of the Organization. Conflicts shall be resolved as follows:

- The Audit Committee shall be responsible for making all decisions concerning resolutions of conflicts involving directors, the CEO, and other members of senior management.
- The chair of the committee shall be responsible for making all decisions concerning resolutions of conflicts involving Audit Committee members.
- The chair of the Board shall be responsible for making all decisions concerning resolutions of the conflict involving the chair of the Audit Committee.
- The CEO shall be responsible for making all decisions concerning resolutions of conflicts involving employees below the senior management level, subject to the approval of the Audit Committee.

An employee or director may appeal the decision that a conflict (or appearance of conflict) exists as follows:

- An appeal must be directed to the chair of the board.
- Appeals must be made within 30 days of the initial determination.
- Resolution of the appeal shall be made by vote of the full Board of Directors.
- Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the board.

Disciplinary Action for Violations of This Policy

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Organization or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her or his actions before disciplinary action is taken.
Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.

2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.

3. Against any director, manager, or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

A Board member who violates this policy will be removed from the Board.
POLICY ON SUSPECTED MISCONDUCT

Introduction

This policy communicates the actions to be taken for suspected misconduct committed, encountered, or observed by employees and volunteers.

Like all organizations, the Coalition faces many risks associated with fraud, abuse, and other forms of misconduct. The impact of these acts collectively referred to as misconduct throughout this policy, may include, but not be limited to:

- Financial losses and liabilities.
- Loss of current and future revenue and customers.
- Negative publicity and damage to the Organization’s good public image.
- Loss of employees and difficulty in attracting new personnel.
- Deterioration of employee morale.
- Harm to relationships with clients, vendors, bankers, and subcontractors.
- Litigation and related costs of investigations, etc.

Our Organization is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every employee and volunteer at all levels of the Organization.

Definitions

For purposes of this policy, misconduct includes, but is not limited to:

1. Actions that violate the Organization’s Code of Conduct (and any underlying policies) or any of the accounting and financial policies included in this manual.

2. Fraud (see below).

3. Forgery or alteration of checks, bank drafts, documents or other records (including electronic records).

4. Destruction, alteration, mutilation, or concealment of any document or record with the intent to obstruct or influence an investigation, or potential investigation, carried out by a department or agency of the federal government or by the Organization in connection with this policy.

5. Disclosure to any external party of proprietary information or confidential personal information obtained in connection with employment with or service to the Organization.

6. Unauthorized personal or other inappropriate (non-business) use of equipment, assets, services, personnel, or other resources.

7. Acts that violate federal, state, or local laws or regulations.
8. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the Organization. Exception: gifts valued at $25 or less.

9. The Organizations may permit employees to accept gifts of nominal value. The definition of “nominal value” is determined by the Management and is set at $25.

10. Impropriety of the handling or reporting of money in financial transactions.

11. Failure to report known instances of misconduct in accordance with the reporting responsibilities described herein (including tolerance by supervisory employees of misconduct of subordinates).

Fraud is further defined to include, but not be limited to:

- Theft, embezzlement, or other misappropriation of assets (including assets of or intended for the Organization, as well as those of our clients, subcontractors, vendors, contractors, suppliers, and others with whom the Organization has a business relationship).
- Intentional misstatements in the Organization’s records, including intentional misstatements of accounting records or financial statements.
- Authorizing or receiving payment for goods not received or services not performed.
- Authorizing or receiving payments for hours not worked.
- Forgery or alteration of documents, including but not limited to checks, timesheets, contracts, purchase orders, receiving reports.

The Organization prohibits each of the preceding acts of misconduct on the part of employees, officers, executives, volunteers, and others responsible for carrying out the Organization’s activities.

**Reporting Responsibilities**

All employees, officers, and volunteers are responsible for immediately reporting suspected misconduct to their supervisor, Chief Financial Officer (CFO), or the Chair of the Audit Committee. When supervisors have received a report of suspected misconduct, they must immediately report such acts to their manager, the CFO, or the Chair of the Audit Committee.

In addition, the Coalition has set up a telephone hotline that can be accessed 24 hours per day to report suspected misconduct.

As a best practice, the Coalition has arranged for some form of anonymous reporting of allegations of violations of the code of conduct.

All reporting of allegations of violations can be reported to the Coalition line: 727.400.4458.
**Whistleblower Protection**

The Organization will consider any reprisal against a reporting individual an act of misconduct subject to disciplinary procedures. A “reporting individual” is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law enforcement officer any truthful information relating to the commission or possible commission of a federal offense or any other possible violation of the Organization’s Code of Conduct.

The final element of the preceding policy, pertaining to protection of whistleblowers reporting possible federal offenses, is a required element of the Sarbanes-Oxley Act of 2002 (SOX). A question regarding whether the organization has a whistleblower policy is also on Form 990.

Although the SOX whistleblower requirements apply only to possible federal offenses, the Coalition is advised to expand the policy to cover allegations of any violation of the organization's code of conduct/ethics.

**Investigative Responsibilities**

Due to the sensitive nature of suspected misconduct, supervisors and managers should not, under any circumstances, perform any investigative procedures.

The CFO has the primary responsibility for investigating suspected misconduct involving employees below the CEO and executive management level. The CFO shall provide a summary of all investigative work to the Audit Committee.

The Audit Committee has the primary responsibility for investigating suspected misconduct involving CEO and executive level positions, as well as board members and officers. However, the Audit Committee may request the assistance of the CFO in any such investigation.

Investigation into suspected misconduct will be performed without regard to the suspected individual’s position, length of service, or relationship with the Organization.

In fulfilling its investigative responsibilities, the Audit Committee shall have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, CPA firms, forensic accountants and investigators, etc.

Members of the investigative team (as authorized by the Audit Committee) shall have free and unrestricted access to all Organization records and premises, whether owned or rented, at all times. They shall also have the authority to examine, copy, and remove all or any portion of the contents (in paper or electronic form) of filing cabinets, storage facilities, desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures.

The existence, the status, or results of investigations into suspected misconduct shall not be disclosed or discussed with any individual other than those with a legitimate need to know in order to perform their duties and fulfill their responsibilities effectively.
Protection of Records – Federal Matters

The Organization prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States government, or in relation to or contemplation of any such matter or case.

Violations of this policy will be considered violations of the Organization’s Code of Ethics and subject to the investigative, reporting, and disclosure procedures described earlier in this Policy on Suspected Misconduct.

Such policy is required in order to comply with the Sarbanes-Oxley Act of 2002. Violators are subject to criminal penalties.

Disciplinary Action

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. Disciplinary action shall be coordinated with appropriate representatives from the Human Resources Department. The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include:

- Reprimand
- Probation
- Suspension
- Demotion
- Termination
- Reimbursement of losses or damages
- Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for information purposes only and does not bind the Organization to follow any particular policy or procedure.

Confidentiality

The Audit Committee and the CFO treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CFO or the Audit Committee Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section above).

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Organization from potential civil liability.
An employee who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Audit Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is “I am not at liberty to discuss this matter.” Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.

2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Organization’s legal counsel or the Audit Committee.

Disclosure to Outside Parties

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by the Organization to aid in an investigation).

However, all known frauds involving the CEO, senior management, or members of the Board of Directors, as well as all material frauds involving employees below the senior management level, shall be disclosed by the Audit Committee to the Organization’s external auditors.

The Organization will disclose, in a timely manner, in writing to the awarding agencies all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award (200.113 Mandatory disclosures).
SECURITY

Accounting Department

A lock will be maintained on the door leading into the Organization’s Accounting Department. This door shall be closed and locked in the evenings and whenever the Accounting Department is vacant. The key/combination to this lock will be provided to the accounting personnel, CEO, and other personnel as approved by the CEO. The lock will be changed whenever any of these individuals leaves the employment of the Organization.

The Organization’s blank check stock shall be stored in a fireproof file cabinet in the Accounting Department. This cabinet will be locked with a key that is kept in the Accounting Department. Access to this file cabinet shall be by keys in the possession of the CFO and the designated staff.

The Coalition does not maintain petty cash balances. If petty cash is established, appropriate policies and procedures will be developed. In such instances, petty cash will be stored in a drawer locked with a key. The Petty Cash Custodian and the CFO will be the only employees with keys to the petty cash drawer.

Access to Electronically Stored Accounting Data

The Coalition has in place written policies and procedures for electronic systems and data security.

The Coalition has developed organization policies and address security of accounting systems and data as well as other systems and data in other areas of the organization. Therefore, in this manual, we include only policies and procedures that uniquely relate to the accounting systems and data.

The Organization utilizes passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Information technology staff members are restricted from accessing accounting software. This restriction provides a critical internal control. Segregating IT from the financial software protects IT staff members from possible involvement in issues relating to the accuracy of accounting records and financial reporting.

Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than every 60 days. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee’s required duties. On an annual basis, the CFO performs a review of accounting software users to ensure they have the appropriate access levels. Unnecessary access will be rescinded.
Storage of Sensitive Data

In addition to accounting and financial data stored in the Accounting Department, other sensitive data, including protected personally identifiable information (PII) such as social security numbers of employees and/or clients may be stored in areas other than the Accounting Department.

Locations of sensitive data include, but are not limited to:

1. Human Resources
2. Program Operations, Family Services Department
3. Program Operations, Provider Contracts and Reimbursement
4. Electronic or on-line storage

The Organization’s policy is to minimize the storage of sensitive data outside the Accounting Department by shredding documents with such data or deleting the sensitive data from documents that are stored outside the Accounting Department as soon as possible. Please see the Organization’s technology policies for standards for electronic and on-line storage.

2 CFR Part 200 defines “personally identifiable information” (PII) as “information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public Web sites, and university listings (2 CFR Part 200.79).

“Protected personally identifiable information” (PPII) is defined as “an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts.”

The Coalition staff are required to take as much reasonable effort as possible to limit access to PPII as defined in 2 CFR Part 200.303(e).

Destruction of Consumer Information

As stated earlier, all sensitive data must be securely stored and shredded when no longer needed. The Organization will also shred all consumer information obtained by the Organization for any reason.

Shredding will be performed on a schedule determined by each department that possesses such data, and the schedule shall be made a part of the Record Retention policy (see the “Fiscal Management” policies section of this manual).

General Office Security

During normal business hours, all visitors are required to check in with the receptionist. After hours, a security key is required for access to the offices of the Organization. Keys are issued only to the employees of the Organization.
GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is the collection of all asset, liability, net assets, revenue, and expense accounts. It is used to accumulate all financial transactions and is supported by subsidiary ledgers that provide details for certain accounts.

The general ledger is the foundation for the accumulation of data and production of reports.

Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system and the basis for the accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense, and gain and loss account.

The Organization’s chart of accounts is comprised of six types of accounts:

1. Assets
2. Liabilities
3. Net Assets
4. Revenues
5. Expenses
6. Gains and Losses

The Coalition chart of accounts is built on a table-driven segment structure. The following are typical account segments:

1. Fund
2. Other Coast Accumulator (OCA)
3. Billing Group
4. Department
5. Account number (GL Code)
6. Financial Accounting Standards (FAS)
7. Activity

Distribution of Chart of Accounts

All Organization employees involved with account coding or budgetary responsibilities will be issued a current chart of accounts, or the section of the chart of accounts applicable to their program. As the chart of accounts is revised, an updated copy of the chart of accounts shall be promptly distributed to these individuals. In addition, a copy will be saved electronically in the Coalition drive.

Control of Chart of Accounts

The Chief Financial Officer (CFO) monitors and controls the chart of accounts, including all account maintenance, such as additions and deletions. Any additions or deletions of accounts must be approved by the CFO, who ensures that the chart of accounts is consistent with the Organizational structure and meets the needs of each division and department.
Fiscal Year of Organization

The Organization shall operate on a fiscal year that begins on July 1 and ends on June 30. Any changes to the fiscal year of the Organization must be ratified by the majority vote of the Organization’s Board of Directors.

Accounting Estimates

The Organization utilizes numerous estimates in the preparation of its interim and annual financial statements. Some of those estimates include:

1. Useful lives of property and equipment
2. Fair market values of donated assets
3. Values of contributed services
4. Cost allocation calculations

The CFO will reassess, review, and approve all estimates yearly. All conclusions, bases, and other elements associated with each accounting estimate shall be documented in writing. All material estimates, and changes in estimates from one year to the next, shall be disclosed to the Finance Committee, the Audit Committee, and the external audit firm.

Journal Entries

All general ledger entries that do not originate from a subsidiary ledger shall be supported by journal vouchers or other documentation, including an explanation of each such entry. Examples of such journal entries are:

1. Recording of noncash transactions
2. Corrections of posting errors
3. Nonrecurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Annual depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accruals of recurring expenses

Recurring journal entries shall be supported by a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, a journal voucher.

All journal entries not originating from subsidiary ledgers shall be authorized in writing by the CFO by initialing or signing the entries.

The ability to record journal entries is tightly controlled because a journal entry can change any transaction. This restriction provides a critical internal control.
POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS

REVENUE

Revenue Recognition Policies

The Organization receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements in the following manner:

1. **Grant income**: Monthly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards).

2. **In-Kind Contributions or Non-Federal Share**: Recognized as income when received.

3. **Program Income**: Defined as gross income generated by a supported activity or earned as a result of an award, and is recognized as a reduction in expenditures in the period in which it is received.

4. **Nongovernmental Cash Contributions**: Recognized as income when received, unless accompanied by restrictions or conditions.

5. **Fee-for-Service Income**: Recognized as income when services are rendered unless collection of amounts due is in question. In this case, revenue is recognized when payments are received.

6. **Interest income**: Monthly accrual based on when it was earned.

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e., recorded as revenue when received) as deemed appropriate by the CFO.

Definitions

The following definitions shall apply with respect to the policies described in this manual:

**Contribution**: An unconditional transfer of cash or other assets to the Organization, or a settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity or individual.

**Condition**: A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets it has transferred to the Organization or releases the promisor from its obligation to transfer its assets. In practical terms, this means a donor has imposed some type of stipulation other than a purpose or time period stipulation (which is defined as a restriction below) and that condition has some degree of uncertainty as to whether or not it will occur, and if the condition is not met, the Organization is not entitled to the contribution. Conditions may or may not be within the control of the Organization.
**Restriction**: A donor-imposed stipulation that specifies a use for the contributed asset that is either limited to a specific future time period or is more specific than the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in the Articles of Incorporation and Bylaws.

Restrictions on the use of an asset may be temporary or permanent.

**Nonreciprocal Transfer**: A transaction in which an individual or entity incurs a liability or transfers assets to the Organization without directly receiving value in exchange.

**Promise to Give**: A written or oral agreement to contribute cash or other assets.

**Exchange Transaction**: A reciprocal transaction in which the Organization and another entity each receive and sacrifice something of approximately equal value.
ADMINISTRATION OF FEDERAL AWARDS

Definitions

The Organization may receive financial assistance from a donor/grantor agency through the following types of agreements:

Grant: A financial assistance award given to the Organization to carry out its programmatic purpose.

Cooperative Agreement: A legal agreement where the Organization implements a program with the direct involvement of the funder.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal “award.”

Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed by the CFO prior to the submission to the government agencies or other funding sources to ensure the proposed budget includes all appropriate costs.

Final proposals shall be reviewed and approved in writing by the CEO and the Board of Directors.

The Board of Directors has adopted the following procedures for grant proposals:

- Grant applications greater than $10,000 will be approved by the Board.
- The full Board and the Finance Committee will approve acceptance of all grants.
- The full Board will be involved in all decisions concerning new funding sources.

In addition, the Organization may refuse to consider grants under any amount based on the cost/benefit of administering such awards.

2 CFR Part 200.460, Proposal Costs, defines proposal costs as the costs of preparing bids, proposals, or applications on potential Federal and non-Federal awards or projects. “Proposal costs of the current accounting period of both successful and unsuccessful bids and proposals normally should be treated as indirect costs and allocated currently to all activities” 2 CFR Part 200.460).

The Organizations will treat all proposal costs in accordance with this regulation.

Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Accounting Department shall review the terms, time periods, award amounts, and expected expenditures associated with the award. A Catalog of Federal Domestic Assistance (CFDA) number shall be determined for each award.

2. All reporting requirements under the contract or award shall be summarized in a document.
3. Create new general ledger account numbers (or segments). New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.

4. Gather documentation. See the following section, “Document Administration”, for details.

Compliance with Laws, Regulations, and Provisions of Awards

The Coalition recognizes that as a recipient of federal funds, the Organization is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants.

To ensure that the Organization meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a federal agency:

1. For each federal award, the CFO is responsible for administering the award and will be designated as "grant/contract manager.”

2. The CFO shall attend a training on grant management prior to beginning his or her role as a grant manager (or as early in their functioning as a grant manager as practical). Thereafter, the CFO shall attend refresher/update courses on grant management in accordance with the grantor requirements.

3. The grant manager shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
   a. Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
   b. Review 2 CFR Part 200 Appendix XI, Compliance Supplement (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all federal awards.
   c. Review the section of the Catalog of Federal Domestic Assistance (CFDA) applicable to the award.
   d. The grant manager will communicate grant requirements to those who will be responsible for carrying them out, or impacted by them.

4. The CFO shall prepare a list of applicable laws regulations related to the grant (such as OMB Circulars, pertinent sections of compliance supplements, and other regulations).

5. The Accounting Department designated staff under the direction of the CFO shall identify and communicate any special changes in policies and procedures necessitated by federal awards as a result of the review of each award.

6. The Accounting Department designated staff under the direction of the CFO shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to 2 CFR Part 200 Appendix XI, Compliance Supplement, and communications with federal awarding agency personnel.
7. The CFO shall inform the independent auditors of applicable laws, regulations, and provisions of contracts and grants. The CFO shall also communicate known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

**Document Administration**

The Coalition receiving government funds should maintain a well-organized and secure file of all pertinent grant-related documents. This facilitates compliance with requirements of the award, retention of documents required, and the audit.

The policies in this section are designed to establish such a system.

2 CFR Part 200.335, Methods for collection, transmission and storage of information, states that the non-Federal entity “should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper.”

For each grant/award received by the Coalition from a federal, state, or local government agency, a master file of documents applicable to the award shall be prepared and maintained. The responsibility for assembling each master file shall be assigned to the Contracts Specialist, assigned to administer the files.

The master file assembled for each government award shall include all of the following documents (including originals of all documents received from the awarding agency):

1. Copy of the initial application for the award and corresponding budget
2. All correspondence to and from the awarding agency post-application, leading up to the award
3. The final, approved budget and program plan, after making any modifications
4. The grant agreement and any other documents associated with the initial making of the award
5. Copies of pertinent laws and regulations, including awarding agency guidelines, associated with the award
6. Subsequent grant modifications (financial and programmatic)
7. Copies of program and financial reports
8. Subsequent correspondence to/from the awarding agency
9. Results of any monitoring visits conducted by the awarding agency, including resolution by the Organization of any findings arising from such visits
10. Correspondence and other documents resulting from the closeout process of the award

The preceding grant document file shall be organized into four sections as follows:

1. Pre-award documents
2. Post-award documents, including reports
3. Laws, regulations, and agency guidelines
4. Audit/monitoring-related documents

On the inside front cover of the grant document file shall be a Summary of Critical Award Provisions, prepared by the CFO. This summary shall include, at a minimum, the following:

1. Key compliance requirements, including citations of applicable laws and regulations
2. Important deadlines
3. Correspondence contact information at the awarding agency

The original grant document file shall remain in the office of the Administration in a locked filing cabinet. The Contract Specialist shall maintain a separate file of frequently requested documents that shall consist of photocopies of the documents included in the secure grant document file. The purpose of this file of copied documents is to limit the potential for loss of valuable documents.

Any other Coalition employee making a valid request for access to grant documents shall be provided with the file of copied documents and shall be asked to sign this file out of the Administration office.

**Closeout of Federal Awards**

The Organization shall follow the closeout procedures described in 2 CFR 200.343 – 345, Closeout, and in the grant agreements as specified by the granting agency.

The Organization and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.
COST SHARING AND MATCHING

The Coalition is required to collect and report local match for the school readiness program. The General Appropriations Act requires a match of six percent from local sources for working poor eligible participants in the school readiness program unless a waiver is granted by the awarding agency.

The Child Care Executive Partnership Program (CCEP) requires a dollar for dollar match pursuant to Section 1002.94, Florida Statutes (F.S.).

The Coalition will comply with the OEL Match Reporting Guidance 440.10. As required by the Office of Early Learning Grant Agreement, the Organization must submit its completed Local Match Reporting form by the 20th of each month.

The Organization values contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or federal agency regulations identify specific values to be used.

The Organization shall claim contributions as meeting a cost sharing or matching requirement of a federal award only if all of the following criteria are met:

1. They are verifiable from the Organization records.
2. They are not included as contributions (or match) for any other federally-assisted project or program.
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. They are allowable under the federal cost principles, 2 CFR Part 200 Subpart E, Cost Principles.
5. They are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.
6. They are provided for in the approved budget when required by the federal awarding agency.
7. They conform to all provisions of federal administrative regulations, 2 CFR Part 200 Subpart D, Post Federal Awards Requirements.
8. In the case of donated space, (or donated use of space), the space is subject to an independent appraisal performed by a certified appraiser as defined by 2 CFR Part 200.306(i)(1) to establish its value.

The Coalition does not maintain in kind match. If in kind match is established, appropriate policies and procedures will be developed.

All determinations of hourly rates used to value contributed services shall be reviewed, documented, and approved by the CFO.
FUND RAISING

Overview

Fund raising costs for the purposes of meeting the Federal program objectives are allowable with prior written approval from the Federal awarding agency (2 CFR Part 200.442, Fund raising and investment management costs).

In addition, expenses incurred for fund-raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable (2 CFR Part 200.442).

The Coalition that is eligible to receive tax-deductible contributions under Section 170(c) must keep sample copies of its fundraising materials such as fundraising solicitations, tickets, receipts or other evidence of payments received in connection with fundraising activities.

Prior to embarking on any significant fund-raising activities, the board should establish policies regarding the types of contributions it is willing to accept.

The Board will be addressing the three primary aspects of gift acceptance:

- The types of noncash assets that will be accepted (e.g., land, etc.),
- The nature of donor restrictions that will be accepted, and
- The types of donors whose gifts will be accepted.

The Organization shall maintain a subsidiary record that tracks each special fund-raising event sponsored by the Organization.

The accounting staff shall be responsible for maintaining this subsidiary record, with assistance from the CFO.

The following information shall be tracked on an event-by-event basis for purposes of possible disclosure in the Organization’s annual Form 990 information return with the IRS:

1. Description and location of the event (including an indication of whether any type of gaming activities took place in connection with the event).

2. Total gross proceeds received in connection with the event.

3. Portion of the proceeds considered to be a contribution (equal to the amount received less the fair value of any benefits provided to donors).

4. Total costs of the event.

5. Portion of the costs attributable to direct donor benefits (i.e., the cost of any benefits provided to donors, such as the cost of green fees or a meal provided to attendees at a fund-raiser).

6. Portion of the total costs associated with:
a. Rent or facility costs  
b. Cash prizes, if any  
c. Noncash prizes, if any  
d. Food and beverages  
e. Entertainment  
f. Fees paid to (or retained by) an outside fund-raiser

7. The percentage of the overall labor effort involved in the event that was contributed by volunteers (this schedule should show total hours associated with paid employees/contractors and total hours associated with volunteer efforts).

8. The names and addresses of any outside fund-raiser used in connection with the event.

9. An indication of whether any outside fund-raiser ever took custody, even temporarily, of funds rose for the Organization in connection with any fund-raising event.

**Receipt of Donations**

Upon receipt, all monetary donations will be processed according to the Cash Receipts policies contained in this manual. Information on restriction of gifts shall be communicated to the Fiscal Department so the gift can be recorded and governed according to the wishes of the donor.

After funds are deposited, check copies, cash receipts, source of the gift, intended use and any other information included with the gift is delivered to the Communication Specialist.

The Communication Specialist will acknowledge gifts within 3 business days of receipt. Please see the donation procedures for details.

The accounting system and the donor database must be reconciled to each other at least monthly.

**Receipts and Disclosures**

The Organization and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying regulations. To comply with those rules, the Coalition shall adhere to the following guidelines with respect to contributions received by the Organization.

The Coalition will acknowledge all donations; as a donor of a charitable contribution of $250 or more cannot take an income tax deduction unless the donor obtains the organization’s acknowledgement to substantiate the contribution.

Receipts may take many different forms (email, letter, postcard, etc.) but they must be written and contemporaneous.

The Accounting Department shall provide a receipt to the donor for every separate contribution received. All receipts shall include the following information:
1. The amount of cash received and/or a description (but not an assessment of the value) of any noncash property received.

2. A statement of whether the Organization provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received.

3. If any goods or services were provided to the donor by the Organization, a description and good faith estimate of the value of those goods or services.

**Credit Card Donations**

For donations made by credit card through the Organization’s website, the following procedures will be followed:

1. Charges will be processed by an outsourced service provider.

2. The Accounting Manager will prepare daily reports listing each amount charged for a donation and the contact information of the donor.

3. The Accounting Manager will send daily reports to the Communication Specialist listing each amount of a donation and the contact information of the donor.

4. The report will be used by the Accounting Department to be used to reconcile the bank statement.

5. Recording of the revenue will be done daily into the Organization’s donor database and then into the accounting system with a journal voucher.

**State Registrations**

It is the policy of the Organization to register in the state of Florida, in which the organization’s fund-raising activities would result in a requirement to register. The determination of state registration requirements shall be with the CFO who may consult outside advisors in making such determinations.

Once registered, the CFO shall ensure that subsequent periodic filing requirements are met. The CFO may delegate the preparation of such periodic state filings to the accounting staff, subject to the review and approval of the CFO.
BILLING/INVOICING POLICIES

Overview

The Organization’s primary sources of revenue are:

- Reimbursement grants: Billed monthly, or as funders require, based on allowed, incurred expenses.
- Fee-for-service income: Billed according to contract requirements based on number of units of services provided.
- Private grants: Funds are usually received once funding is approved. Financial expenditure reports, if required, are submitted as required by funding sources.
- Donations/Contributions: May be solicited or unsolicited.

Other lesser sources of income such as transportation fees, meal charges, or child care fees will be collected and recorded when the services are provided.

Responsibilities for Billing and Collection

The Organization’s Accounting Department is responsible for the invoicing of funding sources and the collection of outstanding receivables.

Billing and Financial Reporting

The Organization strives to provide management, staff, and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

The Organization shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of the accounting department, subject to review and approval by the CFO.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to the Coalition:

1. The Coalition will request reimbursement after expenditures have been incurred, unless an award specifies another method.

2. The Coalition will strive to minimize the time between receipt and disbursement of grant funds by issuing payments based on a set schedule of receipt of such funds. 2 CFR Part 200 requires that organizations receiving federal funds minimize the time between receipt and disbursement of grant funds as follows:

   “The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements…” 2 CFR Part 200.305(b)(1).
3. Each award normally specifies a particular billing cycle. Therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.

4. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.

5. All financial reports required by each federal award will be prepared and filed on a timely basis. To the extent Coalition’s year-end audit results in adjustments to amounts previously reported to federal agencies, revised reports shall be prepared and filed in accordance with the terms of each federal award.

The Organization shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded in the accounting records of the Organization by the Senior Accountant.

If a federal award authorizes the payment of cash advances to the Organization, the CFO may require that a request for such an advance be made. Upon receipt of a cash advance from a federal agency, the Organization shall reflect a liability equal to the advance. As part of the monthly closeout and invoicing process, the liability shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

**Cash Advances**

An advance of federal funds occurs when the Organization receives funds prior to disbursing them.

The Coalition will comply with requirements of the OEL grant agreements and Fiscal Guidance 240.1 Cash Management procedures.

All funds shall be deposited into an interest-bearing cash account under the cash receipts policies and procedures described in this manual. The Coalition may keep up to $500 in interest earned on federal advances per year (2 CFR Part 200.305(b) (7), (8) and (9)).

The Coalition utilizes the following schedule to disburse funds:

- Payroll is processed on a bi-weekly schedule
- Regular vendor invoices are processed weekly
- SR Provider payments are processed on the 20th of the month. If the 20th falls on weekend, funds are disbursed on the preceding Friday.
- VPK Provider payments and advances are processed on the last business day of the month. If the last business day of the month falls on weekend, funds are disbursed on the preceding Friday.
Accounts Receivable Entry Policies

Accounting staff, independent of the cash receipts function shall post customer invoices, credit adjustments, and other adjustments to the accounts receivable subsidiary ledger.

Classification of Income and Net Assets

All income received by the Organization is classified as "unrestricted," with the exception of the following:

1. Grants and other awards received from government agencies or other grantors, which are classified as temporarily restricted.

2. Special funds received from donors requesting that these funds be permanently restricted for specific purposes.

From time to time, the Organization may raise other forms of contribution income which carry stipulations that the Organization utilize the funds for a specific purpose or within a specified time period identified by the donor of the funds.

When this form of contribution income is received, the Organization shall classify this income as Temporarily Restricted income.
CASH RECEIPTS

Overview

Cash (including checks payable to the Coalition) is the most liquid asset of the Organization. Therefore, it is the objective of the Coalition to establish and follow the strongest possible internal controls in this area.

The Coalition’s revenue and cash receipts policies and procedures demonstrate sound internal controls designed to prevent or detect revenue and skimming frauds attempted by employees. In order to maintain adequate segregation of duties, staff not normally involved in accounting procedures such as the Executive Assistant or other staff may be assigned some cash-handling tasks.

- Cash receipts are received in a central location, recorded, and deposited on a timely basis.
- Mail is opened daily and a listing of cash/checks received shall be prepared in an open area, in the presence of other employees.
- The individual preparing the daily list of receipts shall be someone that is not involved in the accounts receivable or accounts payable process.
- A deposit slip is prepared from the cash/checks received and compared to the daily receipts listing for discrepancies.
- Deposits are prepared and taken to the bank by an individual other than the employee who prepared the daily cash receipts listing.

Processing of Checks and Cash Received in the Mail

Segregation of duties is a key element of cash receipts. In that regard, the following procedures are adopted by the Coalition:

1. A Coalition staff member that performs no accounting functions receives incoming funds, when the daily mail arrives and, creates a permanent record of funds received by preparing a log or list.
2. Staff other than the person(s) involved in Step 1 prepares the deposit slip.
3. Staff other than the persons in Step 1 and Step 2 compares the list prepared in Step 1 to bank deposit records to verify that all funds received were properly deposited.
4. Receipts are posted to the accounts receivable records (or to revenue if no receivable is recorded first) by staff other than the person(s) involved in Step 1, 2, and 3.
5. Posting of any subsequent write-off or write-down of accounts receivable should only be done by staff that does not have access to incoming funds, and subject to proper review and approval by the CFO.
6. Reconciliations of anticipated revenue with actual recorded revenue are performed by staffs that do not have access to incoming funds.

The detailed internal procedures are available in the Finance office.
**Endorsement of Checks**

All checks received that are payable to the Organization shall immediately be restrictively endorsed by the Executive Assistant, who prepares the daily receipts listing. The restrictive endorsement shall be a stamp that includes the following information:

1. For Deposit Only
2. Early Learning Coalition of Pinellas County, Inc.
3. The bank name
4. The bank account number

**Timeliness of Bank Deposits**

Bank deposits will be made on a daily basis, unless the total amount received for deposit is less than $500. In no event shall deposits be made less frequently than weekly.

Un-deposited checks and cash shall be maintained in a locked box and kept in a secure area until deposited. Such cash will not be used as petty cash or to make change.

**Credit Card Receipts**

The Organization does not accept credit card payments.

When clients or donors wish to make payment via credit card, they will be directed to the Organization’s website or other means to make payment.

**Reconciliation of Deposits**

On a periodic basis, the CFO, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits on the monthly bank statement.

Any discrepancies shall be immediately investigated.

This policy is intended as a supplement to (not a part of) the monthly bank reconciliation process.

The intention is to establish an additional periodic reconciliation designed to identify any instances in which funds received and logged in were not deposited in a timely manner to the Organization’s bank accounts.
Control Grid - Revenue and Cash Receipts

The Organization strives to maintain adequate segregation of duties in its income and cash receipts functions. The following table illustrates how responsibilities have been assigned.

In this table, personnel are identified as follows:

A. Chief Financial Officer
B. Accounting Manager
C. Fiscal Budget Specialist
D. Contract Specialist
E. Executive Assistant
F. Purchasing Specialist
G. Facilities Assistant

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produces invoice to bill customer/funder</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enters invoice into A/R system</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initials receipt of funds (cash or checks)</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restrictively endorses checks</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initials receipt of credit card payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepares initial record of funds collected</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Prepares deposit slip</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Takes deposit slip to bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Processes credit card payments</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enters payments into A/R system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Reconciles log of collections w/ A/R posting</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorizes credits or other adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Posts credits/adjustments to A/R system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Authorizes write-off of bad debts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Posts bad debt write-offs to A/R system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Prepares periodic customer statements</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Reconciles A/R with general ledger</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Reconciles bank statement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Reviews A/R aging</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Performs follow-up calls on old A/R</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>
GRANTS RECEIVABLE MANAGEMENT

Monitoring and Recognition

The Organization records grants receivable and income as it is earned and billed during the grant year.

The Accounting staff is responsible for monitoring budget-to-actual expenditures throughout the grant year, and will meet monthly with the CFO to discuss grant fiscal results.

This method of recording a receivable and recognizing grant income as it is invoiced meets the requirements of generally accepted accounting principles (GAAP).
ACCOUNTS RECEIVABLE MANAGEMENT

Monitoring and Reconciliations

On a monthly basis, the designated accounting staff will reconcile a detailed accounts receivable report (showing aged, outstanding invoices by customer) to the general ledger. The CFO will review the reconciliation and ensure that all differences are immediately investigated and resolved.

Credits and Other Adjustments to Accounts Receivable

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include returned funds from providers and adjustments for billing errors. An employee who is independent of the cash receipts function will process credits and adjustments to Accounts Receivable, and all credits shall be authorized by the CFO.

Note: Bad debt write-offs are not allowable costs for federal grants.

Accounts Receivable Write-Off Authorization Procedures

All available means of collecting accounts receivable will be exhausted before write-off procedures are initiated. Write-offs are initiated by the department associated with the amount to be written off, in conjunction with the Accounting Department. If an account receivable is deemed uncollectible, the following approvals are required before the write-off is processed:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Authorized in writing by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1,000</td>
<td>CFO</td>
</tr>
<tr>
<td>$1,000 or more</td>
<td>CEO &amp; Grantor Approval</td>
</tr>
</tbody>
</table>

Once a write-off has been processed, appropriate individuals in the originating department will be advised to ensure that further credit is not granted and the master list of bad accounts is updated. Customers listed as poor credit risks will be extended future credit only if the back debt is paid and the customer is no longer deemed a collection problem.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Current year invoices that are written off will either be charged against an appropriate revenue or revenue adjustment account, or against the original account credited.
2. Invoices written off that are dated prior to the current year will be written off against net assets.

In order to maintain effective internal controls, staff with the ability to write off receivables should not have the ability to record payments.
POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS

PURCHASING POLICIES AND PROCEDURES

2 CFR Part 200 has replaced the word “vendor” with the word “contractor” (2 CFR Part 200.23).

We use “contractor” in our manual.

Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY THE ORGANIZATION.

The Organization requires the practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and grant requirements.

Responsibility for Purchasing

All department heads or their designees shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department directors shall inform the Accounting Department of all individuals that may initiate purchases or prepare purchase orders. The Accounting Department shall maintain a current list of all authorized purchasers.

The Accounting Department shall be responsible for processing purchase orders. The CFO and the CEO has approval authority over all purchases and contractual commitments, and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Code of Conduct in Purchasing (2 CFR Part 200.318 (c)(1))

Ethical conduct in managing the Organization's purchasing activities is absolutely essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

- Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No officer, board member, employee, or agent shall participate in the selection or administration of a contractor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his or her immediate
family, his or her spouse or partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.

- Officers, board members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.
- Unsolicited gifts with a value of $25 or less may be accepted with the approval of the CEO.

**Competition (2 CFR Part 200.319)**

In order to promote open and full competition, purchasers will:

- Be alert to any internal potential conflicts of interest.
- Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.
- Not permit contractors who develop specifications, requirements, or proposals to bid on such procurements.
- Award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors.
- Issue solicitations that clearly set forth all requirements to be evaluated.
- Reserve the right to reject any and all bids when it is in the Organization’s best interest.
- Not give preference to state or local geographical areas unless such preference is mandated by Federal statute. (200.319(b))
- “Name brand or equivalent” description may be used as a means to define the performance or requirements (200.319(c)(1))

**Nondiscrimination Policy**

All vendors or contractors who are the recipients of Organization funds or who propose to perform any work or furnish any goods under agreements with the Organization, shall agree to these important principles:

1. Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractors.

2. Contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for meeting the intent of this section.

**Procurement Procedures**

The following are the Organization’s procurement procedures:

1. The Organization shall avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a federal award. (2 CFR Part 200.318(d))
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. 

(2 CFR Part 200.318(d)). This analysis should only be made when both lease and purchase alternatives are available to the program.

3. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement of use of common or shared goods and services. (2 CFR Part 200.318(e))

4. Purchasers are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs (2 CFR Part 200.318(f)).

5. Documentation of the cost and price analysis associated with each procurement decision in excess of the simplified acquisition threshold ($150,000) shall be retained in the procurement files pertaining to each federal award. (2 CFR Part 200.323)

6. All pre-qualified lists of persons, firms or products which are used in acquiring goods and services must be current and include enough qualified sources to ensure maximum open and full competition. (2 CFR Part 200.319(d)) 2 CFR Part 200.323 Contract cost and price, requires non-Federal entities to perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold ($150,000). As a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

7. The Organization will maintain records sufficient to detail the history of procurement, including:

(2 CFR Part 200.318(i))

   a. Rationale for the method of procurement;
   b. Selection of contract type;
   c. Contractor selection or rejection; and
   d. The basis for the contract price.

8. The Organization shall make all procurement files available for inspection upon request by a federal awarding agency.


All staff members with the authority to approve purchases will receive a copy of and be familiar with 2 CFR Part 200.400 – 475, Cost Principles.
## Authorizations and Purchasing Limits

All completed purchase orders must be signed by the preparer and approved by the Department Director or designee. The following table lists required approval levels and solicitation processes:

<table>
<thead>
<tr>
<th>Amount of Purchase</th>
<th>Required Approvals</th>
<th>Required Solicitation</th>
<th>Required Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $3,000</td>
<td>Supervisor, CFO, CEO</td>
<td>Evidence of solicitation not required but purchases should be distributed among qualified vendors</td>
<td>• Receipt approved by Dept. Director or designated staff</td>
</tr>
<tr>
<td>$3,000 ≤ $25,000</td>
<td>Dept. Director, CFO, CEO</td>
<td>3 written bids (catalogue, Internet, written)</td>
<td>• Documentation of bids received&lt;br&gt;• How decision was made</td>
</tr>
<tr>
<td>$25,001 ≤ $39,500</td>
<td>Dept. Director, CFO, CEO</td>
<td>3 written bids (Request for Bids or Request for Proposals)</td>
<td>• Copy of RFB or RFP&lt;br&gt;• Proposal scoring grids including who participated in the scoring&lt;br&gt;• Proposal and contract of winning bid</td>
</tr>
<tr>
<td>&gt; $39,500</td>
<td>Dept. Director, CFO, CEO, Board of Directors</td>
<td>3 written bids (Request for Bids or Request for Proposals)</td>
<td>• Copy of RFB or RFP&lt;br&gt;• Proposal scoring grids including who participated in the scoring&lt;br&gt;• Proposal and contract of winning bidder</td>
</tr>
</tbody>
</table>

This table incorporates the micro-purchase limit of $3,000 in aggregate ($2,000 if the purchase is subject to the requirements of Davis Bacon). Micro-purchases may be made without soliciting competitive quotation if the organization considers the price to be reasonable. Organizations must distribute micro-purchases equitably among qualified suppliers. (2 CFR Part 200.320(a))

The Coalition should establish amounts and processes that are appropriate for its circumstances. In addition to the documentation listed above, the Coalition may consider implementing a Procurement Checklist. The checklist lists the steps in the procurement process, and requires that the staff member responsible for the procurement check off each step when completed, and sign and date the form. It serves as a reminder of the process and holds the purchaser accountable for following the required procedures.

For purchases greater than the Simplified Acquisition Threshold ($150,000), either sealed bids or requests for proposal are required. Sealed bids should be used when the decision will be made on the basis of price and price-related factors.

The Board shall approve:
- All lease agreements pertaining to occupancy.
- Grant agreements; if they require Board Chair signature
- Execute annual contracts equal to or greater than $34,900
- Checks $10,000 or more

The Coalition’s CEO and or CFO have the approval to:
- Vendor and provider contracts/agreements
- Execute annual contracts up to $34,900
- Grant Agreements that require/accept CEO signature
- Checks less than $10,000
- Reimbursement Invoices

Certain types of contracts, such as leases and others, or contracts in excess of a specified dollar threshold shall be reviewed by outside Coalition legal counsel.

**Approved Vendors**

The Organization encourages departments to develop lists of approved vendors that can be used throughout the year. The process to identify an approved vendor is as follows.

1. Develop a list of similar, commonly-purchased items that can be acquired from a single vendor. Examples are office supplies and classroom supplies.

2. Get cost estimates for the list in total, not for each item. Include shipping costs, if necessary.

3. Obtain 2 or 3 quotes, depending on the level of expected spending for the year.

4. Compare the quotes.

5. The vendors with lowest prices, including shipping, will be approved for use during the year.

6. This process could result in multiple approved vendors if the prices are within 5% of each other.

This process should be repeated annually, with the approved list produced by May15. Vendors may be added throughout the year, but all vendors will be reevaluated May 1. 2 CFR Part 200.319(d) states: “The non-Federal entity must ensure that all prequalified lists of persons, firms or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.”

**Use of Purchase Orders**

The Organization utilizes a purchase order system. A properly completed purchase order shall be required for each purchase decision (i.e., total amount of goods and services purchased, not unit cost), with the exception of travel advances and expense reimbursements, which require the preparation of a separate form, Authorization to Incur Travel Expenses. A properly completed purchase order shall contain the following information, at a minimum:
1. Specifications or statement of services required
2. Contractor name, address, point of contact and phone number
3. Source of funding (if applicable)
4. Delivery or performance schedules
5. Delivery, packing, and transportation requirements
6. Special conditions (if applicable)
7. Catalog number, page number, etc. (if applicable)
8. Net price per unit, less discount, if any
9. Total amount of order
10. Authorized signature
11. Date purchase order was prepared

Purchase orders shall be pre-numbered, kept in a secure area in the Accounting Department, and issued upon request from an authorized purchaser.

All purchase orders shall be recorded in a purchase order log. At the end of each accounting period, an aged outstanding purchase order report shall be prepared and distributed to each purchasing representative and the CFO.

Purchase orders are not required by federal regulations. However, the Coalition uses purchase orders as they are tools to manage the procurement process.

Appropriate uses of purchase orders:

Purchase orders are:
- Used to give a contractor approval to sell to the Organization.
- Used to control expenses.
- Issued and approved prior to the purchase.

Blanket purchase orders can be established at the start of the fiscal year to authorize purchases from a vendor up to a set amount, thereby eliminating the need for monthly purchase orders for standard purchases.

**Required Solicitation of Quotations from Contractors**

Solicitations for goods and services (requests for proposals or RFPs) should provide for all of the following:
1. A clear and accurate description of the technical requirements for the material, product, or service to be procured. Descriptions shall not contain features which unduly restrict competition. *(2 CFR Part 200.319(c)(1))*

2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals. *(See the next section entitled “Evaluation of Alternative Contractors” for required criteria.)* *(2 CFR Part 200.319(c)(2))*

3. Technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards. *(2 CFR Part 200.319(c)(1))*

4. The specific features of "brand name or equal" descriptions that bidders are required to meet when appropriate. *(2 CFR Part 200.319(c)(1))*

5. A description of the format, if any, in which proposals must be submitted, including the name of the person to whom proposals should be sent.

6. The date by which proposals are due.

7. Required delivery or performance dates/schedules.

8. Clear indications of the quantity(ies) requested and unit(s) of measure.

**Extension of Due Dates and Receipt of Late Proposals**

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, an extension may be granted if a prospective offeror so requests.

Contractor proposals are considered late if received after the due date and time specified in the solicitation. Late proposals shall be so marked on the outside of the envelope and retained, unopened, in the procurement folder. Contractors that submit late proposals shall be sent a letter notifying them that their proposal was late and could not be considered for award.

**Evaluation of Alternative Contractors**

Contractors shall be evaluated on a weighted scale that considers some or all of the following criteria as appropriate for the purchase:

1. Adequacy of the proposed methodology
2. Skill and experience of key personnel
3. Demonstrated experience
4. Other technical specifications designated by the department requesting proposals
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Contractor’s financial stability
7. Contractor’s demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by vendor
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority- or women-owned business status of vendor
12. Other criteria (to be specified by the department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, the department responsible for the purchase shall establish the relative importance of the appropriate criteria prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

After a contractor has been selected and approved by the [Department Director], the final selection shall be approved by others according to Sample Organization’s purchasing approval policies.


Positive efforts shall be made by the Organization to utilize small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms whenever possible. Therefore, the following steps shall be taken:

1. Ensure that small business, minority-owned firms, women's business enterprises, and labor surplus area firms are used to the fullest extent practicable. *(2 CFR Part 200.321)*

2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, women's business enterprises and labor surplus area firms. *(2 CFR Part 200.321(b)(4))*

3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms, and women's business enterprises. *(2 CFR Part 200.321(b)(6))*

4. Encourage contracting with consortiums of small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms when a contract is too large for one of these firms to handle individually. *(2 CFR Part 200.321(b)(3))*

5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce’s Minority Business Development Agency in the minority-owned firms and women's business enterprises. *(2 CFR Part 200.321(b)(5))*

**Availability of Procurement Records (2 CFR Part 200.324(b))**

The Organization shall, on request, make available for the federal awarding agency, pre-award review and procurement documents, such as requests for proposals, when any of the following conditions apply:

- The process does not comply with the procurement standards in 2 CFR Part 200. *(2 CFR Part 200.324(b)(1))*
- The procurement is expected to exceed the federally-defined simplified acquisition threshold ($150,000) and is to be awarded without competition or only one bid is received. *(2 CFR Part 200.324(b)(2)*)
• The procurement exceeds the simplified acquisition threshold and specifies a “name brand” product. (2 CFR Part 200.324(b)(3))
• The proposed award exceeds the federally-defined simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed-bid procurement. (2 CFR Part 200.324(b)(4))
• A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the federally-defined simplified acquisition threshold. (2 CFR Part 200.324(b)(5))

Provisions Included in All Contracts (2 CFR Part 200 Appendix II)

The Organization includes all of the following provisions, as applicable, in all contracts charged to federal awards (including small purchases) with vendors and subgrants to grantees:

1. **Contracts** for more than the simplified acquisition threshold currently set at $150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

2. All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.


4. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7):** When required by Federal program legislation, all construction contracts of more than $2,000 awarded by Sample Organization and its subrecipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”).

5. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** Where applicable All contracts awarded by Sample Organization in excess of $2,000 for construction contracts and in excess of $2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5).

6. **Rights to Inventions Made Under a Contract or Agreement:** Contracts or agreements for the performance of experimental, developmental or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organization and Small Business Firms”
Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the award agency.

7. **Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended:** Contracts and subgrants of amounts in excess of $100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

8. **Mandatory** standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).

9. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or subgrants of $100,000 or more, Sample Organization shall obtain from the contractor or subgrantee a certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. 1352.

10. **Debarment and Suspension (E.O.s 12549 and 12689):** No contract shall be made to the parties listed on the General Services List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.’s 12549 and 12689, “Debarment and Suspension.”

A list of excluded parties can be found at www.sam.gov. Note that some federal grants require evidence that a search for debarment or suspension status was completed for every purchase.

**Special Purchasing Conditions**

*Emergencies:*
Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of Organization property is involved. The reasons for such purchases will be documented in the procurement file.

*Single Distributor/Source:*
Sole source purchases contractors may be made when one or more of the following conditions apply:

- The item or service is only available from one source;
- The situation is an emergency and will not permit a delay resulting from competitive solicitation;
- The awarding agency expressly authorizes noncompetitive proposals in response to a written request; or
- After solicitation, competition is deemed inadequate (insufficient bidders).

Approval from the awarding agency may be required.
**Right to Audit Clause**

The Organization requires a “Right to Audit” clause in all contracts between the Organizations and vendors that either:

1. Take any form of temporary possession of assets directed for the Organization, or
2. Process data that will be used in any financial function of the Organization.

This Right to Audit clause shall permit access to and review of all documentation and processes relating to the contractor’s operations that apply to the Organization, as well as all documents maintained or processed on behalf of the Organization, for a period of three years. The clause shall state that such audit procedures may be performed by the Organization employees or any outside auditor or contractor designated by the Organization.

**Contractor Files and Required Documentation**

The Accounting Department shall create a contractor folder for each new contractor from whom the Organization purchases goods or services.

The Accounting Department shall mail a blank Form W-9 to new contractor and request that the contractor complete and sign the W-9 (or provide equivalent, substitute information) and return it in the postage-paid envelope provided. Completed, signed Forms W-9 or substitute documentation shall be filed in each contractor’s folder. Contractors who do not comply with this request shall be issued a Form 1099 at the end of each calendar year in accordance with the policies described in the section of this manual on “Government Returns.” See the section on “Payroll and Related Policies” for guidance on determining whether a vendor should be treated as an employee.

**Procurement Grievance Procedures**

Any bidder may file a grievance with the Organization following a competitive bidding process. Once a selection is made, bidders must be notified in writing of the results. The written communication mailed to bidders must also inform them that they may have a right to appeal the decision. Information on the organization’s appeal procedures must be made available to all prospective contractors or subgrantees upon request, including the name and address of a contact person, and a deadline for filing the grievance. Grievances are limited to violations of federal laws or regulations, or failure of the Organization to follow its own procurement policies.

**Receipt and Acceptance of Goods**

A designated individual shall inspect all goods received. Upon receipt of any item from a contractor, the following actions shall immediately be taken:

1. Review bill of lading for correct delivery point.
2. Verify the quantity of boxes/containers with the bill of lading.
3. Examine boxes/containers for exterior damage and note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.).
4. Sign and date the bill of lading.
5. Remove the packing slip from each box/container.
6. Compare the description and quantity of goods per the purchase order to the packing slip.
7. Examine goods for physical damage.
8. Count or weigh items, if appropriate, and record the counts on the purchase order.

This inspection must be performed in a timely manner to facilitate prompt return of goods and/or communication with contractors. It is the Coalition policy and to the extent possible, the person(s) assigned responsibility for receiving and accepting goods should be separate from the person(s) responsible for purchasing and bill-paying.

**Contract Administration**

The Organization is required to have policies and procedures on contract administration (2 CFR Part 200.318(b)). Therefore, all contract managers will adhere to the following procedures.

1. Contract administration files shall be maintained:
   a. For each contract greater than $10,000 a separate file shall be maintained.
   b. For contracts less than $10,000, contract records may be combined in a single file by grant or other funding source.

2. Contract administration files shall contain:
   a. The required documentation specified in the authorizations and purchasing limits table for the original scope of work and for all amendments.
   b. Where the contract work is identified in the grant award or budget, the identification and scope of the work contained in the award or budget, and all approved changes.

3. Authorization of work:
   a. No work shall be authorized until the contract for the work has been approved and fully executed.
   b. No change in the work shall be authorized until an amendment to the contract for the work has been approved and fully executed, except as permitted for Special Purchasing Conditions.
   c. No amendment of a contract for work shall be executed until it has been approved and authorized as required in the Authorizations and Purchasing Limits table and, where required by the terms of the grant award or budget, approval by the funding source.

4. Conformance of work:
   a. For each grant award, based on the applicable laws, regulations and grant provisions, the CFO shall establish and maintain a system to reasonably assure contractor:
      i. Conformance with the terms, conditions, and specifications of the contract, and
      ii. Timely follow-up of all purchases to assure such conformance and adequate documentation.

5. The CFO will authorize payment of invoices to contracts after final approval of work products.
SUBRECIPIENTS

Making of Subawards

From time to time, the Organization may find it practical to make subawards of federal funds to other organizations. All subawards in excess of the simplified acquisition threshold shall be subject to the conflict of interest policies described in the preceding section. In addition, all subrecipients must be approved in writing by the federal awarding agency and agree to the subrecipient monitoring provisions described in the next section.

The Organization is required to evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward to determine the appropriate monitoring. Evaluations may include such factors as: (2 CFR Part 200.331(b))

- The subrecipient’s prior experience with the same or similar subawards;
- The results of previous audits including whether or not the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been audited as a major program;
- Whether the subrecipient has new personnel or new or substantially changed systems; and
- The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

In addition, the Organization shall obtain the following documents from all new subrecipients:

1. Articles of Incorporation
2. Bylaws or other governing documents
3. Determination letter from the IRS (recognizing the subrecipient as exempt from income taxes under IRC section 501(c)(3))
4. Last three years’ Forms 990 or 990-EZ, including all supporting schedules and attachments (also Form 990-T, if applicable)
5. Copies of the last three years’ audit reports and management letters received from subrecipient’s independent auditor (including all reports associated with audits performed in accordance with 2 CFR Part 200.500 – 521, if applicable)
6. Copy of the most recent internally-prepared financial statements and current budget
7. Copies of reports of government agencies (Inspector General, state or local government auditors, etc.) resulting from audits, examinations, or monitoring procedures performed in the last three years

Monitoring of Subrecipients

When the Organization utilizes federal funds to make subawards to subrecipients, the Organization is subject to a requirement to monitor each subrecipient in order to provide reasonable assurance that subrecipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program.

In fulfillment of its obligation to monitor subrecipients, the following policies apply to all subawards of federal funds made by the Organization to subrecipients:
The following required information will be provided to all subrecipients:

1. Federal Award Identification.
   a. Subrecipient name (which must match registered name in DUNS);
   b. Subrecipient's DUNS number;
   c. Federal Award Identification Number (FAIN);
   d. Federal Award Date;
   e. Subaward Period of Performance Start and End Date;
   f. Amount of Federal Funds Obligated by this action;
   g. Total Amount of Federal Funds Obligated to the subrecipient;
   h. Total Amount of the Federal Award;
   i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
   j. Name of Federal awarding agency, pass-through entity, and contact information for awarding official,
   k. Catalogue of Federal Domestic Assistance (CFDA) Number and Name. Sample Organization must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
   l. Indirect cost rate for the Federal award (including if the de minimis rate is charged per § 200.414 Indirect (F&A) costs).

2. All requirements imposed by the Organization on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

3. Any additional requirements that the Organization imposes on the subrecipient in order for the Organization to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

4. An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between Sample Organization and the subrecipient, or a de minimis indirect cost rate as defined in § 200.414 Indirect costs.

5. A requirement that the subrecipient permit the Organization and auditors to have access to the subrecipient's records and financial statements as necessary for the Organization to meet the monitoring requirements of 2 CFR Part 200; and

6. Appropriate terms and conditions concerning closeout of the subaward.

7. Subawards shall require that subrecipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.

8. Subawards shall require that subrecipients submit financial and program reports to the Organization on a basis no less frequently than monthly. The Organization will follow up with all subrecipients to determine whether all required audits have been completed. The Organization will cease all funding of subrecipients failing to meet the requirement to undergo an audit in accordance with 2 CFR Part 220.501. For subrecipients that properly obtain an audit in accordance with 2 CFR Part 200.501, the Organization shall obtain and review the resulting audit reports for possible effects on the Organization's accounting records or audit (2 CFR Part 200.501, requires single audits for non-Federal entities that expend $750,000 or more during a fiscal year).
9. The Organization shall assign one of its employees the responsibility of monitoring each subrecipient on an ongoing basis during the period of performance by the subrecipient. This employee will establish and document, based on her or his understanding of the requirements that have been delegated to the subrecipient, a system for the ongoing monitoring of the subrecipient.

10. Ongoing monitoring of subrecipients will vary from subrecipient to subrecipient based on the nature of work assigned to each. However, ongoing monitoring activities may involve any or all of the following:

   a. Regular contacts with subrecipients and appropriate inquiries regarding the program.

   b. Reviewing programmatic and financial reports prepared and submitted by the subrecipient and following up on areas of concern.

   c. Monitoring subrecipient budgets.

   d. Performing site visits to the subrecipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the subaward.

   e. Offering subrecipients technical assistance where needed.

   f. Maintaining a system to track and follow up on deficiencies noted at the subrecipient in order to ensure that appropriate corrective action is taken.

   g. Establishing and maintaining a tracking system to ensure timely submission of all reports required of the subrecipient.

11. Documentation shall be maintained in support of all efforts associated with monitoring of subrecipients.

12. In connection with any subrecipient that has been found to be out of compliance with provisions of its subaward with the Organization, responsive actions by the Organization shall be determined by CFO. Such actions may consist of any of the following actions:

   a. Increasing the level of supporting documentation that the subrecipient is required to submit to the Organization on a monthly or periodic basis.

   b. Requiring that subrecipient prepare a formal corrective action plan for submission to the Organization.

   c. Requiring that certain employees of the subrecipient undergo training in areas identified as needing improvement.

   d. Requiring documentation of changes made to policies or forms used in administering the subaward.

   e. Arranging for on-site (at the subrecipient’s office) oversight on a periodic basis by a member of the Organization accounting or grant administration staff.

   f. Providing copies of pertinent laws, regulations, federal agency guidelines, or other documents that may help the subrecipient.

   g. Arranging with an outside party (such as the Organization’s own independent auditors) for periodic on-site monitoring visits.

   h. Reimbursing after-the-fact, and not provide advances.

   i. Requiring review and approval for each disbursement and all out-of-area travel.

   j. As a last resort, terminating the subaward relationship and seeking an alternative.
POLITICAL INTERVENTION

Prohibited Expenditures

Consistent with its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, the Organization shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state, or local level. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

Endorsements of Candidates

The Organization will not endorse any candidates for public office in any manner, or otherwise make statements that support or oppose a candidate or a political party, either verbally or in writing. This policy extends to the actions of management, the Board of Directors, volunteers, and other representatives or agents of the Organization, when these individuals are acting on behalf of, or are otherwise representing, the Organization.

Individual vs. Organization Intervention

The preceding policies prohibiting acts of political intervention apply to the organization and to individuals acting on behalf of the organization. It does not apply to the personal lives of employees and volunteers of the organization, who have the right to support or oppose political candidates and parties as individuals.

Employees and volunteers of the Organization who engage in political activities outside the scope of their employment with or service to the Organization shall at all times be mindful of maintaining a clear distinction between personal activities and those which can be attributed to the Organization.

Prohibited Use of Organization Assets and Resources

No assets or personnel of the Organization shall be utilized for political activities, as defined above. This prohibition extends to the use of Organization assets or personnel in support of political activities that are engaged in personally by board members, members of management, employees, or any other representatives of the Organization.

While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing the Organization), these individuals must at all times be aware that Organization resources (including computers and email systems) cannot at any time be utilized in support of political activities.
LOBBYING

Introduction

Unlike political intervention, described in the preceding section, expenditures by a section 501(c)(3) public charity for lobbying activities are allowable under the Internal Revenue Code. However, no lobbying expenditures may be charged directly or indirectly to any federal award (i.e., the Organization must have a nonfederal source of funds to which such lobbying costs can be charged).

Definition of Lobbying Activities

Lobbying activities conducted by the Organization may be either direct or indirect. Direct lobbying activities consist of attempts to influence legislation through communication with any member or employee of a legislative body (federal, state, or local levels) or, if the principal purpose of the communication is lobbying, with any government official or employee who may participate in the formulation of the legislation. Direct lobbying occurs when employees of the Organization or paid lobbyists communicate directly in attempts to influence legislation. Lobbying is distinguishable from advocacy activities, which involve efforts to advocate certain positions which may have legislative implications, as long as a nonpartisan analysis of the relevant facts is performed.

Lobbying occurs only when there is a specific piece of legislation or legislative proposal pending that the Organization is attempting to influence. Therefore, lobbying is considered to have taken place only if both of the following elements are present:

1. The communication refers to specific legislation (legislation that has been introduced or a specific legislative proposal that the Organization supports or opposes), and

2. The communication reflects a view on the legislation (supporting or opposing it).

Indirect lobbying involves communications with the general public (rather than directly with legislators, etc.) where the communication includes the same two preceding characteristics, plus it encourages the recipient of the communication to take action with respect to the specific legislation (by contacting legislators, etc.).

Segregation of Lobbying Expenditures

Lobbying expenditures are allowable for charities under the Internal Revenue Code. However, lobbying may not represent a substantial portion of the Organization’s overall activities. The Organization’s tax exemption would be at risk if lobbying becomes a substantial portion of the Organization’s activities.

Accordingly, the Organization segregates all direct and indirect lobbying expenditures in a separate section of the chart of accounts in the general ledger. Where appropriate, lobbying expenditures shall also be allocated their fair and reasonable share of employee benefits and other allocated costs in accordance with cost allocation policies described elsewhere in this manual.
CHARGING OF COSTS TO FEDERAL AWARDS

Overview

The Organization charges costs that are reasonable, allowable, and allocable to a federal award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to federal awards.

Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.

2. The accounting personnel shall be familiar with the allowability of costs provisions 2 CFR Part 200.400 – 475, Cost Principles, particularly:

   a. The list of specifically unallowable costs found in 200.421 – 475, Selected Items of Cost, such as alcoholic beverages, bad debts, contributions, fines and penalties, etc.
   b. Those costs requiring advance approval from federal agencies in order to be allowable in accordance with 2 CFR Part 200.407, Prior Written Approval, such as participant support costs, equipment purchases, etc.

3. No costs shall be charged directly to any federal award until the cost has been determined to be allowable under the terms of the award and/or 2 CFR Part 200.400 – 475, Cost Principles.

4. For each federal award, an appropriate set of general ledger accounts (or account segments) shall be established in the chart of accounts to reflect the categories of allowable costs identified in the award or the award budget.

5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a federal award or to activity associated with a federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e., if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit).

Criteria for Allowability

All costs must meet the following criteria from 2 CFR Part 200.402 – 406, Basic Considerations, in order to be treated as allowable direct or indirect costs under a federal award:

1. The cost must be “reasonable” for the performance of the award, considering the following factors:
a. Whether the cost is of a type that is generally considered as being necessary for the operation of the Organization or the performance of the award.
b. Restraints imposed by such factors as generally accepted sound business practices, arm’s length bargaining, federal and state laws and regulations, and the terms and conditions of the award.
c. Whether the individuals concerned acted with prudence in the circumstances.
d. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.

2. The cost must be “allocable” to an award by meeting one of the following criteria:

   a. The cost is incurred specifically for a federal award,
   b. The cost benefits both the federal award and other work and can be distributed in reasonable proportion to the benefits received, or
   c. The cost is necessary to the overall operation of the Organization, except where a direct relationship to any particular program or group of programs cannot be demonstrated.

3. The cost must conform to any limitations or exclusions of 2 CFR Part 200 Subpart E Cost Principles, or the federal award itself.

4. Treatment of costs must be consistent with policies and procedures that apply to both federally financed activities and other activities of the Organization.

5. Costs must be consistently treated over time.

6. The cost must be determined in accordance with generally accepted accounting principles (GAAP).

7. Costs may not be included as a cost of any other federally financed program in the current or prior periods.

8. The cost must be adequately documented.

**Indirect Cost Rate**

An indirect cost is any cost not directly identified with a single, final cost objective, but identified with two or more final cost objectives or an intermediate cost objective. After direct costs have been determined and charged directly to the contract or other work, indirect costs are those remaining to be allocated to the several cost objectives.

The Organization does not maintain an indirect cost rate. Therefore, the Coalition uses the approved grantor rates and the Cost Allocation Plan when determining the overhead applied to each federal award and major function.

**Direct Costs**
Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal Award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy (2 CFR Part 200.413(a)). The Coalition identifies and charges these costs exclusively to each award or program.

Each invoice shall be coded with the appropriate account number reflecting which program received direct benefit from the expenditure. Invoices are approved by the appropriate project director and reviewed by the CFO.

Time sheets are also submitted on a regular basis, reflecting employees' work and which programs directly benefited from their effort. Time sheets shall serve as the basis for charging salaries directly to federal awards and nonfederal functions. See the Payroll section of this manual for detailed procedures.

Equipment purchased for exclusive use on a federal award and reimbursed by a federal agency shall be accounted for as a direct cost of that award (i.e., such equipment shall not be capitalized and depreciated for grant purposes, but will be capitalized and depreciated at year-end for financial statement purposes).

The Coalition allocates all costs in accordance with its Cost Allocation Plan (CAP), The actual cost allocation plan is not included in the fiscal policies and procedures manual, but is maintained as a separate document.

**Direct Costing Procedures**

Direct and joint costs are allocated to the benefiting programs using cost pools under the following policies and procedures:

1. Costs will be allocated to all programs on an equitable basis regardless of any limits imposed by funding sources.

2. As much as possible, costs will first be charged directly to benefiting programs.

3. All remaining shared costs will be allocated on the most meaningful measures.

The following bases will be used:

   a. Facilities and related costs will be allocated based on square footage occupied.
   b. Costs of the Human Resources Department will be allocated based on number of employees.
   c. Fiscal and accounting-related costs will be allocated based on number of transactions.
ACCOUNTS PAYABLE MANAGEMENT

Overview

The Organization strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and bank account reconciliation.

The following are general policies for accounts payable:

- Assets or expenses and the related liability are recorded by an individual who is not responsible for ordering and receiving.
- The amounts recorded are based on the contractor invoice for the related goods or services.
- The contractor invoice should be supported by an approved purchase order where required by Organization policy, and should be reviewed and approved by the appropriate staff prior to being processed for payment.
- Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

- Disbursements are properly authorized.
- Invoices are processed in a timely manner.
- Contractor credit terms and operating cash are managed for maximum benefits.

Recording of Accounts Payable

- All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.
- Accounts payable are processed on a daily basis. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.
- Only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the contractor records.
- Invoices received via email will be printed, stamped “original”, date-stamped, and initialed by the appropriate accounting staff.
- Any additional copies of the emailed invoice will be deleted.
- No payments will be made from contractor statements.

Accounts Payable Cutoff

For purposes of the preparation of the Organization’s monthly financial statements, all contractor invoices that are received, approved, and supported with proper documentation by the fifth day of the following month shall be recorded as accounts payable as of the end of the immediately preceding month if the invoice pertains to goods or services delivered by month-end.
**Preparation of a Voucher Package**

Prior to any accounts payable being submitted for payment, a package called a “voucher package” shall be assembled. Each voucher package shall contain the following documents:

1. Contractor invoice (or employee expense report)
2. Packing slip (where appropriate)
3. Receiving report (or other indication of receipt of merchandise and authorization of acceptance)
4. Purchase order/Purchase Request as required by procurement policies
5. Any other supporting documentation deemed appropriate

**Processing of Voucher Packages**

The following procedures shall be applied to each voucher package by the Fiscal Budget Specialist:

1. Check the mathematical accuracy of the contractor invoice.
2. Compare the nature, quantity, and prices of all items ordered per the contractor invoice to the purchase order, packing slip, and receiving report.
3. Document the general ledger distribution, using the Organization’s current chart of accounts.
4. Obtain the review and approval of the staff associated with the goods or services purchased.
5. Complete the check request form
6. Initials on the checklist

Upon receipt, each invoice shall be stamped “date received”, scanned, and copies distributed to the appropriate personnel for approval via email.

Unapproved invoices will be maintained in a file, matched with notice of approval, and processed for payment.

The Fiscal Budget Specialist will follow up on unapproved invoices pending for longer than 1 week.

Approvals by department staff indicate their acknowledgment of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the contractor invoice, agreement with general ledger account coding, and agreement to pay vendor in full.

Approvals shall be documented with initials or signatures of the approving individual, and date of approval.

**Payment Discounts**

To the extent practical, the Organization takes advantage of all prompt payment discounts offered by contractor.

When such discounts are available and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.
**Employee Expense Reports**

Reimbursements for travel expenses, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form. All required receipts must be attached, and a brief description of the business purpose of the trip or meeting must be noted on the form.

Expense reports will be processed for payment in the next vendor payment cycle if received within two business days of the deadline. Expenses older than one month will not be reimbursed.

The Fiscal Budget Specialist will periodically check expense reports against timesheets to ensure agreement of dates and activities.

**Reconciliation of A/P Subsidiary Ledger to General Ledger**

At the end of each monthly accounting period, the total amount due to contractors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general ledger account (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the CFO.

Also on a monthly basis, the Fiscal Budget Specialist shall perform the following procedures:

1. Check all statements received for unprocessed invoices.

2. Check the purchase order file for open purchase orders more than 30 days old and follow up.

To help the accounting staff plan and manage the work and also minimize demand for manual checks, the Coalition has established a regular schedule for entering and paying invoices. In addition, the Coalition staff enters payables as they are received and age and pay them by their due dates.

This will record the expense as soon as it is incurred, and provide information to better manage cash flow needs.

Detailed internal procedures are in the Finance office.

**Management of Accounts Payable Contractor Master File**

Upon the receipt of an invoice from a new contractor that is not already in the Organization’s Accounts Payable Contractor Master File, the Fiscal Budget Specialist shall mail (or email) a Form W-9 and a request for completion of the Form W-9, including the vendor’s full address and federal employer identification number.

For all contractors to be paid during a fiscal year, the file shall include all of the following data:

- Contractor’s legal name and any DBA name(s)
- Street address (payments may be mailed to a P.O. Box, but a street address must be in the file)
- Federal employer identification number
Payments shall not be made to any contractor whose file does not comply with the preceding requirements.

On an annual basis, contractors that have not been utilized over the preceding 24-month period shall be purged (or made inactive) from the master contractor file. In addition, on an annual basis an internal audit shall be performed of the master contractor file and payments made to each contractor. This analysis, to be performed by the CFO shall consist of the following procedures, at a minimum:

1. Cross-checking of contractors with matching street or P.O. Box addresses

2. Review of payment histories for signs of repeat invoice numbers or other indications of duplicate payments

Any unexplained deviations or irregularities noted in connection with the preceding internal audit procedures shall be reported to the chair of the Audit Committee.

**Verification of New Contractor**

The Procurement Staff will perform additional procedures to validate the legitimacy of new contractors that shall be paid one-time or cumulative payments in excess of $25,000.

For such contractors, the Procurement Staff shall perform a limited public records search and shall contact the contractor to validate its existence.

The Coalition uses this element of the internal controls as a method of detecting fictitious contractor schemes attempted by employees.

**TRAVEL**

Travel is performed and reimbursed only as provided by law (Section 112.061, Florida Statutes), Chapter 691-42, and Coalition travel policies and procedures are described in the Travel Manual ELC - 400.5.

Travel expenses are limited to those expenses necessarily incurred by the traveler in the performance of any Coalition purpose authorized by law.
CELL PHONES

Issuance of Corporate Cell Phones

The Organization recognizes that certain job functions require that an employee be accessible when away from the office or during times outside scheduled working hours. For this reason, the Coalition will provide cell phones to select employees as a working condition. Supervisors of employees who travel frequently on business may request a corporate cell phone for specific employees by contacting the Fiscal Department.

The Corporate cell phone shall be used for legitimate organization-related business purposes, shall not be used while driving. The cell phone holder also agrees to take reasonable precautions to protect the cell phone from loss or theft by storing it in a secure location.

Cell Phone Plans

The Fiscal Department will negotiate a master cell phone contract with a single contractor. All corporate-owned cell phones are to be acquired through the preapproved contractor.

Cell phone plan terms will initially be set based on the employee’s anticipated needs. Initial cell phone plan terms and any subsequent changes in terms will be approved in advance by the CFO.

Cell phone holders shall report the loss or theft of a corporate cell phone immediately by notifying the IT Coordinator who will contact the cell phone provider as well as the CFO.

Employee Cell Phones

Employees and officers needing to make periodic legitimate Organization business calls when they are off-site may elect to utilize their personal cell phones for such calls. The Organization shall reimburse employees and officers for properly supported and documented business calls charged to personal cell phones within five business days of the proper completion of an expense report.

Personal Cell Phones or Similar Devices at Work

Employees of the Organization are asked to minimize the use of personal cell phones in the workplace. In an emergency situation, employees may carry their personal cell phones in vibrate mode.
CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

Overview

The Coalition’s purchasing and check-writing policies and procedures demonstrate sound internal controls designed to prevent or detect disbursements frauds attempted by outside parties or, more likely, employees.

Segregation of duties is a key element of fraud prevention and detection. In that regard, as much as possible, the following characteristics should be demonstrated through the Organization’s policies:

- Authorization of purchases is performed by individuals who do not have check-writing and recording abilities.
- Receipt of supplies and other assets ordered from contractors by someone other than the individual who has final approval to pay the contractor.
- Check signing by individuals who do not have the ability to record disbursements in the journal or general ledger.
- Bank reconciliations performed by individuals who do not prepare, sign, or record purchases or disbursements.

Check Preparation

The Organization prints contractor checks and expense reimbursement checks on a weekly basis.

Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All contractor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with purchasing, accounts payable, and travel and business entertainment policies described in this manual.

2. Timing of disbursements should generally be made to take advantage of all early-payment discounts.

3. Generally, all contractors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.

4. Total cash requirements associated with each check run are monitored in conjunction with available cash balance in bank prior to the release of any checks.

5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer.

6. Checks shall be utilized in numerical order and unused checks are stored in a locked safe in the accounting department.

7. Checks shall never be made payable to “bearer” or “cash.”
8. Checks shall never be signed prior to being prepared.

9. Upon the preparation of a check, contractor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

**Check Signing**

Checks of less than $10,000 require a single signature. Electronic signature is acceptable. Checks of $10,000 or more require two signatures; one real signature as well as an electronic signature.

No check shall be signed prior to the check being completed in its entirety (no signing of blank checks).

Checks shall be signed by an individual other than the one who approved the transaction for payment.

**Coalition Authorized Check Signers**

- Board Officers
- CEO
- CFO

Check signers should examine all original supporting documentation to ensure that each item has been properly reviewed prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

The Coalition uses electronic funds transfer (EFT) to pay contractors to the extent possible. To ensure effective internal controls, CFO or/and CEO (an authorized check signer) should review the listing of checks paid by EFT, and sign and date the report.

An authorized check signer will review check run and supporting documentation, and initial approval. In addition, the CFO forwards the weekly check register to the Coalition’s Treasurer.

**Mailing of Checks**

After signature, checks are returned to the Fiscal Budget Specialist. The Fiscal Budget Specialist then mails checks immediately. Checks shall not be mailed by or returned to the individuals or departments that authorized the expenditures.

**Voided Checks and Stop Payments**

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as “VOID.”

All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees.
Recordkeeping Associated with Independent Contractors

The Organization shall obtain a completed Form W-9 or equivalent substitute documentation from all contractors to whom payments are made (see “Accounts Payable Management” policies). A record shall be maintained of all contractors to whom a Form 1099 is required to be issued at year-end.

Payments to such contractors shall be accumulated over the course of a calendar year.
Control Grid – Purchasing and Disbursements

The Organization strives to maintain adequate segregation of duties in its purchasing and disbursements functions. The following table illustrates how responsibilities have been assigned.

In this table personnel are identified as follows:

A. CEO  
B. CFO  
C. Department Director  
D. Accounting Manager  
E. Fiscal Budget Specialist  
F. Procurement Staff  
G. Contract Specialist

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<thead>
<tr>
<th>Duty</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
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<tr>
<td>Inputs data into vendor master file</td>
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<td>Obtains Form W-9 from new contractors</td>
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<td>Initiates purchases</td>
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<td>Authorizes purchases</td>
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<td>Prepares purchase order/requisition</td>
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<td>Prepares request for proposal</td>
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<td>Administers collection of proposals</td>
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<td>Evaluates proposals</td>
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<td>Selects contractor</td>
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<td>Receives contractor invoice</td>
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<td>Approves contractor invoice</td>
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<td>Assigns general ledger coding</td>
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<td>Inputs invoice into A/P system</td>
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<td>Selects A/P to be paid</td>
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<td>Runs A/P checks</td>
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<td>Reviews checks</td>
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<td>Signs checks</td>
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<td>Mails checks</td>
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<tr>
<td>Maintains custody of unused checks</td>
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<tr>
<td>Reconciles A/P to general ledger</td>
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<tr>
<td>Performs bank reconciliation</td>
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<tr>
<td>Reviews cancelled checks</td>
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<tr>
<td>Reviews bank reconciliations</td>
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</table>
CREDIT CARDS

Corporate Credit Cards

The Organization recognizes that there will be occasions when employees need to use a corporate credit card. The Coalition maintains two (2) credit cards. Credit cards are to be used only when staff cannot make the purchase using a check, a Purchase Order, or in an emergency. The Finance department cannot pay any bill or invoice without having the proper documentation. All efforts are made to avoid delays in receiving the proper documentation result in extra work, late or unpaid balances carrying over from month to month, late charges and finance charges.

Procedures

To purchase with a Coalition credit card, staff must complete a Purchase Requisition form. If the specifics are unknown, the minimum requirement will be the vendor’s name and approximate cost with authorized approval for purchase.

If you ARE NOT the cardholder, you must submit to the cardholder, a Purchase request form-Prior to making a purchase using their credit card.

- When traveling, complete the Authorization for Travel Form and not a Purchase Request form.
- Staff must submit the sales receipt when using the credit card.
- The billing statements are delivered to the Fiscal Budget Specialist/AP immediately to avoid late charges and /or finance charges.
- Bills are to be paid within the billing cycle and no finance charges should be incurred.
- A monthly log will be kept by the accounting staff verifying that all credit cards are in possession of the cardholder or in the Coalition’s safe.
- The Executive Assistant reports unauthorized charges immediately to the Chief Financial Officer.
- The card shall be used exclusively for legitimate Organization-related business purposes.
- The cardholder will avoid splitting purchase or service costs over multiple transactions to circumvent the single transaction limit.
- The cardholder agrees to take reasonable precautions to protect the card from loss or theft by storing it in a secure location, and understands the actions to take in case of theft or loss.
- The cardholder will follow all required procurement policies and procedures.
- The cardholder understands and agrees to disciplinary procedures for misuse of the card.

The company credit card will be retained in a locked cabinet (safe) by the Executive Assistant.

Sales Tax

The Coalition is exempt from paying sales tax. Please note that exemption from paying sales tax applies only in the state of Florida, where the Organization reside and is registered for sales tax exemption.

Card users should remind contractors at the time of purchase that according to the tax laws in the Organization’s sales tax exemption form with them to present to the vendor at the time of purchase.
If a cardholder is charged sales tax for a card purchase that should be tax exempt, the cardholder should contact the contractor directly to request a credit for the amount of the sales tax.

**Card User Responsibilities**

Card users will turn in receipts with appropriate account coding to the Executive Assistant when they return the credit card. The Executive Assistant will save the receipts and use them as support when the monthly statement is reconciled.

Any fraudulent or other unauthorized charges shall be immediately pointed out to the CFO for further investigation with the card provider.

Personal use of corporate credit cards is strictly prohibited. Any personal use will subject the employee to the Organization’s disciplinary actions discussed earlier in this manual and in the Personnel Manual.

Cardholders shall report the loss or theft of a corporate credit card immediately by notifying the credit card company at: 1-800-231-5511 (24 hours a day, seven days a week) as well as the CFO.

**Revocation of Corporate Credit Cards**

Failure to comply with any of these policies associated with the use of the Organization's corporate credit cards shall be subject to possible revocation of card privileges.

The Organization provides online access to card statements to the Board Treasurer. The Treasurer will periodically review the statements for appropriate charges. The review should be unannounced and unscheduled.

**Employee Credit Cards**

Employees and officers incurring legitimate Organization business expenses are expected to utilize their personal credit cards for such expenditures.

The Organization shall reimburse employees and officers for properly supported and documented business expenditures charged to personal credit cards within five business days of the proper completion of an expense report.
PAYROLL AND RELATED POLICIES

Classification of Workers as Independent Contractors or Employees

The Organization considers all relevant facts and circumstances regarding the relationship between the Organization and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between the Coalition and the individual.

Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

The Organization’s CFO in consultation with the Human Resources shall make the final determination.

Wage Comparability Study

The Organization will perform wage comparability studies every three years to ensure the salary and wage structure is similar to other early learning organizations of like size and employee base in our area.

Payroll Administration

The Organization operates on a biweekly payroll. A personnel file is established and maintained for all employees with current documentation, as described throughout this section and more fully described in the Organization's Employee Handbook.

The following forms, documents, and information shall be obtained and included in the personnel files of all new employees:

1. Employment Application (and resume, if applicable)
2. Applicant references (work & personal)
3. Interview questions and notes
4. Form W-4 Employee Federal Withholding Certificate
5. Form I-9 Employment Eligibility Verification
6. Copy of driver's license
7. Copy of Social Security card issued by the Social Security Administration
8. Starting date and scheduled hours
9. Job title and starting salary
10. Authorization for direct deposit of paycheck, along with a voided check or deposit slip
11. Job description
For employees without a current, valid driver’s license, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Voter’s registration card
4. U.S. Military card
5. ID card issued by a federal, state, or local government, provided it contains a photo
6. School record or report card (for persons under age 18 only)

For employees without a Social Security card, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Original or certified copy of a birth certificate issued by a state, county, or municipal authority
4. Certificate of Birth Abroad issued by the Department of State (Form FS-545 or Form DS-1350)
5. U.S. Citizen ID Card (INS Form I-197)
6. Native American tribal document
7. ID Card for use of Resident Citizen in the United States (INS Form I-179)

Each employee payroll file shall also indicate whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standards Act.

The employee payroll file must also include the background check.

**Changes in Payroll Data**

Our organization’s payroll processing policies and procedures demonstrate sound internal controls designed to prevent or detect payroll fraud attempted by employees. Segregation of duties is a key element of fraud prevention and detection.

Detail procedures are kept in the Finance office.

All of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the CFO and/or CEO as required by Organization policy.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in each employee's personnel file.
**Payroll Taxes**

The Accounting Department is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Accounting Department utilizes the services of an outside payroll service center for the processing of payroll, as determined by the CFO.

The Organization will request an updated Form W-4 from each employee in January of each year. If there are no changes from the prior year, employees are not required to provide a new W-4.

Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

**Personnel Activity Reports**

The Organization follows the requirements in 2 CFR Part 200.430(i), *Standards for Documentation of Personnel Expenses*, as well as requirements in specific grants.

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

2. Be incorporated into the official records of the Organization;

3. Reasonably reflect the total activity for which the employee is compensated;

4. Encompass both federally assisted and all other activities compensated by the Organization on an integrated basis;

5. Comply with the established accounting policies and practices of Organization; and

6. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect cost activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

**Preparation of Timesheets**

Each Organization employee must complete daily and submit to the Accounting Department a signed and approved timesheet no later than 3:00 p.m. on the Monday following the close of each pay period.

Timesheets shall be prepared in accordance with the following guidelines:
1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties), whether compensated or not.
2. Timesheets shall be prepared electronically.
3. Errors shall be corrected by emailing the HR Generalist and the supervisor.
4. Employees shall identify and record hours worked based on the nature of the work performed.
5. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such.
6. Timesheets shall be signed by the employee prior to submission.

After preparation, Department Directors or their designees shall approve timesheets prior to submission to the Accounting Department. Corrections identified by an employee's supervisor Department Director shall be authorized by the employee by initialing next to the change.

An Organization employee who is on leave, traveling, or is ill on the day that timesheets are due may telephone or email timesheet information (actual time worked and the appropriate classifications) to his or her supervisor (or designated alternate).

The employee must initial a timesheet submitted in this manner immediately upon his or her return to the office. Timesheets submitted in this manner shall bear the notation, "Time reported by telephone or email by (employee) to (supervisor or designated alternate)." The timesheet shall be signed by the supervisor or the designated alternate.

**Processing of Timesheets**

The HR Generalist will process the timesheets by checking them for accuracy, and then submitting payroll to the payroll service center. The HR Generalist may not change or correct timesheets. When errors are noted, if a corrected and approved timesheet is not resubmitted in time to the HR Generalist, the employee may not receive a paycheck until the next pay period.

Tampering with, altering, or falsifying time records, recording time on another employee's time record or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

1. Verifies completion of timesheets in the system:
   a. The HR Generalist ensures that each employee has entered and approved their time for the pay period and that the manager/supervisor has approved the timesheets submitted by their staff.
   b. The HR Generalist runs the Pay Period Hours report from the system, verifies that the report matches the timesheets, and signs & dates the report.
   c. The CFO reviews and approves the report by signing and dating it.

2. Submitting payroll:
   a. The HR Generalist transmits the payroll to the Payroll Processor Payroll Specialist.
   b. The HR Generalist then e-mails the any payroll notes for necessary adjustments.
   c. The Payroll Specialist will send the payroll register and all other worksheets to the CFO.
**Review of Payroll**

Upon production of all payroll reports and checks or return of payroll reports and checks from the payroll service center, the CFO reviews payroll prior to its distribution to employees. The CFO shall sign and date the payroll register indicating approval of the payroll.

**Distribution of Payroll**

Payroll payments (or check stubs for electronic deposits) shall be done by the outsourced vendor who does not approve timesheets, is not responsible for hiring and firing, and does not control the preparation of payroll.

The Organization strongly encourages the use of direct deposit as a substitute for preparing paychecks for employees, due to the efficiencies created through the use of direct deposit and the internal control benefits of not handing out paychecks.

**Internal Audit of Payroll Data**

The Organization will conduct an annual internal audit of certain payroll data. This internal audit shall be performed by the Organization’s CFO or designated internal auditor. The purpose of this internal audit is to determine the integrity of the Organization’s payroll records. The internal audit shall include the following procedures:

1. Tracing a sample of salaries, withholdings, deductions, and direct deposit information to supporting documentation in each selected employee’s payroll and/or personnel file.
2. Tracing a sample of new hires and departures to personnel files, including verification of first and last pay dates.
3. Cross-checking the payroll master files for employees with identical addresses, social security numbers, or direct deposit bank account information.

Any unexplained deviations found as a result of these internal audit procedures shall be reported to the chair of the Finance Committee.

Complete payroll processing and recording procedures are available in the Finance office.
The Organization strives to maintain adequate segregation of duties in its payroll and human resources functions. The following table illustrates how responsibilities have been assigned. In this table, personnel are identified as follows:

A. Human Resources Generalist

B. CFO

C. CEO

D. Payroll Technician

E. Managers

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<tr>
<th>Duty</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
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<td>Signs payroll checks</td>
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POLICIES PERTAINING TO SPECIFIC ASSET ACCOUNTS

CASH AND CASH MANAGEMENT

Cash Accounts

Operating Account:

The primary operating account provides for routine business check disbursements. All cash and credit card deposits are made to this account. In addition, all advances of federal funds shall be deposited in the operating account which is an interest-bearing account and interest earned in excess of $500 shall be returned to the Office of Early Learning (OEL). Interest earned on such funds will be allocated to federal awards based on the percentage of funds received during the month for each award. Cash transfers are done on an as-needed basis to cover disbursements. Excess funds in this account are transferred into short-term investments or higher interest-bearing cash equivalents.

Payroll Account:

The payroll account is separate from the operating account. The payroll account is a zero-balance account. As such, only the amount needed to cover each payroll is transferred into this account from the operating account, based on the amount calculated or communicated by the outside payroll service company.

Transfers from the operating account into the payroll account are initiated by the CFO. The Organization’s agreement with its financial institution limits wire transfers from its operating account to those transfers into payroll only.

Authorized Signers

The following Organization personnel are authorized to sign checks drawn on the general operating and payroll accounts:

- Board Officers
- CEO
- CFO

The CFO will promptly notify the Organization’s financial institutions of changes in authorized signatures upon the departure of any authorized signer. Refer to the section titled “Check Signing” for procedures.

Bank Reconciliations

The CFO shall open the bank statement online and review its contents for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. This review must be performed in a timely manner so that reconciliation of the bank account is not delayed. Unusual or unexplained items shall be reported immediately to the Finance Committee.

Note: The review of the original bank statement and items returned with the statement, as well as preparation or review of the bank reconciliation is a critical component of the segregation of duties that
is essential to strong internal controls. In addition, the Board Treasurer is given on-line access to the bank account to review activity in the account.

After this review is complete, the entire bank statement is forwarded to the Accounting Manager who prepares reconciliation between the bank balance and general ledger balance. The bank reconciliation process will be completed within one week of receipt of each bank statement.

The Coalition no longer receives original cancelled checks and the monthly bank statement. In their place, the Organization receives electronic access to copies of cancelled checks via website. In situations in which no paper documentation (cancelled checks or copies of substitute checks) are returned with the monthly statement, the Organization should nonetheless review electronic copies of the fronts and backs of cleared checks as part of the reconciliation process, in order to identify signs of forgery, alteration, unusual endorsements, etc. If this is too time-consuming, we recommend, at a minimum, those payments to new contractors and for large amounts be examined.

The reconciliation process shall involve an inspection of the fronts and backs of cancelled checks returned with the bank statement. The purpose of this inspection is to identify signs of forgery, altered or substitute checks, unusual endorsements, or other signs of fraudulent activity. The staff person preparing the monthly bank reconciliation shall view electronic copies of cancelled checks provided by the financial institution via Internet access to the Institution's website.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed and approved by the CFO on a monthly basis.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files.

**Cash Flow Management**

The CFO monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

The Organization adheres to the requirements of its grants which prohibit loaning funds between programs; therefore, cash management and reporting is performed at the program level as well as for the Organization as a whole.

The Organization will consider adopting a policy whereby if their account balance(s) in any particular financial institution exceeds the federally-insured threshold ($250,000), the Organization requests collateral security from the financial institution for the amount on deposit in excess of the threshold.

Alternatively, deposits could be made at a bank that participates in the Certificate of Deposit Account Registry Service® (CDARS). Through this service, an organization's deposits are spread over multiple banks so that deposits at any bank do not exceed $250,000. We will contact the bank for more information.

The Organization may also consider establishing a bank line of credit to cover occasional operating shortfalls. However, note that interest on a line of credit is not an allowable expense for federal grants.
**Stale Checks**

The Organization will write off checks of $1,000 or less that are more than 6 months old that have not cleared the Organization's bank. For uncashed checks that are more than 6 months old and that exceed $1,000, contact will be made with the payee to resolve the issue.

All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to miscellaneous income.

The Organization will also comply with the State of Florida laws regarding unclaimed property. Accordingly, if uncashed checks are subject to a state reporting and transfer requirement, the Organization shall file all appropriate forms and remit unclaimed property to the appropriate jurisdiction.

**Petty Cash**

The Coalition does not maintain petty cash balances. If petty cash is established, appropriate policies and procedures will be developed as follows:

The Organization will provide imprest funds for valid, minor office expenditures (not for travel or employee advances), and to periodically replenish these funds up to its authorized balance of $100.

The Executive Assistant is responsible for ensuring that the petty cash fund is locked at all times.

All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash.

The Petty Cash Custodian shall prepare a reconciliation of the petty cash account on a periodic basis. Petty cash reconciliations are subject to review by the Senior Accountant, who may also perform periodic surprise cash counts and reconciliations.

**Wire Transfers**

The CFO and the CEO shall be the only Organization employees authorized to transact wire transfers from the Organization bank accounts. To prevent anyone other than the CFO and the CEO from transacting wire transfers, a system shall be employed that requires the use of pass codes and the calculation of a test-key for each wire transfer. Pass codes, issued only to the CFO and Treasurer, are assigned by the bank and are changed annually.

Confirmations of all wire transfers are delivered to the Accounting staff.
PREPAID EXPENSES

Accounting Treatment

The Organization treats payments of expenses that have a time-sensitive future benefit as prepaid expenses and will amortize these items over the corresponding time period. For purposes of this policy, payments of less than $2,500 shall be expensed as paid and not treated as prepaid expenses, regardless of the existence of a future benefit.

Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as noncurrent assets.

Procedures

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The Accounting Department shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly amortization.

This schedule shall be reconciled to the general ledger balance as part of the monthly closeout process.
INVESTMENT POLICIES

Introduction

The Board of Directors is responsible for investing retirement plan assets as well as excess corporate funds.

The Organization treats all assets of the Organization, including those funds that are legally unrestricted, as though they are held in a fiduciary capacity for the purpose of accomplishing the Organization’s tax-exempt mission. Hence, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards shall be those of a prudent investor.

This Investment Policy has been arrived at upon consideration by the Finance Committee of a wide range of policies, and describes the prudent investment process the Finance Committee deems appropriate. This process includes offering various asset classes and investment management styles that, in total, are expected to offer the opportunity to diversify the portfolio in a manner consistent with the specified risk and return requirements of the portfolio.

Funds to be invested do not include those from federal awards. Such funds will be spent on program requirements as budgeted or returned to the awarding agency. Any advances of federal funds will be maintained in an interest-bearing account. Interest earned on such funds, up to $500 per year, will be allocated to federal grants based on a percentage of funds received during the month, and any additional interest will be returned to the Florida Office of Early Learning.

Delegation of Authority

The Board of Directors of the Organization has delegated supervisory authority over its investing activities to the Finance Committee. The Finance Committee is responsible for regularly reporting on the Organization’s investments to the full Board of Directors.

The Finance Committee is authorized to retain one or more Investment Counselors to assume the investment management function. In that regard, the Finance Committee may enter into agreements with, delegate investment authority to, pay compensation to, and receive reports from one or more Investment Counselors.

Accounting Treatment

All purchased investments shall initially be recorded at cost. All investments acquired by donation to the Organization shall initially be recorded at their fair market value as of the date of donation. Donated investments shall be recorded as unrestricted, temporarily restricted, or permanently restricted income and net assets based on the existence or absence of such restrictions, as defined in the section on Contribution Accounting in this manual.

Subsequent to acquisition, the Organization carries all equity securities with readily determinable fair market values and all debt securities at their market values. Adjustments to market value shall be made in the accounting records and financial statements of the Organization on a quarterly basis.
Adjustments to market value result in unrealized gains and losses on investments. Such gains and losses resulting from contributed investments (or from investments purchased with contributed funds) shall be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of explicit restrictions on such appreciation and depreciation from the donor, as defined earlier. Such unrealized gains and losses from investments purchased with unrestricted funds shall be classified as unrestricted.

**Procedures and Reporting**

The following reporting procedures will be followed to ensure that investments are properly managed and that these investment policies are consistent with the mission of the Organization and accurately reflect the current financial condition of the Organization:

1. The CFO shall maintain a schedule of investments and reconcile this schedule with the general ledger and with investment account statements on a monthly basis. The schedule of investments shall include the following information with respect to each investment:
   a. Date acquired
   b. Method of acquisition (purchase or donation)
   c. Cost or basis at acquisition
   d. Description of investment
   e. Interest rate (if applicable)
   f. Date of maturity (if applicable)
   g. Holder/issuer of security
   h. Current market value
   i. Unrealized gain or loss
   j. Accrued interest receivable (if applicable)
   k. Income received, year-to-date (i.e., interest, dividends, etc.)

2. The CFO and Investment Counselor shall prepare a schedule of investments for presentation on a quarterly basis for the Finance Committee and on an annual basis for the Board of Directors.

3. The quarterly investment reports shall detail the portfolio’s composition and performance for the quarter and year-to-date, along with a comparison to budget and to the prior year.

4. The annual investment report shall be presented to the Board of Directors at the time the Organization audit is presented, outlining in detail the investment portfolio’s composition and performance for the fiscal year, along with a comparison to appropriate market indices. The report will show results for the most recently-completed fiscal year and for the last three years.
PROPERTY AND EQUIPMENT

The Organization will follow policy ELCPC - 400.6

Capitalization Policy

Physical assets acquired with unit costs in excess of $5,000 are capitalized as property and equipment on the Organization’s financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

If an awarding agency requires a lower amount for equipment, the Organization will adhere to that dollar amount only for that program or contract.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

Capitalized assets will be reported as expensed for grants if they were so budgeted in the grant application. However, for the Organization’s financial statements, these assets will be capitalized and depreciated according to these policies.

Contributed Assets

Assets with fair market values in excess of $5,000 (per unit) that are contributed to the Organization shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Equipment and Furniture Purchased with Federal Funds (2 CFR Part 200.313)

The Organization may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a federal agency. In addition to those policies on Asset Management described earlier, equipment and furniture charged to federal awards will be subject to certain additional policies as described below.

For purposes of federal award accounting and administration, equipment shall include all assets with a unit cost equal to the lesser of $5,000 or the capitalization threshold utilized by the Organization, described under Asset Management.

All purchases of equipment with federal funds shall be approved, in advance and in writing, by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to federal awards.
2. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of $5,000 or less at the conclusion of the award, the Organization shall retain the equipment without any requirement for notifying the federal agency.

3. If the remaining per unit fair market value is $5,000 or more, the Organization shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs not to exceed $500, to the federal agency. (2 CFR Part 200.313(e))

4. The CFO shall determine whether a specific award with a federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.

5. A physical inventory of all equipment purchased with federal funds shall be performed annually by an employee who is not responsible for ordering or approving the purchase of these assets. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by the Organization.

Establishment and Maintenance of a Fixed Asset Listing

All capitalized property and equipment shall be recorded in a property log. This log shall include the following information with respect to each asset: (2 CFR part 200.313(d)(1))

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number or other identification number)
4. Source of the funds used to purchase the equipment, including the federal award number, if applicable
5. Whether the title vests in the Organization or the federal government
6. Information to calculate the federal share of the cost of the equipment, if applicable
7. Location, use and condition
8. Depreciation method
9. Estimated useful life
10. Ultimate disposition data including the date of disposal and sale price

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by the Organization. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the CFO.

Receipt of Newly Purchased Equipment and Furniture

At the time of arrival, all newly purchased equipment and furniture shall be examined for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the contractor immediately.
In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the contractor immediately.

**Depreciation and Useful Lives**

All capitalized assets are maintained in the special property and equipment account group and are not included as an operating expense. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the fifteenth day of the fifth month shall have eight full months of depreciation (eight-twelfths of one year) recorded for that year.)

Estimated useful lives of capitalized assets shall be determined by the Accounting Department in conjunction with the department or employee that shall utilize the asset. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

- Furniture and fixtures: Up to 10 years
- Computer hardware and peripherals (which exceed the capitalization threshold): 3–5 years
- Computer software: 2–3 years

For accounting and interim financial reporting purposes, depreciation expense will be recorded on an annual basis.

**Changes in Estimated Useful Lives**

If it becomes apparent that the useful life of a particular capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made. All such changes in estimated useful lives of capitalized assets must be approved by the CFO.

When a change in estimated useful life is made, the new life is used for purposes of calculating annual depreciation expense. In the year in which the change in estimate is made, the cumulative effect of the change shall be reflected as depreciation expense in the Organization’s statement of activities.

For example, if in the fourth year of an asset’s life, it is determined that the asset will last five years instead of the original estimate of seven years, depreciation expense for that year shall be equal to the difference between 4/5 of the asset’s basis (accumulated depreciation at the end of year four) and 3/7 of the asset’s basis (accumulated depreciation at the beginning of the year).

**Repairs of Property and Equipment**

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.
Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

**Dispositions of Property and Equipment**

If equipment is sold, scrapped, donated, or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the amount received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).

Federal regulations require that prior approval be received from the awarding agency for disposal of assets with a fair market value of greater than $5,000. The other funding sources may have different requirements for approval prior to disposal.

**Write-Offs of Property and Equipment**

The CFO approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the CFO. If not located, this property will be written off the books with the proper notation specifying the reason.
LEASES

Classification of Leases

The Organization classifies all leases in which the Organization is a lessee as either capital or operating leases. The Organization shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to the Organization at the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term is equal to 75% or more of the estimated economic life of the leased property.
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of the Organization's incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

Reasonableness of Leases

The Organization assesses the value of leases according to the requirements of 2 CFR Part 200.465, Rental Costs of Real Property and Equipment, considering the following factors:

- The rate is reasonable when compared to similar property in the same area;
- The rate of any alternatives; and
- The type, life expectancy, condition, and value of the property leased.

Rental arrangements will be reviewed every 3 to 5 years to determine if circumstances have changed and other options are available.

Accounting for Leases

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the lease payment is due. For leases with firm commitments for lease payments that vary over the term of the lease (i.e., a lease with fixed annual increases that are determinable upon signing the lease), the amount that the Organization shall recognize as monthly lease expense shall equal the average monthly lease payment over the entire term of the lease. Differences between the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability.

All leases that are classified as capital leases shall be treated as fixed asset additions. As such, upon the inception of a capital lease, the Organization shall record a capitalized asset and a liability under
the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The capitalized asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

The Organization shall also maintain a control list of all operating and capital leases. This list shall include all relevant lease terms, including a schedule of future annual lease payments obligations.

**Changes in Lease Terms**

As described in earlier policies, leasehold improvements and deferred rent incentives are amortized over the initial lease term. If such lease term is changed prior to the expiration of the initial lease term, the Organization will revise amortization to reflect the remaining lease term as of the effective date of the lease modification.
SOFTWARE ACQUISITION AND DEVELOPMENT COSTS

Costs to Be Capitalized

Certain costs incurred in connection with the acquisition or development of internal-use software shall be capitalized and reported as an asset of the Organization. The costs that shall be capitalized are those that are in excess of the Organization’s capitalization threshold (explained earlier) and that meet any one of the following criteria:

1. External direct costs (i.e., amounts paid to vendors) of materials and services for developing or obtaining internal-use software (“developing” to include design, coding, installation, and testing).

2. Internal payroll and related benefit costs for employees who are directly associated with, and who devote time to, an internal-use software project (i.e., the same types of software development costs described above).

3. Interest costs incurred in developing software.

4. Costs associated with upgrades and enhancements when it is probable that these expenditures will result in additional functionality.

Costs that are capitalized in connection with the preceding policy shall be included as assets on the Organization’s property and equipment listing, and shall be amortized over an estimated useful life in accordance with the previously stated policies on depreciation and amortization.

Costs to Be Expensed As Incurred

Many costs associated with acquiring or developing internal-use software are to be expensed as incurred, rather than capitalized, including:

1. External and internal costs incurred in the preliminary project phases, such as costs associated with making decisions to allocate resources to the project, determining performance requirements and specifications, and reviewing and selecting vendors and consultants.

2. Research and development costs.

3. General and administrative costs.

4. Data conversion.

5. Training costs.

6. Internal maintenance costs.
INTANGIBLE ASSETS

Per 2 CFR Part 200.315, Intangible Property, federal agencies have the right to reproduce, publish, or otherwise use any copyrighted work or other intangible asset that was produced or purchased using federal funds.

Acquisition of Intangible Assets

Intangible assets include a variety of items, such as copyrights, service marks, trademarks, license agreements, and videos. The Organization may acquire intangible assets in any of the following manners:

1. Contribution from a donor;
2. Purchase from an outside party that holds title to an intangible asset; or
3. Internally developing an intangible asset through utilization of the Organization's employees, volunteers, and contractors (e.g., an employee writes a document on behalf of the Organization)

Accounting for Intangible Assets

Intangible assets acquired by contribution from donors shall be accounted for as assets measured at fair value at the date of the gift. (See “Fair Value Accounting Procedures” for a description of internal controls over the establishment of fair values.)

Intangible assets acquired by purchase shall be capitalized as assets at the purchase price paid for such assets.

The costs of intangible assets that are developed internally shall be charged to expense (not capitalized) if any of the following criteria are met:

1. The intangible asset is not specifically identifiable.
2. The asset has an indeterminate life.
3. The asset is inherent in the Organization and related to the Organization taken as a whole.

Costs of internally-developed intangible assets not meeting any of the three preceding criteria shall be capitalized. These costs may include salaries, allocated employee benefit costs, consultant fees, and other related costs.

Amortization

Capitalized intangible assets of the Organization shall be classified into one of three categories, as follows:

1. Assets with finite and precise useful lives (such as a license agreement with a fixed term)
2. Assets with finite, but imprecise, useful lives

3. Assets with indefinite useful lives

Intangible assets with finite and precise useful lives shall be amortized over their useful lives, using the straight-line method of amortization.

For intangible assets with finite, but imprecise, useful lives, the organization shall estimate a useful life and amortize the asset over that life, using the straight-line method of amortization.

For either of the two preceding categories of amortizable intangible assets, the Organization shall evaluate the useful life on an annual basis to determine whether an adjustment of the useful life is appropriate.

For intangible assets with indefinite useful lives, the cost of the asset shall remain on the books of the Organization as an asset, without reducing this basis for amortization, until such time as an impairment in the value of the asset is determined to have occurred. See the next section for a description of the Organization’s policies and procedures associated with asset impairments.

In addition, intangible assets with indefinite useful lives shall be evaluated on an annual basis for purposes of determining whether the previously indefinite useful life has become finite and estimable (e.g., a copyright that when initially acquired had an indefinite life, but which has become dated and now has a finite remaining useful life). If it is determined that any intangible asset previously accounted for as having an indefinite useful life has become an asset with a finite and estimable useful life, the Organization shall begin amortizing the intangible asset over the estimated remaining useful life (i.e., rather than recording an impairment in the value of the asset).
FAIR VALUE ACCOUNTING

Scope

Throughout this manual, numerous references are made to fair value accounting issues. Examples include the valuation of publicly-traded securities held as investments, valuation of contributed services, other contributed noncash assets, recording of asset impairment losses based on fair value declining below book value.

For purposes of this manual, the term “fair value” shall be defined as it is in SFAS 157: the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Determination of fair value shall be performed by the individuals identified in this manual associated with each type of fair value accounting issues. All fair value determinations in excess of $500 shall be reviewed and approved by the CFO.

Disclosures

The Organization shall comply with the disclosure requirements of SFAS 157, in that it will disclose information in the footnotes to the financial statements that enable readers of the financial statements to assess the inputs used to develop all material fair value measurements associated with assets and liabilities of the organization.

For any asset impairment losses recorded as a result of the policy described earlier, the organization shall disclose the reason for recording the impairment, in addition to the preceding disclosures.
POLICIES PERTAINING TO LIABILITY AND NET ASSET ACCOUNTS

ACCRUED LIABILITIES

Identification of Liabilities

The Accounting Department has established a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by the Organization at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Paid Time Off (PTO)
- Rent

In addition, the Organization shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual.

Adjustments to deferred revenue accounts shall be made monthly.

Accrued Leave

Personnel policies permit employees to carry forward up to 160 hours of unused leave from year to year. Such unused leave is payable to an employee upon termination of employment.

Accordingly, the Organization records a liability for accrued leave to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused hours of leave, up to a maximum of 160 hours, multiplied by each employee’s current hourly pay rate.

Leave that does not “vest” with employees (i.e., leave that is not paid to employees if unused at the time of termination of employment), such as sick leave, shall not be accrued as a liability.
INCOME TAXES PAYABLE

Accrual of Income Taxes

The Organization is exempt from federal income taxes. However, if the Coalition generates taxable income from unrelated trade or business activities, a liability for income taxes payable shall be accrued at the applicable corporate income tax rates.

All income taxes payable shall be paid by the due date of the returns on which such income taxes are to be reported. If the Organization becomes subject to a requirement to remit estimated income taxes on a quarterly basis, such amounts shall be accrued and paid quarterly.

Income Tax Positions

The Organization takes several “income tax positions” that are reflected in the Organization’s financial statements. The primary income tax positions of the Organization are:

1. That the Organization qualifies for its exemption from income taxes under IRC section 501(c)(3) meaning it has not engaged in any activity that could result in revocation of this exemption, including but not limited to:
   a. Not providing net distributions of profits, or paying compensation that was not earned or is excessive.
   b. Not making political contributions or engaging in political activities.
   c. Not exceeding the appropriate lobbying limitations.

2. That none of the Organization’s forms of revenue is subject to the unrelated business income tax (UBIT).

3. That the Organization has properly determined which forms of revenue are subject to the unrelated business income tax and which forms of revenue are exempt from UBIT.

4. That the calculations of income, deductions, tax credits, and other amounts reported on Form 990-T are in compliance with the Internal Revenue Code and IRS regulations.

5. That the Organization’s calculations of income, deductions, etc. reported on its state income tax return are in compliance with state laws and regulations.

6. That the Organization’s allocation of gross taxable income by state is in compliance with all applicable state laws and regulations (i.e., the Organization is filing state returns in each state that would require a return).

It is the policy of the Organization that all income tax positions taken by the Organization shall meet the “more likely than not” criterion of FIN 48 meaning the Organization’s management believes that it is more likely than not that the applicable taxing authorities would concur with the position taken by the Organization. In reaching this determination, the CFO shall perform whatever tax research is considered necessary and shall have the authority to engage the Organization’s independent CPA firm or other outside experts for advice on such matters.
If the Organization receives advice and/or research from an outside party in connection with this policy, the Organization shall make its own final determination of whether or not to take a particular income tax position. In doing so, it shall not blindly rely on outside advice. Rather, the Organization shall gain a complete understanding of the conclusions reached by any outside parties in providing counsel to the Organization in connection with this policy. Gaining this understanding and forming the income tax positions of the Organization shall be the responsibility of the CFO.

The CFO shall provide a briefing to the Finance Committee and obtain the committee’s concurrence each time an income tax position is established or changed.
NET ASSETS

Classification of Net Assets

Net assets of the Organization shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

**Unrestricted Net Assets:** Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets:** Net assets subject to donor-imposed stipulations that may or will be satisfied through the actions of the Organization and/or the passage of time.

**Permanently Restricted Net Assets:** Net assets subject to donor-imposed stipulations that the Organization permanently maintain certain contributed assets. Generally, donors of such assets permit the Organization to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes. Permanent restrictions do not pass with the expiration of time, nor can they be removed through the Organization's actions.

Net assets accumulated that are not subject to donor-imposed restrictions, but which the Board of Directors of the Organization has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.

Restrictions may be associated with either a time period (e.g., a particular future time period) or a purpose (e.g., specific programs).

A purpose stipulation will be considered a restriction only if it is more specific than the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in the Organization's Articles of Incorporation and Bylaws.

Reclassifications from Restricted to Unrestricted Net Assets

The Organization shall report in its statement of activities a reclassification from restricted to unrestricted net assets if any of the following events occur:

1. Fulfillment of the purpose for which the net assets were restricted (e.g., spending restricted funds for the stipulated purpose)

2. Expiration of time restrictions imposed by donors

3. Death of an annuity beneficiary

4. Withdrawal by the donor (or by a court) of a time or purpose restriction

If a donor stipulates multiple restrictions (such as a purpose and a time restriction), reclassifications from temporarily restricted to unrestricted net assets shall be reported only upon the satisfaction of the final remaining restriction.
Reclassifications from Unrestricted to Restricted Net Assets

If the Organization accepts and receives a restricted contribution from a donor who further stipulates that the Organization set aside a portion of its unrestricted net assets for that same purpose, the Organization shall report in its statement of activities a reclassification of net assets from unrestricted to temporarily or permanently restricted, based on the specific nature of the restriction. (See the preceding Gift Acceptance policy for procedures for determining whether to accept a gift that requires reclassification of net assets from unrestricted to temporarily restricted.)

Disclosures

The Organization discloses in a footnote to the financial statements the different types of temporary and permanent restrictions associated with the Organization’s net assets as of the end of each fiscal year.
POLICIES ASSOCIATED WITH FINANCIAL AND TAX REPORTING

FINANCIAL STATEMENTS

Standard Financial Statements of the Organization

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Organization. Financial statements may reflect year-to-year historical comparisons or current year budget-to-actual comparisons.

The basic financial statements that are maintained on an organization-wide basis shall include:

1. **Statement of Financial Position**: Reflects assets, liabilities, and net assets of the Organization and classifies assets and liabilities as current or noncurrent/long-term and net assets by category (unrestricted, temporarily restricted, and/or permanently restricted.)

2. **Statement of Activities**: Presents support, revenues, expenses, and other changes in net assets of the Organization, by category of net asset (unrestricted, temporarily restricted, and permanently restricted), including reclassifications between categories of net assets.

3. **Statement of Cash Flows**: Reports the cash inflows and outflows of the Organization in three categories: operating activities, investing activities, and financing activities.

4. **Statement of Functional Expenses**: Presents the expenses of the Organization in a natural or objective format and by function (i.e., which program or supporting service was served).

**Frequency of Preparation**

The objective of the Accounting Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on a monthly basis by the 15th of each month. The standard set of financial statements described in the preceding section shall be supplemented by the following schedules:

1. Individual statements of activities on a departmental and functional basis (and/or program/grant basis)

2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The monthly set of financial statements shall be prepared on the accrual method of accounting, including all receivables, accounts payable received by the 15th of the month.
**Review and Distribution**

All financial statements and supporting schedules shall be reviewed and approved by the CFO prior to being issued by the Accounting Department.

After approval by the CFO, a complete set of monthly financial statements, including the supplemental schedules described above, shall be distributed to the following individuals:

- Treasurer and all members of the Finance Committee
- Executive Director
- Department Directors and any other employee with budget-monitoring responsibilities

Financial statements may include an additional supplemental schedule prepared or compiled by the CFO. The purpose of this schedule is to provide known explanations for material budget variances in accordance with the Organization’s budget monitoring policies described later in this manual (under the *Financial Management Policies* section).

**Monthly Distribution**

On a monthly basis, the Board of Directors will be provided with summary program and/or grant financial information.

**Annual Financial Statements**

On an annual basis, the Organization shall prepare, under the direction of the CFO, a complete set of GAAP financial statements, including footnotes addressing all disclosures required by GAAP. These financial statements shall be presented to the Organization’s independent auditors at the beginning of their annual audit as the draft statements from which they will conduct their audit.

A formal presentation of the Organization’s annual audited financial statements shall be provided by the Independent Auditor to the full Board of Directors at the Organization’s Annual Meeting. See separate policies regarding the annual audit under “Financial Management Policies.”

**Trend Analysis**

On an annual basis, in connection with the preparation of the preceding financial statements, the CFO shall prepare a five-year revenue and expense report in order to facilitate the analysis of financial trends experienced by the Organization. This report shall also include a five-year comparison of certain key operating ratios, based on the Organization’s annual financial statements.

This report shall be submitted to the CEO and the Finance Committee no later than 90 days after year-end.
GOVERNMENT RETURNS

Overview

To legitimately conduct business, the Organization must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state, and local jurisdictions. Filing requirements of the Organization include, but are not limited to, filing annual information returns with IRS, state charitable solicitation reports, annual reports for corporations, income tax returns, information returns for retirement plans, annual reporting, 1099 Forms, and payroll tax withholding tax returns.

Filing of Returns

The CFO shall be responsible for identifying all filing requirements and ensuring that the Organization is in compliance with all such requirements.

The Organization will file complete and accurate returns with all authorities and make all efforts to avoid filing misleading, inaccurate, or incomplete returns.

Filings made by the Organization include, but are not limited to, the following returns:

1. **Form 990**: Annual information return of tax-exempt organizations, filed with IRS. Form 990 for the Organization is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.

2. **Form 990-T**: Annual tax return to report the Organization's unrelated trade or business activities (if any), filed with IRS. Form 990-T is due on the fifteenth day of the fifth month following year-end. An automatic 6-month extension of time to file Form 990-T may be obtained by filing Form 8868.

3. **Form 5500**: Annual return for the Organization's employee benefit plans. Form 5500 is due on the last day of the seventh month after the end of the plan year, but a 2½-month extension of time to file may be requested using Form 5558.

4. **W-2s and 1099s**: Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to the federal government by February 28. Generally, Form 1099 is required only if the organization has provided more than $600 in compensation to an independent contractor during the calendar year. As an added internal control, the Coalition should consider mailing Forms W-2 and 1099 rather than handing them out. Any mailed W-2s or and 1099 that are returned as undeliverable by the U.S. Postal Service should be thoroughly investigated as this could be an indicator of a “ghost employee.”

5. **Form 940** – Annual federal unemployment tax return filed with IRS, for all employers [other than charitable organizations exempt from FUTA (but not necessarily state unemployment tax) under IRC section 501(c)(3)], due January 31.
6. **Form 941** – Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

The Organization's fiscal and tax year-end is June 30. All annual tax and information returns of the Organization are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the Organization’s external Payroll Administrator.

The Organization complies with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each the Organization employee.

**Review of Form 990 by Board of Directors**

A draft of the Organization’s annual Form 990 information return shall be reviewed and approved by the Board of Directors, Finance Committee, and/or Audit Committee prior to being filed with the Internal Revenue Service. This review and approval shall be documented with the signature of the Board Chair.

**Public Access to Information Returns**

Under regulations that became effective in 1999, the Organization is subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns Form 990 and Form 990-T, if applicable. (Excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A).

2. The Organization’s original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.

The Organization adheres to the following guidelines in order to comply with the preceding public disclosure requirements:

1. Anyone appearing in person at the offices of the Organization during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The CFO shall be responsible for maintaining this copy of each form and for making it available to all requesters.

2. For all written requests for copies of forms received by the Organization, the Coalition shall require prepayment of all copying and shipping charges. For requests for copies that are received without prepayment, the Organization will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.
3. The copying cost charged for providing copies of requested forms shall be $1.00 for the first page and $0.15 for each subsequent page. All copies shall be shipped to requesters via Priority Mail, thus, shipping charges will be a standard $3.00 per shipment.

4. After payment is received, all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the Accounting Department.

5. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits.

6. The Organization shall accept certified checks and money orders for requests for copies made in person. The Organization shall accept certified checks, money orders, and credit cards (or personal checks) as payment for copies of forms requested in writing.

As an alternative to steps 2 through 6 above, the Organization shall comply with the federal requirements to make its forms widely available by posting all required forms on the Organization's website and referring all requesters to this website within 7 days of receipt of any request for copies. In addition to making its returns widely available on its website, the Organization will also permit visual inspections of its returns to anyone personally appearing at the Organization's offices during normal working hours and making such a request.
OTHER TAX CONSIDERATIONS

State and Local Property, Sales, Use & Income Taxes

The Organization will monitor state and local tax laws where the Organization conducts business to ensure that it is complying with all applicable tax laws. The Organization qualifies as tax-exempt charitable entity under Section 501(c)(3) of the Internal Revenue Code.

For income tax purposes, the Coalition has applied separately for exemptions from state sales tax in the State of Florida, where it conducts its business.

State Charity Registrations

The state of Florida requires the Organization to register with the state for two primary reasons: if the Organization has an office, programs or owns real estate in that state and/or if they raise funds in the state. The Organization is registered and files an annual report with the State of Florida, Department

The Organization is required to register and file annual reports with other states if it conducts charitable solicitations within those states. States regulate fundraising through charitable solicitation laws. State reporting can involve two components – registration and an annual financial report. The registration may be a single initial filing or an annual filing which provides information about an organization’s finances and budgets. The annual financial report generally covers operating results with an emphasis on fundraising.

The Organization’s internet fundraising efforts could be considered charitable solicitations in various other states. The Organization will examine the reach of its internet fundraising efforts and register to solicit funds in all applicable states. Some factors the Organization will consider in determining whether internet fundraising efforts require registration in specific states are whether the campaigns specifically target individuals in a certain state and whether the Organization repeatedly receives contributions from a state on an ongoing or substantial basis.
TRANSACTIONS WITH INTERESTED PERSONS

The Organization is required to disclose transactions with interested persons. The term interested persons is defined similarly to, but not exactly the same as, the term disqualified person as used in IRC section 4958 on excess benefit transactions (e.g., 4958 considers former officers, directors, and trustees to be disqualified persons only for a five-year period after leaving the board, whereas the term interested persons covers all former board members). In addition to the list below, organizations that make grants to individuals are required to identify certain other interested persons.

Identification of Interested Persons

In connection with complying with requirements of the Internal Revenue Code and the Form 990 information return, the Organization shall identify all individuals and entities qualifying as interested persons as defined by the IRS:

1. All current officers, directors, trustees, and key employees (individuals required to be listed on the Form 990)
2. All former officers, directors, trustees, and key employees
3. Substantial contributors (a person required to be listed on Schedule B of the Form 990)
4. Family members of any individual listed in 1, 2, or 3, defined as spouses, ancestors, brothers, sisters, children, grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren
5. A 35% controlled entity of any of the persons listed in 1, 2, or 3
6. A donor or donor advisor to a donor-advised fund
7. An investment advisor of a sponsoring organization

Record of Transactions with Interested Persons

The Organization shall maintain a record of all transactions and balances with interested persons for each fiscal year for purposes of disclosure on the Form 990.

This record shall be reviewed and approved by the CFO and provided to the Form 990 preparer.
UNRELATED BUSINESS ACTIVITIES

**Identification and Classification**

The Organization properly identifies and classifies income-producing activities that are unrelated to the Organization’s tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations.

Such income accounts shall be segregated in separate accounts in the general ledger in order to facilitate tracking and accumulation of unrelated trade or business activities.

**Allocation of Expenses to Unrelated Activities**

In addition to segregating income associated with activities that are unrelated to the Organization’s exempt purpose, the Organization’s general ledger shall also provide accounts for expenses associated with each such unrelated activity. These expenses shall be offset against unrelated business revenue in arriving at unrelated business taxable income. Expenses that shall be offset against gross unrelated business income shall be limited to those expenses directly associated with the production of such income, including reasonable allocation of indirect costs that benefit each activity, in accordance with expense allocation policies described elsewhere in this manual.

**Reporting**

The Organization will file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is subject to public access and disclosure requirements. Please see Public Access to Information Returns above.

The Organization shall also report taxable income from unrelated trade or business activities that are subject to state or local income or franchise taxes on the appropriate return.
FINANCIAL MANAGEMENT POLICIES

BUDGETING

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of the available resources.

Budgets are also prepared for funding sources, and the CFO must be aware of budget modification requirements. Awarding agencies may or may not require approval for changes in line items. The Organization will document and follow all such requirements.

Preparation and Adoption

The Organization will prepare an annual budget on the accrual basis of accounting. The CFO gathers proposed Organization-wide budget information from all Department Directors and others with budgetary responsibilities and prepares the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and should explain all material fluctuations in budgeted amounts from prior years.

After appropriate revisions and a compilation of all department budgets by the CFO, a draft of the Organization-wide budget, as well as individual department budgets, is presented to the CEO for discussion, revision, and initial approval.

The revised draft is then submitted to the Finance Committee, and finally to the entire Board of Directors for adoption.

It is the policy of the Organization to adopt a final budget at least 30 days before the beginning of the Organization’s fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the Accounting Department to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

Budgets for programs that are not on the Organization’s fiscal year will be prepared in accordance with awarding agency requirements.

Monitoring Performance

The Organization monitors its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.
On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Accounting Department and distributed to each employee with budgetary responsibilities. In addition, Department Directors shall submit monthly performance (non-financial) reports to the CEO, the CFO, and the Board of Directors.

**Budget and Program Revisions**

This policy addresses the Organization’s general situation. Some grants have specific dollar limits and requirements that require prior approval before making budget revisions. The CFO knows the requirements and is responsible to notify the appropriate staff of compliance with each grant.

The Organization will request prior approval from federal awarding agencies for any of the following program or budget revisions: *(2 CFR Part 200.308)*

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.

2. Change in a key person (CEO, CFO, Director of Program Operations, etc.) specified in the application or award document.

3. Disengagement for more than three months, or a 25% reduction in time devoted to the project, by the approved Project Director or principal investigator.

4. The need for additional federal funding.

5. The inclusion, unless waived by the federal awarding agency, of costs that require prior approval in accordance with 2 CFR Part 200.407, Prior written approval.

6. The transfer of funds allotted for participant support costs to other categories of expense.

7. Unless described in the application and funded in the approved awards, the subaward, transfer, or contracting out of any work under an award. (However, this provision does not apply to purchases of supplies, materials, equipment, or general support services.)

8. Changes in the amount of the approved cost-sharing or matching provided by the Organization.

**Budget Modifications**

After a budget has been approved by the Board of Directors and adopted by the Organization, reclassifications of budgeted expense amounts of less than $5,000 within a single department may be made by the Department Director, with approval from the CFO. Reclassifications of budgeted expense amounts across departments of greater than $5,000 but less than $10,000 may be made only with approval of the CEO.

Reclassifications in excess of the preceding thresholds and any budget modification resulting in an increase in budgeted expenses or decrease in budgeted revenues shall be made only with approval of the Finance Committee and/or full Board of Directors.
ANNUAL AUDIT

Per 2 CFR Part 200.508, Auditee Responsibilities, “The auditee must:

(a) Procure or otherwise arrange for the audit required by this Part in accordance with § 200.509 Auditor selection, and ensure it is properly performed and submitted when due in accordance with § 200.512 Report submission.

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements.

(c) Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with § 200.511 Audit findings follow-up, paragraph (b) and § 200.511 Audit findings follow-up, paragraph (c), respectively.

(d) Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this Part.”

Role of the Independent Auditor

The Organization will arrange for an annual audit of the Organization's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by the Board of Directors will be required to communicate directly with the Organization's Audit Committee upon the completion of their audit. In addition, members of the Audit Committee and Executive Committee are authorized to initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm at the Organization's Annual Meeting, after the financial statements have been reviewed and approved by the Audit Committee.

Auditor Independence

The Organization may from time to time request the independent auditor to provide services outside the scope of the annual audit and Form 990 preparation. In connection with these non-audit services, it is imperative that the independent auditor remain independent in fact and in appearance in order to continue serving the Organization as its auditor.

Generally, in order to remain independent with respect to the audit, the Organization’s auditors should not provide non-audit services that involve performing management functions or making management decisions nor should they provide non-audit services in situations where the non-audit services are significant/material to the subject matter of the audits (or where they would be auditing their own work in connection with the annual audit).

Therefore, it is the Organization’s policy to evaluate any non-audit service requested from the independent auditor for possible impairments to the firm’s independence, and to not permit the performance of any services that would impair independence. This evaluation shall be performed by the Chief Financial Officer, who may consult the independent auditor or other external sources in making this determination.
In addition, for each non-audit service that is to be provided by the Organization’s independent auditor, the Organization shall:

1. Designate a management level individual to be responsible and accountable for overseeing the non-audit service to be determined by the CEO.

2. Establish and monitor performance of the non-audit service to ensure that it meets management’s objectives to be performed by the CEO.

3. Make any decisions that involve management functions related to the non-audit service and accept full responsibility for such decisions.

4. Evaluate the adequacy of the services performed and findings that result.

**How Often to Review the Selection of the Auditor**

The Organization shall review the selection of its independent auditor in the following circumstances:

1. Any time there is dissatisfaction with the service of the current firm.
2. When a fresh perspective and new ideas are desired.
3. Every 5 years to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every five years, but simply to reevaluate the selection).

**Selecting an Auditor**

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by the Organization in selecting an accounting firm:

1. The firm’s reputation in the nonprofit community.
2. The depth of the firm’s understanding of and experience with not-for-profit organizations and federal reporting requirements under 2 CFR Part 200.
3. The firm’s demonstrated ability to provide the services requested in a timely manner.
4. The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner.

If the Organization decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information shall be included:

1. Period of services required
2. Type of contract to be awarded (fixed fee, cost basis, etc.)
3. Complete description of the services requested (audit, management letter, tax returns, etc.)
4. Identification of meetings requiring their attendance, such as staff or Board of Director meetings
5. Organization chart of the Organization
6. Chart of account information
7. Financial information about the Organization
8. Copy of prior year reports (financial statements, management letters, etc.)
10. Other information considered appropriate
11. Description of proposal and format requirements
12. Due date of proposals
13. Overview of selection process (i.e., whether finalists will be interviewed, when a decision shall be made, etc.)

Minimum Proposal Requirements from prospective CPA firms shall be:

1. Firm background
2. Biographical information (resumes) of key firm member who will serve the Organization
3. Client references
4. Information about the firm's capabilities
5. Firm's approach to performing an audit
6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
7. Other resources available with the firm
8. Expected timing and completion of the audit
9. Expected delivery of reports
10. Cost estimate including estimated number of hours per staff member
11. Rate per hour for each auditor
12. Other information as appropriate

In order to narrow down the proposals to the top selections, the CFO shall meet with the prospective engagement teams from each proposing firm to discuss their proposal. Copies of all proposals shall be forwarded to each member of the Audit Committee. After the CFO narrows down the field of prospective auditors to three firms, final interviews of each firm are conducted by the Audit Committee, who makes the final recommendation to the Board of Directors for approval.

**Preparation for the Annual Audit**

The Organization shall be actively involved in planning for and assisting with the Organization’s independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Accounting Department shall provide assistance to the independent auditors in the following areas:

**Planning** – The CFO is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. The CFO shall review the list of information requested by the auditors and assign responsibility for each item to the appropriate staff of the Organization. The CFO shall then schedule and direct status meetings in the weeks leading up to the audit in order to review the progress of staff in preparing for the audit.

The CFO shall arrange and coordinate any and all meetings, interviews, telephone discussions, and conference calls requested by the auditor with the Organization board members, audit or finance committee members, or employees of the Organization to facilitate the auditor’s work. Prior to any such meetings or discussions, the CFO shall inform each Organization participant of the nature of the discussion or meeting and what, if any, preparations they should do prior to the meeting. The CFO shall communicate to each of the Organization’s participant in such meetings or discussions the
importance of being open, honest, and frank with the auditors with respect to any and all questions posed by the auditors.

**Involvement** – The Organization’s staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

**Interim Procedures** – To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Organization’s year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. The Organization’s staff will provide requested schedules and documents to assist the auditors during any interim audit fieldwork.

Throughout the audit process, the Organization will make every effort to provide schedules, documents, and information requested by the auditors in a timely manner.

**Concluding the Audit**

Upon receipt of a draft of the audited financial statements of the Organization from its independent auditor, the CFO shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors.
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of the Organization.
3. Review each footnote for accuracy and completeness.

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the CFO.

It shall also be the responsibility of the CFO to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

In addition, the Single Audit Clearinghouse form shall be completed and a copy submitted to the Audit Committee.

**Audit Adjustments**

It is the policy of the Organization to review all adjustments prepared by the independent auditor in connection with the annual audit, and, if in concurrence, record them in the general ledger.

The Organization may also receive a list of unadjusted differences (or passed audit adjustments) from the independent auditor in connection with the audit. If the Organization receives such a list, it shall be the responsibility of the CFO to review them and determine whether or not to record them in the current year.
**Internal Control Deficiencies Noted During the Audit**

In accordance with generally accepted auditing standards, at the conclusion of the audit the Organization’s independent auditors may provide a written communication of internal control deficiencies noted in connection with their audit. Not all deficiencies in internal control are required to be reported by the auditor. Only the following two types of deficiencies are required to be communicated:

1. **Material weakness** – A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

2. **Significant deficiency** – A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Organization’s independent auditors are required to provide written communication to the Audit Committee of all significant deficiencies and material weaknesses (i.e., only those control deficiencies that rise to the level of materiality at which they qualify under the definitions provided above, in the opinion of the auditor).

It is the Organization’s policy that all internal control deficiencies that are communicated by the auditor in writing shall be formally addressed by the Audit Committee, the CEO, and the CFO. The CEO and the CFO shall prepare a written response, which shall include a corrective action plan, to each internal control finding and such response shall be presented to the Audit Committee for its review and approval.

**Audit Committee Communications with the Auditors**

In accordance with generally accepted auditing standards, in connection with and at the conclusion of each annual audit, the auditors are required to make certain communications directly to the Audit Committee. The CFO shall facilitate all of these communications, arranging for face-to-face meetings, telephone or conference calls, or delivery of electronic or paper documents between auditor and Audit Committee members.

Some of the communications that the Organization’s auditors may have with the Organization’s Audit Committee include:

1. Planning discussions prior to commencing the audit, such as by inquiring of audit committee members their perception of where the risk of material misstatements in the Organization’s financial statements may be greatest, the various risks of fraud, and other inquiries.

2. Planning stage communications informing the audit committee of the planned scope and nature of certain audit procedures that the auditors plan to perform, to aid in the audit committee members having a thorough understanding of the audit.

3. Internal control deficiencies noted during the audit, communicated in writing at the conclusion of the audit.
4. Any material fraud detected by the auditor, or any fraud, regardless of materiality, involving senior management, noted at any time during the audit.

5. Significant problems or other issues that arose during the audit (e.g., disagreements with management and certain other items that the auditors may be required to report to the audit committee).

6. Audit adjustments made by the auditors as a result of their audit.

7. Certain audit differences noted by the auditors that they deemed not material enough to warrant making an adjustment for.

Audit Committee members should be aware of these communications and engage in active discussions with the auditors whenever it is considered appropriate in the fulfillment of these or their other duties.
INSURANCE

Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of the Organization. The Organization maintains adequate insurance against general liability, as well as coverage for buildings, contents, computers, cyber liability, equipment, machinery, and other items of value.

Coverage Guidelines

The Coalition management meets with an insurance advisor at least every three years to review insurance needs and coverage amounts. A complete, up-to-date listing of policies and coverage are listed below.

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Amount of Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Umbrella Liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Automobiles for Employees</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Employee dishonesty/bonding</td>
<td>$1,000,000 for the accounting employees and the CEO</td>
</tr>
<tr>
<td>Directors and Officers</td>
<td>$1,000,000 (with an appropriate deductible level)</td>
</tr>
<tr>
<td>Theft</td>
<td>Coverage for all items with acquisition cost greater than $1,000</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>To the extent required by law (or contractual obligations of the Organization)</td>
</tr>
<tr>
<td>Cyber Liability</td>
<td>$1,000,000 (with an appropriate deductible level)</td>
</tr>
</tbody>
</table>

The Organization shall maintain a detailed listing and all insurance policies in effect in the Finance office.

Agent and insurance company, including all contact information

Stahl & Associates Insurance, Inc.
110 Carillon Parkway, St. Petersburg FL 33716
Agency: 727.391.9791 Ext 249
Direct: 727.489.0586
Fax: 727.393.5623
Insurance Definitions

Fidelity Bond

For all personnel handling cash or preparing or signing checks, the Organization shall obtain insurance that provides coverage in a blanket fidelity bond. The specific needs of the Organization will determine the dollar limit of this coverage.

Comprehensive Liability

This type of coverage may include directors, officers, and employee general liability insurance, buildings, contents, computers, fine arts, boilers, and machinery.

The Coalition policy is keeping a log of all property including those items below the Organization’s capitalization threshold. This record will be useful if an insurance claim needs to be made to replace items lost in a major disaster.

Cyber Liability

This type liability coverage is insurance coverage for liability that arises out of unauthorized use of, or unauthorized access to, electronic data or software within Organization’s network or business.

Umbrella Liability

This type of insurance is extra liability insurance. It is designed to help protect the company from major claims and lawsuits and as a result it helps protect our assets and our future.

Workers’ Compensation Liability

Contractors are required to comply with applicable federal and state workers’ compensation and occupational disease statutes. If occupational diseases are not compensated under those statutes, they shall be covered under the employer’s liability insurance policy, except when contract operations are so commingled that it would not be practical to require this coverage.
Purpose
Through its planning process, the Board of Directors of the Early Learning Coalition of Pinellas County (“Coalition”) identifies the principle programs and activities to fulfill the Coalition’s statutory mission. The efficient and effective operation of the Coalition is promoted by an integrated internal control framework that includes not only financial and accounting controls but also administrative controls for its program activities to ensure compliance with all applicable state and federal policies, rules, regulations, statutes as well as prudent business practices.

The Coalition should be able to not only account for funds spent on a program, but also to demonstrate the value of the program and its accomplishments. An effective system of internal control can give the Coalition the means to obtain reasonable assurance that the programs it directs meet established goals and objectives. While managers have a significant impact on an organization’s system of internal control, every employee of the organization has a responsibility and a role in ensuring that the system is effective in achieving the organization’s mission.

Scope
Each member of Board as well as all staff of the Coalition has a role in the system of internal control. Internal control is people-dependent. It is developed by people: it guides people; it provides people with means of accountability; and people carry it out. Individual roles in the system of internal control vary greatly throughout the Coalition. Very often, an individual’s position in the organization will determine the extent of that person’s involvement in internal control.

The strength of the system of internal control is dependent on people’s attitude toward internal control and their attention to it. Executive management needs to set the organization’s “tone at the top” regarding internal control. If executive management does not establish strong, clearly stated support for internal control, the organization as a whole will most likely not practice good internal control. Similarly, if individuals
responsible for control activities are not attentive to their duties, the system of internal control will not be effective.

While everyone in an organization has responsibility for ensuring the system of internal control is effective, the greatest amount of responsibility rests with the management of the Coalition. Management has a role in making sure that the individuals performing the work have the skills and capacity to do so, and, to provide employees with appropriate supervision, monitoring, and training to reasonably assure that the organization has the capability to carry out its work. The organization's top executive, as the lead manager, has the ultimate responsibility for the establishment of the control environment.

Policy Statement
Coalition management shall establish and maintain a cost effective system of accounting and administrative internal controls to provide the following reasonable assurances that:

- All obligations and costs are in compliance with terms contained in agreements and applicable law;
- All funds, property, and other assets are safeguarded against waste, loss, or unauthorized use;
- All revenues and expenditures applicable to Coalition operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the assets; and
- All programs and administrative activities are managed efficiently to fulfill the mission of the Coalition.

The establishment and maintenance of the Coalition’s internal control system shall be executed in accordance with the Board’s direction, the requirement of the Florida Office of Early Learning and guidelines set forth in applicable state and federal regulations.

Internal control: the integration of the activities, plans, attitudes, policies, and efforts of the people of an organization working together to provide reasonable assurance that the organization will achieve its objectives and mission.

Roles and Responsibilities
The Chief Executive Officer is responsible for establishing the Coalition’s system of internal control, and is also responsible for (1) establishing a system of internal control review, (2) making management policies and guidelines available to all employees, and (3) implementing education and training about internal control and internal control evaluations. To the extent that the Chief Executive Officer authorizes other managers to perform certain activities, those managers become responsible for those portions of the Coalition’s system of internal control.

Internal Controls – Annual Self-assessment
The Coalition must perform an internal controls self-assessment using OEL’s annual Internal Control Questionnaire (ICQ) Survey Form. The ELC shall provide a copy of the completed annual ICQ to OEL, as instructed by the OEL, by Sept. 30 of each grant award period unless OEL provides other written instructions.

The annual ICQ will help the ELC document that the primary objectives for internal controls pertaining to compliance requirements for federal programs, including the following, are met in accordance with 2 CFR §200.303.

- The ELC properly records and accounts for transactions.
- The ELC executes transactions in compliance with laws, regulations and contract provisions.
- The ELC safeguards funds, property and other assets against loss due to unauthorized use or disposition.
- Reasonable measures are taken to safeguard protected personally identifiable information (PPII) and other information the Federal awarding agency or the Office consider sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

OEL will provide the annual ICQ form in electronic format to the Coalition by July 1 of each award period, unless OEL makes other arrangements. The Coalition shall submit the completed ICQ and any other supporting files considered necessary electronically to the SharePoint ELC site, FMSAS/2015-16 ICQ – Completed.

Procedure

- The Chief Executive Officer will review the self-assessment once it is developed and transmitted to the Coalition by the Florida Office of Early Learning.
- The Chief Financial Officer will complete the annual self-assessment of internal control developed by the Florida Office of Early Learning.
- The Chief Executive Officer will review the self-assessment once it is developed and transmitted to the Coalition by the Florida Office of Early Learning.
- The self-assessment will be completed pursuant to guidelines established by the Florida Office of Early Learning.
- The Chief Financial Officer will ensure that the “Annual Internal control Certification Form” is completed, signed by the CEO, and submitted to the Florida Office of Early Learning by the required date of each year.

Responsibilities
The Chief Financial Officer has responsibility for the maintenance of this procedure

Forms/Record Keeping

<table>
<thead>
<tr>
<th>Title</th>
<th>Location</th>
<th>Responsible Officer</th>
<th>Retention period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Control Survey</td>
<td>T: drive</td>
<td>Chief Financial Officer</td>
<td>5 years</td>
</tr>
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</tbody>
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Public records means all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by the Early Learning Coalition of Pinellas County, Inc. (Coalition).

Public records include any hard copy or electronic copies of records made or received by the public agency in the course of its official business. Records such as policies, program results, computer records, emails, and Facebook and text messages are all available for inspection unless specifically exempted in state statute.

The collection, retention and production of public records are governed by the federal regulations and statutory authorities cited below:

1. Chapter 119, F.S., Public Records
2. Section 1002.75, F.S., Records of Children in the Voluntary Prekindergarten Program
3. Section 1002.97, F.S., Records of Children in the School Readiness Program
4. Section 1002.221, F.S., K-12 Education Records
5. 45 C.F.R. Pt. 5b, Privacy Act Regulations
6. 20 U.S.C. § 1232g, Family Rights and Educational Privacy Act
7. 2 CFR Part 200.79, Definition of Personally Identifiable Information (PII)
8. 2 CFR Part 200.82, Protected Personally Identifiable Information (Protected PII)
9. 2 CFR Part 200.303(e), Internal controls to safeguard PII and PPII
11. OEL Grant agreement, Exhibit III
12. OIG Guidance OEL-IG-12-001, Audit and Audit Resolution Responsibilities
13. OEL Program Guidance 101.02, Records Confidentiality

Definitions
Confidential: As used in this policy, the term “confidential” refers to entire record systems, specific records or individually identifiable data that by law are not subject to public disclosure.
under Article I, Section 24 of the Florida Constitution and Chapter 119, Florida Statutes (F.S.) When applicable, confidentiality covers all documents, papers, computer files, letters and all other notations of records or data that are designed by law as confidential. Further, the term confidential also covers the verbal conveyance of data or information that is confidential.

These confidential records may include but not be limited to, social security numbers, parent and child information, payments, childcare providers, household demographics and resource and referrals, which are private and confidential and may not be disclosed to others.

*Information Technology Security:* The protection afforded to an automated information system in order to attain the applicable objectives of preserving the integrity, availability, and confidentiality of data, information, and information and technology resources [Section 282.0041(14), F.S.]

*Mobile Computing Device (aka portable media storage or peripheral devices):* A laptop, personal digital assistant (PDA) or other portable device that can store, playback or process data via ports or wireless networking technology. Other covered media devices include hard drives, thumb drives, flash drives, tablets, cell phones, smart phones, wearable computing devices diskettes, CDs, etc. Such devices shall not be used to store any confidential data as described in this guidance.

*Personally Identifiable Information (PII):* PII means information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, Web sites, and university listings. This type of information is considered Public PII and includes for example, first and last name, address, work telephone number, and general educational credentials.

The definition of PII is *not* anchored to any single category of information of technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source, that, when combined with other available information, could be used to identify an individual. [2 CFR Part 200.79]

*Protected Personally Identifiable Information (Protected PII or PPII):* Protected PII means an individual’s first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother’s maiden name, criminal medical and financial record and education transcripts. This definition does not include PII that is required by law to be disclosed.

*Redact:* means to conceal from a copy of an original public record, or to conceal from an electronic image that is available for public viewing, that portion of the record containing exempt or confidential information.
School Readiness (SR): The School Readiness Program as established in Part VI of Chapter 1002, F.S., and authorized pursuant to the Child Care and Development Block Grant Trust Fund, 45 Code of Federal Regulations, parts 98 and 99.

Voluntary Prekindergarten (VPK): The Voluntary Prekindergarten program, as established in Part V of Chapter 1002, F.S.

Access
All records classified as public records must be open and available for inspection by any person unless otherwise specified by law. It is the responsibility of the Coalition to maintain records in a location that is accessible to the public and in a manner (i.e., cost) that does not exceed the costs provided in Chapter 119, F.S., or as otherwise provided by law.

The right of access as described in this policy is not limited to the required retention period but is in effect for as long as the described records are retained.

Disclosure Forms
The Coalition is required to enter into and use appropriate nondisclosures agreements as necessary to maintain data confidentiality and security. Individuals who have access to such data are also required to complete an individual nondisclosure form that the Coalition will maintain on file.

Internal Controls
The Coalition as an entity that administers and manages federally or state-funded grant programs must establish internal controls that provide reasonable assurance of compliance with federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls must specifically:

“Take reasonable measure to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.” [2 CFR Part 200.303(e), Internal controls]

Portable Devices
The Coalition (including any employees, subcontractors, agents or any other individuals exposed to confidential information) shall not store, or allow to be stored, any confidential information on any portable storage media or peripheral device.

A. VPK Records
Individual records of a child enrolled in the VPK program are confidential and exempt from disclosure under Section 1002.72; F.S. Records made confidential and exempt include the assessment data, health data, and records of teacher observations and personal identifying
information of an enrolled child and his or her parent or guardian. The exemption applies to records held by a coalition, OEL, or a VPK Education Program provider before, on or after the effective date of the exemption. A parent or guardian has the right to inspect, review and obtain a copy of the individual VPK Education Program record of his or her child. Pursuant to Section 1002.72(3), F.S., confidential and exempt VPK records may be released in limited circumstances.

B. SR Records
The Coalition will retain all SR client records such as: family portal account information, child care application and authorization, DCF at-risk referral form if applicable, OEL at-risk domestic violence center/ homeless program referral form if applicable, immunization records, family income data, purpose of care, EFS data, etc. in accordance with its School Readiness Services Eligibility Policy & Procedures Manual, OEL grant agreement, program rules or other OEL program guidance.

In addition, the Coalition will retain attendance/enrollment records in accordance with the its School Readiness Services Eligibility Policy & Procedures Manual, detailed deliverables listed on the SR provider contract, Section VI, item 37, Records Maintenance, OEL grant agreement, program rules or other OEL program guidance.

Individual records of children enrolled in SR programs, when held in the possession of SR providers, the Coalition are confidential and exempt from public disclosure. The child’s parent or guardian and other entities as set forth in the exemption are authorized to have access to the records, (Section 1002.97, F.S.).

Additional types of information that the Coalition has access to, but are required to be confidential, include the following:

Section 402.308(3) (a), F.S.: The Coalition may only disclose social security numbers submitted by an applicant for a childcare facility license issued by the Department of Children and Families for child support enforcement purposes.

Section 409.175(16), F.S.: Specified personal information about foster care parents and their families that is contained in the licensing file of the Department of Children and Families is exempt from disclosure unless otherwise provided by Florida Statutes.

Section 409.821, F.S.: Information in an application for the determination of eligibility for the Florida Kidcare program that identifies applicants, including medical information and family financial information, is confidential and exempt from disclosure. In addition, any information obtained through quality assurance activities and patient satisfaction surveys that identify program participants, obtained by the Florida Kidcare program under cited statutes, is also confidential and exempt from disclosure.

C. Demographic Data in SR & VPK Programs
The Coalition must store demographic data (race/ethnicity, sex, age and, where known, disability status) for applicants, clients on the Wait List, participating families and childcare providers and terminées in a manner that ensures confidentiality. The Coalition shall use the data only for the purposes of record keeping and reporting, determining eligibility in a nondiscriminatory manner or other use authorized by law. The data shall be used for statistical purposes only and not in any manner, that reveals the identity of the individual.

D. Medical Records & Disability – Related Information
The Coalition must store medical records and disability-related information on custodian and child records in a manner that ensures confidentiality, and only use the records for the purposes of record keeping and reporting and determining eligibility, or other use authorized by law. Medical records and disability-related information must be maintained in the custodian’s or child’s file, stored in a secure area, and treated as confidential medical records. The Coalition must limit access to disability-related or medical information to the following:

The Coalition may inform supervisors and managers regarding restrictions on the work or duties of an employee or participant and regarding necessary accommodations;

The Coalition may inform first aid and safety personnel, when appropriate, if the disability might require emergency treatment or evacuation; and

The Coalition must provide information, on request, to government officials investigating compliance with Federal law.

E. Social Security Numbers
Social security numbers are confidential pursuant to Section 119.071(5)(a), F.S., (5 USCA 552a). Redact (eliminate) social security numbers from all documents prior to delivery, except as specifically provided by law, including documents to be filed with the courts and personnel records. The Privacy Act of 1974(Public Law 93-579) requires that individuals required to disclose their social security number be informed whether disclosure is mandatory or voluntary and provided with a statement of the purpose for the collection. Additionally, Florida law allows commercial entities access to social security numbers if there is a legitimate business purpose and entities submit a request in writing.

F. Background Screening Records
The Coalition staff will comply with the OEL grant agreement, program rules or state statutes, and the HR manual for records that are created and maintained regarding employee background screenings. The following documents will be retained in the Coalition records: Coalition registration with FDLE, Grant agreement Exhibit 1, Section E, paragraph 1, ELC subrecipient, contractor, and subcontractor registration and related employee records, and Paragraph 2, employee screening and rescreening records.

Records Retention & Destruction
The coalition must establish proper records maintenance and retention regarding record confidentiality based on the Grant Agreement between OEL and the Coalition.
The Coalition retains records as required by law and destroys them when appropriate. All files, both hard copy and electronic shall be labeled with topic, year (if applicable), and destruction date. Electronic copies shall be saved in appropriate folders on the network storage device. Hard copies should be stored in file cabinets or archived in the storage area. Archived hard copy files shall be stored. The Coalition shall maintain storage of all records in the Coalition office and at a records facility which is climate controlled, safeguarded and easily accessible.

The destruction of records must be approved by the Chief Financial Officer and logged into the Coalition’s Destroyed Records Log. Review and purging of files may take place on an ongoing basis, but must occur at least once per year, and must follow the minimum retention requirements outlined below.

The Coalition upon termination of the agreement will either return to the OEL or, if return is not feasible, destroy all confidential information in whatever form or medium that Coalition received from or created on behalf of the OEL to include without limitation all backup tapes. This will also apply to all confidential information that is in the possession of subcontractors of Coalition. The Coalition will retain no copies of such information, including any compilations derived from and allowing identification of confidential information.

The Coalition will complete such return or destruction as promptly as possible, but not more than ten (10) calendar days after the effective date of the conclusion of the contract. Within the ten (10) calendar day period, Coalition will certify on oath in writing to the OEL that such return or destruction has been completed.

If Coalition believes that the return or destruction of confidential information is not feasible, Contractor shall provide in writing within ten (10) days, the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction is not feasible, Coalition shall continue the protections provided for in this contract as long as it maintains the confidential information.

The destruction of any documents containing social security numbers or any other “consumer data” as defined under federal laws and regulations shall be done internally by designated Coalition staff or via shredding using an approved shredding service provider.

In order to simplify the records retention process, the Coalition may consider the following:

- Eliminate duplicate copies of documents. There may copies of invoices in program departments as well as in the fiscal department.
- The Coalition will only retain the originals of invoices, timesheets, etc.
- Sort out all permanent records and put all records on the same schedule and eliminate the need to track records for different retention period.
- Use off-site storage or scanning for record retention.
- The Coalition will not complete scanning of records until after the audit period is closed.
Exception for Investigations

In connection with any ongoing or anticipated investigation into allegations of violations of federal laws or regulations, provisions of government awards, or violations of the Coalition’s Code of Conduct, the following exceptions are made to the preceding scheduled retention and/or destruction of records:

1. All records related to the subject of the investigation or allegation shall be exempt from any scheduled record destruction.

2. The term “records” shall also apply to any electronically stored record (e.g., documents stored on computers, email messages, etc.), which shall also be protected from destruction.

Record protection is one of the requirements of the 2002 Sarbanes-Oxley Act, and it is also the subject of a disclosure on the IRS Form 990. Therefore, the Coalition schedules record storage and destruction dates at consistent and appropriate intervals throughout the year.
The formal records retention policy of the Coalition is as follows:

<table>
<thead>
<tr>
<th>Record</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit reports</td>
<td>Permanent</td>
</tr>
<tr>
<td>Correspondence – Legal and important matters</td>
<td>Permanent</td>
</tr>
<tr>
<td>Corporate Documents, Bylaws, Tax Exempt Certificate</td>
<td>Permanent</td>
</tr>
<tr>
<td>Financial statements – Year-end</td>
<td>Permanent</td>
</tr>
<tr>
<td>General ledgers/year-end trial balance</td>
<td>Permanent</td>
</tr>
<tr>
<td>Minutes of the Board of Directors meetings &amp; Committee meetings</td>
<td>Permanent</td>
</tr>
<tr>
<td>Retirement and pension records</td>
<td>Permanent</td>
</tr>
<tr>
<td>Tax returns and other IRS documents relating to tax filings</td>
<td>Permanent</td>
</tr>
<tr>
<td>Accident reports/claims (settled Cases)</td>
<td>7 Years</td>
</tr>
<tr>
<td>Accounts payable ledgers and schedules</td>
<td>7 Years</td>
</tr>
<tr>
<td>Accounts receivable ledgers and schedules</td>
<td>7 Years</td>
</tr>
<tr>
<td>Contracts and leases – expired</td>
<td>7 Years</td>
</tr>
<tr>
<td>Garnishments</td>
<td>7 Years</td>
</tr>
<tr>
<td>Insurance claims</td>
<td>7 years</td>
</tr>
<tr>
<td>Inventories &amp; Property records (incl. depreciation schedules)</td>
<td>7 Years</td>
</tr>
<tr>
<td>Invoices from vendors</td>
<td>7 Years</td>
</tr>
<tr>
<td>SR &amp; VPK Client Records</td>
<td>7 Years</td>
</tr>
<tr>
<td>Payroll records and summaries</td>
<td>7 Years</td>
</tr>
<tr>
<td>Personnel records (terminated)</td>
<td>7 Years</td>
</tr>
<tr>
<td>Purchase orders</td>
<td>7 years</td>
</tr>
<tr>
<td>Subsidiary ledgers</td>
<td>7 Years</td>
</tr>
<tr>
<td>Timesheets/cards</td>
<td>7 Years</td>
</tr>
<tr>
<td>Bank statement &amp; reconciliations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Chart of accounts</td>
<td>7 Years</td>
</tr>
<tr>
<td>Employment applications &amp; Background Screening records</td>
<td>7 Years</td>
</tr>
<tr>
<td>SR &amp; VPK Attendance/enrollment Records</td>
<td>7 Years</td>
</tr>
<tr>
<td>Correspondence – General</td>
<td>5 Years</td>
</tr>
</tbody>
</table>
Public Records Requests
A public records request is a request to either inspect or copy or both, public records pursuant to Chapter 119, Florida Statutes. Although any staff or Board member may receive a public records request and fulfill it, the CEO must be advised of all public records requests immediately upon receipt of such a request. The CEO or his or her designee, the CFO shall serve as the single point of access within the organization for the coordination of fulfillment of requests as public records requests typically involve research, review, and redaction of confidential and/or exempt information, multi-department involvement and consultation with legal counsel.

- There is no requirement that the request be made in person or in writing, or be in any particular form.
- The person making the request is not required to identify himself/herself, or to provide information about the reason for the request or how the records will be used.
- The request must be clear enough to enable the agency to conduct a meaningful search. Questions may be asked in order to respond to the request fully and in a timely manner.

Processing Records Requests
Upon receipt of a public records request, the Coalition record’s custodian must determine the type of record requested, the location of the record and the legal requirements for disclosure of each record. Coordination and notification to the OEL General Counsel and Public Information Office is also required upon receipt of the request.

Confidential information that the Coalition receives from another agency retains its confidentiality unless otherwise provided by law. The requirements of the program that provides the information must apply.

The Coalition may release confidential and exempt records to specified parties when authorized by law. The receiving party must protect the records in a manner that does not allow identification of an enrolled child, the child’s parent or the child’s legal guardian to persons not authorized to receive the records.

Fees for Responding to Requests and Special Service Fees for Extensive Use of Resources
The Coalition follows the law when charging fees for responding to a Public Records request.

- One-sided Copies $0.15 per page (8½ x 14”)
- Double-sided Copies $0.20 per page (8½ x 14”)
- CD-ROM / DVD Actual cost
- Certified Copies $1.00 per page
- Packaging and Shipping Charges Equal to actual costs incurred

Some requests can be fulfilled free of charge.

Photocopies are charged at the current rates set forth by Florida law. However, if photocopying, researching, reviewing or redacting confidential and/or exempt information
requires extensive use of agency resources, the Coalition may impose a special service fee as authorized by the Florida Public Records Act s. 119.07(4) (d) and as determined on a case by case basis.

Certain public records (such as board packets) may be available online or in electronic format and, in these instances, requestors will be advised of these options to avoid or decrease costs and/or fees associated with responding to the request.

All requests for public records should be directed to the Records Management Custodian at the following address:

Early Learning Coalition of Pinellas County, Inc.
Executive Assistant Office
2536 Countryside Blvd, Suite 500
Clearwater, FL 33763
Telephone (727) 400-4446

Subpoenas
Subpoenas should be served directly to the named individual. Once served, the employee must notify their supervisor and Human Resource office. In the event that an employee is not available or there is no named recipient, Human Resource office will accept any notices of subpoena.

Verification of Employment
Direct requests for verification of employment of the Early Learning Coalition of Pinellas County Inc. employees to:

Early Learning Coalition of Pinellas County, Inc.
Human Resource Office
2536 Countryside Blvd, Suite 500
Clearwater, FL 33763
Telephone (727) 400-4427
Fax (727) 548-1509
Policy: **ELCPC- 400.05**

<table>
<thead>
<tr>
<th>Travel Policy Manual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amendment Date:</strong> 7.1.2015</td>
</tr>
</tbody>
</table>

**REFERENCES:**

1. Section 112.61, Florida Statutes;
2. Section 895.05, Florida Statutes;
3. Chapter 542, Florida Statutes;
4. Chapter 691-72, Florida Administrative Code;

**RESPONSIBLE UNIT:**

Coalition’s Finance Department
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Travel is performed and reimbursed only as provided by law (Section 112.061, Florida Statutes), Chapter 691-42, and the Early Learning Coalition of Pinellas, Inc. (hereafter referred to as “Coalition”) policies and procedures. Travel expenses are limited to those expenses necessarily incurred by the traveler in the performance of any Coalition purpose authorized by law.

**TRAVEL AUTHORIZATION:**
The Board Chair, Chief Executive Officer, or Chief Financial Officer may authorize travel of:

- Coalition Board Members
- Coalition Employees
- Coalition Independent Contractors

**TIME LINES:**
Claims for reimbursement of travel expenses should be prepared at least monthly on the Voucher for Reimbursement of Travel Expenses in strict compliance with Section 112.061, Florida Statutes, FOEL grant agreement, and Coalition Travel policy.

Regardless of the amount of reimbursement, travel reimbursement vouchers must be submitted for payment within 30 days after completing the travel for the month.

**AUTHORITY AND PURPOSE**
The following Procedures are adopted by the Coalition in compliance with Section 112.061, Florida Statutes, and Chapter 691-42, Florida Administrative Code. They are designed to assist and guide travelers in planning travel, completing, filing and processing travel reimbursement forms.

Even though these procedures establish guidelines, it is the responsibility of each traveler to comply with Section 112.061(7)(a), Florida Statutes. This statute requires each employee to travel by the most economical means and states in part that all travel must be by a usually traveled route.

In case a person travels by an indirect route for his own convenience, any extra costs shall be borne by the traveler; and reimbursement for expenses shall be based only on such charges as would have been incurred by a usually traveled route.

**DEFINITIONS**

**Actual Point of Origin:** The geographic location where the travel begins.

**Agency:** Early Learning Coalition of Pinellas County, Inc. (Coalition)

**Agency Head:** Chief Executive Officer

**Authorized Person:**
1. A Coalition employee, or board member traveling on the Coalition business who are authorized to incur travel expenses in the performance of official duties.
2. A person who is called upon to contribute time as consultant or independent contractor.
3. A person who is a candidate for an executive or professional position.

**Class A Travel:** Continuous travel of 24 hours or more away from official headquarters.

**Class B Travel:** Continuous travel of less than 24 hours, which involves overnight absence from official headquarters.

**Class C Travel:** Travel for short or day trips where the traveler is not away from his official headquarters overnight.

**Common Carrier:** Train, bus, commercial airline operating scheduled flights or rental cars of an established rental car firm.

**Conference:** The coming together of persons with a common interest or interests for the purpose of deliberation, interchange of views, or for the removal of differences or disputes and for discussion of their common problems and interests. The term also includes similar meetings such as seminars and workshops which are large formal group meetings that are programmed and supervised to accomplish intensive research, study, discussion and work in some specific field. A conference does not mean the coming together of agency or interagency personnel.

**Convention:** The assembly of representative groups or persons coming together for the accomplishment of a purpose of interest to a larger group or persons. A convention does not mean the coming together of agency or interagency personnel.

**Employee:** An individual, other than an officer or authorized person as defined, who is filling a regular or full-time authorized position and is responsible to the agency head.

**Most Economical Class of Transportation:** The class having the lowest fare which is available.

**Most Economical Method of Travel:** The mode of transportation (privately owned vehicle, common carrier, etc.) designated by an agency head in accordance with criteria prescribed by Section 112.061, Florida Statutes.

**Official Headquarters:** Early Learning Coalition of Pinellas County, Inc., 2536 Countryside Blvd., Clearwater, FL 33763.

**Point of Origin:** The geographic location of the traveler’s official headquarters or the geographic location where travel begins, whichever is lesser distance from the destination.

**Travel Day:** A period of 24 hours (midnight to midnight) consisting of four quarters of six hours each.
**Travel Expense:** Necessary expenses while traveling; actual expenses while traveling; the usual, ordinary and incidental expenditures necessarily incurred by the traveler.

**Travel Period:** A period of time between the time of departure and time of return.

**Traveler:** A Coalition employee, or authorized person when performing authorized travel.

**AUTHORIZATION TO INCUR TRAVEL EXPENSES FORM**

**General:** The Authorization to Incur Travel Expenses Form shall be completed prior to travel for all employees and authorized persons. This form shall be signed and dated prior to the 1st day of travel by:

1. The traveler
2. The traveler’s manager/supervisor
3. Agency head or designee

**Vicinity Mileage:** All Coalition employees that travel monthly on official business complete the Authorization to Incur Travel Expenses Form for vicinity mileage annually by July 1st of the new fiscal year. For new Coalition employees who travel on behalf of the agency, the form must be completed prior to the beginning date of travel. The original form must be submitted to the Fiscal Budget Specialist for filing in the employee’s travel file.

**Conferences:** The Authorization to Incur Travel Expenses Form shall be completed prior to travel to a conference for all employees and authorized persons. This form shall be signed and dated prior to the 1st day of travel to the conference and should be submitted for payment with other conference reimbursement documents.

All conference travel must be pre-approved by the Agency head or designee. The original authorization must be submitted with the travel reimbursement voucher. If the original travel authorization has already been submitted with voucher for a previous trip, a legible copy may be used for any subsequent authorized travel.

**INSTRUCTIONS FOR COMPLETING AUTHORIZATION TO INCUR TRAVEL EXPENSES FORM**

The following are detailed instructions to comply with section 112.061, F.S. and Coalition travel policy:

- Employee name, position title, date, and department
- Destination and purpose of travel
- Month and day(s) of travel
- Estimated, itemized cost to the ELC for all items listed on the form
- Statement explaining benefits accruing to the State of Florida and the Coalition for all conferences
- Employee signature, manager signature, and agency head or designee signature
- Credit card box checked and approved by CEO/CFO, if applicable
- If conference travel, attached a copy of the agenda of the convention/conference and any other documentation detailing the itemized
- Attach registration fee form, if applicable
- Information on lodging, if applicable
• The completed, original form will be attached to the travel reimbursement voucher at the time of submission for payment.

VOUCHER FOR REIMBURSEMENT OF TRAVEL EXPENSES FORM

The Voucher for Reimbursement of Travel Expenses Form must be completed and submitted for payment monthly, within 30 days of completing the travel for the month for vicinity mileage and conferences.

INSTRUCTIONS FOR COMPLETING VOUCHER FOR REIMBURSEMENT OF TRAVEL EXPENSES FORM

The following are detailed instructions to comply with Section 112.061, Florida Statutes and the rules of the ELC.

• Employee name (use full legal name)
• Social security number – last 4 digits only
• Dates of travel
• Travel performed
• Point of origin and destination
• Purpose of travel
• Hour of departure and hour of return
• Per diem or meals
• Lodging
• Vicinity mileage
• Incidental/other expenses, if applicable
• Deduct any non-reimbursable, pre-paid or items charged to credit card
• Statement explaining benefits accruing to the State of Florida/Coalition

Date(s)/Month
The month and day of each day of travel must be shown beginning with the date of departure, each day away and the date of return.

Travel Performed
List the name of the city or town of origin and final destination that day. Each location must be listed, regardless if duration of travel is overnight for one day or more. List separate each city visited during the day’s travel in which official business was conducted regardless of the frequency traveled to each city.

Purpose of Trip
The purpose of each trip must be typed directly following the column designated for “travel performed.” Acronyms and nonstandard abbreviations for programs or organizational units within an agency should not be used in supporting documentation unless an explanation is written on the travel voucher. Example: QRIS should be “Quality Rating and Improvement System”.

Page 6
HOUR OF DEPARTURE AND RETURN
Indicate the actual hour of departure and, on the final return trip, the actual hour of return.

Class of Travel

Class A travel is continuous travel of 24 hours or more away from official headquarters.
Class B travel is continuous travel of less than 24 hours which involves overnight absence away from official headquarters. The travel day for Class B begins at the same time the travel begins.
Class C travel is continuous travel of less than 24 hours without overnight absence away from official headquarters.

Per Diem or Meals

Allowable: Rates for per diem are provided for in Section 112.061(6), Florida Statutes. All travelers are allowed the authorized per diem for each day of travel: or if actual expenses exceed the allowable per diem, the amount allowed for meals as provided in Section 112.061(6) (b), Florida Statutes plus actual expenses for lodging at a single occupancy rate. Travelers may only switch from actual to per diem while on Class A travel on midnight to midnight basis. A traveler on Class A or B basis who elects to be reimbursed on a per diem basis is allowed $20.00 for each quarter from the time of departure until the time of return.

Mileage Limits: A traveler may not claim per diem or lodging reimbursement for overnight travel within 50 miles (one way) of the headquarters or residence unless the circumstances necessitating the overnight stay are fully explained by the traveler and approved by the agency head.

Amounts: Class A and B travel shall be reimbursed at one-fourth of the authorized rate of per diem, $20.00; for each quarter or fraction thereof. Currently per diem rate is calculated at a rate of $80.00 per day.

Allowance for meals shall be based on the following schedule of allowances:

Breakfast - $6 when travel begins before 6 am and extends beyond 8 am.
Lunch - $11 when travel begins before 12 noon and extends beyond 2pm.
Dinner - $19 when travel begins before 6 pm and extends beyond 8 pm.
Class A and B Travel shall be reimbursed at one-fourth of the authorized rate of per diem, $20; for each quarter or fraction thereof. Currently, per diem is calculated at a rate of $80.00 per day.

Allowance for meals shall be based on the following schedule of allowances:

1. **Breakfast** - $6 when travel begins before 6 am and extends beyond 8 am.
2. **Lunch** - $11 when travel begins before 12 noon and extends beyond 2 pm.
3. **Dinner** - $19 when travel begins before 6 pm and extends beyond 8 pm.

Class C Travel shall not be reimbursed on a per diem basis nor shall a traveler receive meal allowance.
MAP MILEAGE CLAIMED
The agency head may authorize the use of privately owned vehicles for official travel. The traveler is entitled to a mileage allowance at a fixed rate 44.5 cents per mile. Reimbursement for expenditures relating to the operation, maintenance, and ownership of a vehicle shall not be allowed when privately owned vehicles are used on the Coalition business.

Map mileage when possible must be submitted with travel forms at the time of reimbursement.

Complimentary Mileage
Any complimentary mileage must be so noted on the travel voucher, giving total mileage and the name of the traveler whom provided the complimentary mileage.

No traveler shall be allowed either mileage or transportation expense when he/she is gratuitously transported by another traveler who is entitled to mileage or transportation expense.

Saturday Mileage
If a Coalition employee is required and authorized to travel on official business on a weekend day, the travel for vicinity mileage will be reimbursed from the employee’s home to the meeting site and back home.

Claiming Mileage from Home
If travel begins more than one hour before or one hour after the traveler’s regular work hours, the point of origin may be the traveler’s residence.

If the traveler chooses to use this rule, the traveler’s regular work hours must be stated on the voucher, the miles from his residence and justification for travel prior to the regular work schedule.

This space intentionally left blank.
Claiming Lesser Distance
When travel begins at a point other than the headquarters, then the traveler shall claim official map mileage for the lesser distance, either from the point of origin to the destination or from the ELC office to the destination. The balance may not be reported as vicinity mileage.

KEY: Allowable mileage .........................................................
Unallowable mileage ...........................................................

1. Home is closer to destination than office is:

Examples:

a. If a traveler begins the travel from home and returns directly to home. Traveler is entitled to claim actual miles driven from home to destination and return.

Office

Home  Destination

b. If a traveler begins travel at the office and returns directly to the office; the traveler may claim the actual miles driven from office to destination and return, but, may not claim the additional miles driven between the office and home.

Office

Home  Destination


Office

Home  Destination

c. If traveler begins from office and returns home; traveler claims miles from office to destination and destination to home.

Office

Home  Destination


Office

Home  Destination

d. If traveler begins from home and returns to office; traveler claims miles from home to destination and return to office.

Office

Home  Destination
2. **Office is closer to travel destination than home is:**

If traveler begins travel from home and returns to home; the traveler may claim only the distance from the office to the destination and return to the office regardless of whether the traveler returns to the office or to home.
Employee Vehicles
Travelers may use their privately owned vehicle and when doing so will be reimbursed for authorized business travel. Travelers using a privately owned vehicle will be reimbursed on a mile for mile basis at the rate authorized in Section 112.061, F.S., which is currently $.445 per mile. Miles traveled between the traveler’s residence and official headquarters will not be reimbursed.

It is the responsibility of the traveler to use the most economical method and route of travel for each trip. If a traveler travels by an indirect route for his/her own convenience, any extra cost shall be borne by the traveler and reimbursement of the expenses for mileage shall be based only on such charges as would have been incurred by a usually traveled route.

A traveler may not claim more mileage than was actually incurred as necessary travel expense. Because of unusual travel needs, the location of the traveler’s headquarters or circumstances beyond the traveler’s control, a deviation from these procedures may at times be necessary. When such a deviation is required, the manager’s initials are required on the travel reimbursement voucher.

Changing Mode of Transportation
When there is a change in the mode of transportation on a single trip, which results in a private vehicle being driven, for audit purposes either a memo should accompany the voucher or a statement should be written on the travel voucher explaining the inconsistency.

MOST ECONOMICAL MEANS

It is the responsibility of the traveler to utilize the most economical method of travel for each trip/conference, keeping in mind the following conditions:

- The nature of the business.
- The most effective and economical means of travel (considering time of the travel, cost of transportation and per diem or subsistence required.)
- The number of persons making the trip and the amount of equipment or material to be transported.

If a person travels by an indirect route for his/her own convenience, any extra cost shall be borne by the traveler and reimbursement for expenses shall be based only on such charges as would have been incurred by a usually traveled route.

Employees will only be reimbursed for the most direct route.
RENTAL CAR

The Coalition, when possible will utilize a competitive bid state contract for rental vehicles to make use of a state contract rate. Reservations for vehicles should be made as soon as travel plans are known. Furthermore, rental vehicles should be returned as soon as possible upon the traveler’s return. Failure to do so may result in a reduction of the reimbursement.

COMMERCIAL AIRCRAFT

The traveler must provide a passenger receipt to be reimbursed for his/her airfare. An itinerary is acceptable as a receipt for electronic tickets. Travel surcharges may be reimbursed as long as properly justified and a receipt is provided.

Penalty for cancellation or exchange of a ticket may be paid by the Coalition, only if the cause for the cancellation is in the best interest of the Coalition, or if the cancellation is due to illness of the traveler or illness or death of a member of the traveler’s immediate family.

Justification should be included with the request for reimbursement.

Transportation by chartered vehicles (including airplanes, buses, etc…) when traveling on the Coalition business may be authorized when necessary or where it is to the advantage of the Coalition, provided the cost of such transportation does not exceed the cost of transportation by privately owned vehicle, as allowed under Section 112.06(7)(d), F.S.

CLAIMING HOTEL REIMBURSEMENT

When claiming reimbursement for lodging expenses, receipts must show the name and address of the establishment, the name of the traveler, the daily rate(s) actually paid, the dates checked in and out and the number of persons who occupied the room. In addition, the following requirements must be met:

- If the room was occupied by more than one person, the receipt must show the single occupancy rate. Only the single occupancy rate can be reimbursed. Exception: If two employees share a room, under those circumstances the receipt will state double occupancy.
- The itemized hotel receipt must be either marked paid, have a credit card number listed or the balance must be zero.
- Lodging expenses paid by employees are not tax exempt. Travelers will be reimbursed for the tax that they pay.
- If a safe charge is a mandatory charge by the hotel, it can be reimbursed. This should be listed as a separate charge on the travel voucher and it should be stated “safe charge mandatory” on the travel voucher. If it is an optional charge, it is the responsibility of the traveler.
- If there is a mandatory hotel parking charge, it should be included on the hotel receipt. This should be listed as a separate charge on the travel voucher and it should be stated “hotel parking mandatory” on the travel voucher.
• Justification may be requested for hotel rates that are deemed excessive.
• Receipts should be taped to a sheet of paper, not stapled to the voucher.
• Room service is not an allowable expense.

**Hotel Rooms Shared by Multiple Travelers**
• When multiple travelers share a hotel room and the hotel bill is paid by one of the travelers, then the traveler paying the bill shall request the reimbursement for the total amount of the hotel bill.
• When multiple travelers have separate rooms and one traveler pays the hotel bill for all, then the traveler paying the bill shall request the reimbursement for the total amount of the hotel bill. The traveler whose the hotel bill is being paid must state on the travel voucher “hotel room comp of...”. If two travelers share a hotel room and split the bill, then each traveler may claim one-half of the hotel bills on their travel reimbursement request.
• The travelers should be on the same method of travel for reimbursement purposes.

**CONFERENCES**

**General:** No public funds shall be expended for attendance at conferences or conventions unless:

• The main purpose of the conference/convention is in connection with the official business of the Coalition and direct related to the performance of the Coalition duties.
• The conference/convention provides a direct educational or other benefit supporting the work and Coalition purpose.
• The duties and responsibilities of the traveler attending the conference/convention are compatible with the objectives of the conference/convention.
• The request for payment of travel expenses is in compliance with these procedures.

When a traveler is authorized to attend conferences/conventions, seminars or workshops, or when a registration fee is paid, a copy Authorization to Incur Travel Expense Form must be submitted with the registration fee for payment. The original Authorization to Incur Travel Expense Form must be submitted with the Voucher for Reimbursement of Travel Expenses Form for payment. A copy of the agenda should be attached as well.

In accordance with Department of Financial Services Rule 69I-42.004, Florida Administrative Code, *when the words convention, conference, seminar or workshop appear as the purpose of a trip or when a registration fee is paid, there must be a statement of benefits accruing to the State of Florida/Coalition.* In other words, the benefits the State receives by paying these travel expenses must be stated on the Authorization to Incur Travel Expense Form.

**Presenting at a Conference**
When presenting at a conference or convention, the term “presenter” must be included on the travel voucher.
Meals included in Registration Fee

1. When a meal is included in a registration fee, the meal allowance must be deducted even if the traveler decides for personal reasons not to eat the meal. As provided in Attorney General Opinion 081-53, a continental breakfast is considered a meal and must be deducted if included in a registration fee for a convention or conference.

2. In the case where a meal is provided by a hotel, the traveler will be allowed to claim the meal allowance provided by law.

EXPENSES

Other Allowable Expenses
Although certain expenses are incidental, they are allowable expenses which have been incurred as a necessary travel expense to be claimed on a travel voucher. When receipts are required, the original must be filed with the travel reimbursement request. In the even a receipt is lost or cannot obtain, a statement must be submitted stating the expense was incurred while in travel status and the receipt was lost or could not be obtained.

If an original, itemized invoice/receipt is not available, the following statement must be on the copy of the invoice receipt and signed by the person making the determination for the reimbursement:

“Original invoice/receipt not available – this obligation has not been previously paid or submitted for reimbursement.

Traveler Signature ____________________”

Receipts ARE required as indicated:
1. Taxi fares in excess of $25.00 on a fare basis.
2. Parking fees
3. Toll Fees
4. Communication expenses, such as, telephone calls, fax, postage and mailing fees.
   A statement that these expenses being claimed were for the Coalition business must appear on the reimbursement form.
5. Receipts for the actual amount paid for mandatory valet parking.
6. Receipts or cancelled checks for registration fees paid by the traveler.
7. Laundry, dry cleaning and pressing expenses can be reimbursed when official travel extends beyond seven (7) days and such expenses are necessarily incurred to complete the official business portion of the trip.
8. Actual cost of maps necessary to conduct official business.

Receipts are NOT required as indicated:
1. Actual tips paid to taxi drivers. This amount shall not exceed 15% of the taxi fare.
2. Actual tips paid for valet parking. This amount shall not exceed $1.00 per occasion that was incurred in the performance of ELC business.
3. Portage charges shall be reimbursed at $1.00 per bag or box and shall not exceed
$5.00 per occurrence. If portage expenses exceed $5.00, then the number of bags and/or boxes must be listed on the reimbursement form.

Unallowable Expenses
The following expenses are not reimbursable:

1. Non-business related telephone calls.
2. Storage of personal items.
3. Any item not directly related to the performance of ELC business.
4. The Coalition is not responsible for reimbursing parking fines or fines for unlawful driving.

NUMBER OF COPIES
The person preparing the reimbursement request will prepare:

1. An original Authorization to Incur Travel expenses
2. An original Voucher for Reimbursement of Travel Expenses
3. An original of all receipts (receipts should be taped to a sheet of paper, not stapled to the voucher).

The original travel voucher must have original signatures.
The traveler and the manager sign the Voucher for Reimbursement of Travel Expenses and forward to the Finance Department for payment.

If the employee’s manager is unavailable to approve the travel voucher at the time of submission, the employee will contact the next higher level manager.
The traveler will complete the following and submit for payment:

1. Authorization to Incur Travel Expenses,
2. Voucher for Reimbursement of Travel Expenses,
3. Vicinity Mileage Form,
4. An online map showing round-trip miles for trips 50 miles or greater,
5. Additional supporting documentation
6. Agenda for the conference attended

When all travel documents are complete, place them in the in box of the Fiscal Budget Specialist/AP for payment.

ERRORS
When audit of a travel voucher by the Coalition Finance Department reveals an error, the person auditing the voucher will make certain types of corrections and process the voucher. The types of errors that can be corrected include mathematical errors, incorrect online map mileage and incorrect meals/per diem based on the departure or return time of the traveler.

Any errors may necessitate the return of the reimbursement request to the traveler or preparer. Travel vouchers returned because of errors will be deemed received when all corrections have been made and the voucher is returned to the Coalition Finance Department.

No priority of payment will be given in the processing of a returned voucher.
BACKGROUND
Federal regulations governing grant funds that HHS provides require recipients of the federal grant funds to follow certain requirements for the management, disposition, and utilization of tangible personal property purchased with the federal grant funds (45 CFR § 75.320). These requirements shall include maintaining certain records of property purchased with the federal grant funds and performing a physical inventory of the property at least once every two years. These federal regulations are limited to “tangible nonexpendable personal property charged directly to the award having a useful life of more than one year and an acquisition cost of $5,000.00 or more per unit” (45 CFR § 75.439(2)). Federal regulations also allow a state to establish lower limits for these requirements. The Coalition will follow all applicable state laws and rules concerning the management and disposition of tangible personal property.

State requirements relative to the management and disposition of tangible personal property are sometimes more restrictive than the federal regulations. Chapter 274, F.S. and Rule 69I-73, F.A.C. provide the minimum standards necessary to adequately control, safeguard, and account for tangible personal property. To reasonably assure compliance with Chapter 274, F.S. and rules of the Chief Financial Officer, the Coalition’s internal controls include appropriate measures to ensure that all tangible personal property acquisitions are identified, appropriately marked, and accurately recorded in the appropriate records and that annual physical inventories are conducted and reconciled to related property records by persons who do not have asset custody responsibilities.

1. The Coalition is required to inventory all tangible personal property with value or cost of $1,000 or more and a normal expected life of one year or more (i.e., a non-consumable item or something that can be used up and is then either gone or useless).
2. The Coalition will conduct the inventory of its property annually and when there is a change of custodian or custodian delegate.
3. The Coalition will record in its financial system as property for inventory purposes all property with a value or cost of $1,000 or more with a projected useful life of one year or more.
AUTHORITY
Federal and State laws, regulations, and rules require that Coalition institute proper controls relative to the management and disposition of equipment purchased with federal and state funds. The Coalition will follow seven major documents which specify the requirements for property management:

- 2 CFR § 200, OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards
- 45 CFR § 75 - USDHHS Regulations
- 45 CFR § 98 Subpart F – Use of Child Care and Development Funds
- Section 1002.84(11), Florida Statutes (F.S.) – Complying with Tangible Personal Property Requirements
- Chapter 274, F.S. – Tangible Personal Property Owned by Local Governments
- Rule 69I-73, Florida Administrative Code (F.A.C.) – Tangible Personal Property Owned by Local Governments
- OEL 240.02 – Tangible Personal Property

If there is any conflict between the provisions set forth in these documents, resolution will occur in the following order or priority. If a lower priority law contains a stricter requirement, the stricter requirement prevails unless other written instructions are provided.

1. Federal law
2. State law
3. Applicable grant agreement or contract
4. The CCDF State plan

MANAGEMENT OF PROPERTY
RECORDING OF PROPERTY
Federal regulations, State statutes, and State rules require the Coalition to maintain adequate records of property in its custody. Each property record entered at the time of the purchase transaction will include the following information:

- Identification number
- Description of item or items
- Physical location (the city, county, address or building name, and room number therein), use, and condition of the property
- Name of custodian with assigned responsibility for the item(s)
- In the case of a property group, the number and description of the component items comprising the group
• Name, make, or manufacturer, if applicable
• Year and/or model(s), if applicable
• Manufacturer’s serial number(s), if any, and if an automobile, vehicle identification number (VIN) and title certificate number, if applicable
• Date acquired
• Cost or value at the date of acquisition for the item
• Method of acquisition and, for purchased items, the voucher and check or warrant number
• Date the item was last physically inventoried and the condition of the item at that date
• If disposed of, use or refer to the information prescribed in Rule 69I-73.005, F.A.C.
• The coalition may include any other information on the individual property record that it may care to include
• The source of funding for the property (including the Federal award identification number (FAIN)); (i.e., identify portion of each item’s costs funded by federal or state grant program monies by award #)
• Percentage of federal participation (i.e., identify portion of each item’s costs funded by federal grant or project)

IDENTIFICATION
Within thirty (30) days of receipt, the Coalition will place a decal or tag on an item of grant-purchased property to identify the property. The decal or tag will contain at least a unique identification number and the name of the Coalition. The Coalition will record the property tag identification number on the Property Tag Assignment Form (OEL/Attachment A).

MARKING OF PROPERTY
The Coalition will permanently mark each property item with the identification number assigned to that item to establish its identity and that the Coalition holding title to the item owns it. The marking will visually display the property identification number of the item and may include an electronic scanning code (“barcode”) to facilitate electronic inventory procedures.

LOCATION OF MARKING
The Coalition will mark items of a similar nature in a similar manner to facilitate identification. In determining a marking location, the Coalition will give careful consideration to the intended use of the items; the probability that wear, vandalism, or routine maintenance functions could obliterate the marking; and the appropriateness of the marking method chosen. Additionally, the location of the marking and the marking method chosen must not mar the appearance of the item.
INVENTORY OF GRANT-PURCHASED PROPERTY

In accordance with Rule 69I-73, F.A.C., the Coalition is required to conduct a physical inventory of equipment at least once per year as well as whenever there is a change of custodian or change of custodian’s delegate. The Coalition will provide its updated Master Property Inventory List to the OEL no later than October 1 of each year or within 30 days of a change in custodian or custodian’s delegate. The Coalition will use the Office of Early Learning Master Property Inventory Form (Attachment B) for the inventory report; the original form used will be kept in the Coalition’s files.

During the required inventory, the Coalition will take the following steps:

(a) For the inventory of an item physically present and properly described on the Master Property Inventory List:

- Physically inspect the item.
- Match the property tag identification number and description of the item against the Master Property Inventory List.
- Verify the current condition of the item against the condition described on the Master Property Inventory List.
- Record the initials of the person taking the inventory next to the item on the Master Property Inventory Form, indicating that the person inventoried the item, and the date performed.

(b) For the inventory of an item physically present with incorrect or missing information:

- If an item’s property tag identification number matches the Master Property Inventory List but the description of the item does not match, the custodian will investigate and correct the description as appropriate. The custodian will draw a line through the incorrect description, record the correct description immediately above or after the incorrect entry, and follow the steps described in subparagraph (a) above.

- If an item’s property tag identification number does not appear on the Master Property Inventory List, the custodian will investigate and correct the inventory as appropriate. The custodian should add the item to the Master Property Inventory List and follow the steps described in subparagraph (a) above.

- If an item does not have a decal or tag with a property tag identification number, the custodian will investigate and correct the inventory as appropriate. The custodian will determine whether the item appears on the Master Property Inventory List.

  1. If the item appears on the Master Property Inventory List, determine the identification number of the original property tag, place a replacement tag with the original property tag identification number on the item, and follow the steps described in subparagraph (a) above.
2. If the item does not appear on the Master Property Inventory List, place a new property tag on the item, add the item to the Master Property Inventory List, and follow the steps described in subparagraph (a) above.

- If the manufacturer’s serial number on the item does not match the serial number on the Master Property Inventory List, draw a line through the incorrect serial number, record the correct serial number immediately above or after the incorrect entry, and follow the steps described in subparagraph (a) above.

(c) For the inventory of an item on the Master Property Inventory List but no longer physically present, draw a line through the entry and make the appropriate notation as follows:

- “Transferred”: The coalition transferred the item to another location or entity (i.e., another contracted entity, same coalition area). Note the change of location on the Master Property Inventory List and Property Tag Assignment Form.

- “Stolen”: Someone stole or may have stolen the item. Note on the Master Property Inventory List the date the item was reported stolen. Attach a copy of a police offense report.

- “Lost”: The item is missing and determined lost. Note on the Master Property Inventory List the date the custodian determined the item to be lost.

- “Surplus”: The item is surplus and reported on the Surplus Property Form (Attachment C) along with a signed Surplus Property Affidavit (Attachment D).

(d) Enter the date, required certification signatures, and other requested information on the last page of the Master Property Inventory List

(e) Additional Considerations

- Electronic scanning format used for the identification number is acceptable only if the recorded data is downloadable to a computer that the Coalition can then use to generate reports that will include all information required on the hard copy of the inventory form.

- In addition to tangible personal property valued at $1,000 or more, the Coalition will maintain a listing of attractive or sensitive items (e.g., laptop computers, tablet computers, iPads, smart phones, digital cameras) costing less than $1,000. Although state rules do not require to record such items on the Master Property Inventory List, the portability and desirability of such items necessitate additional safeguards related to their control, assignment, and use. The failure to maintain a listing of attractive or sensitive items increases the risk of loss or theft of such items without timely detection by management.

- If the custodian discovers during an inventory any property item that the Coalition has not
included on the inventory forms but that meets the requirements for accounting and control, the custodian will create an inventory form for the item at that time. After appropriate investigation to establish the ownership of the item, the custodian will add it to the property records or, if the custodian cannot reasonably establish ownership, the Coalition may dispose of the item consistent with Rule 69I-73.005, F.A.C and in the manner provided by law applicable to surplus property, pursuant to Sections 274.05 and 274.06, F.S.

- The custodian delegate must not personally inventory items for which the custodian delegate is responsible.
- Upon request, the Coalition will make the master inventory list available for inspection by OEL to assure compliance with applicable federal and state requirements.
- Equipment is used by the funding program/project as long as needed.
- Equipment is used for other partnering programs/projects if extra capacity is available.
- If equipment is used for other programs/projects, any related usage fees must equal those charged by other private companies for the same equipment.
- If new equipment is needed, current equipment may be sold or used for trade-in negotiations to offset newer equipment costs (subject to OEL prior approval).

**MAINTENANCE PROCEDURES AND ADEQUATE SAFEGUARDS OF EQUIPMENT**

The Coalition will comply with Federal regulations requirements and implement adequate maintenance procedures to ensure the equipment is kept in good condition and safeguards to prevent loss, damage, or theft of the property.

**INSURANCE COVERAGE**

As required by HHS regulations, the Coalition will, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to other property owned by the coalition [45 CFR § 75.317]. The Coalition maintains insurance coverage of its property.

**REPLACEMENT OF EQUIPMENT**

When acquiring replacement equipment, the Coalition may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property subject to the Office of Early Learning’s prior approval.

**TRANSFERRING PROPERTY WITHIN THE COALITION**

The Coalition will document the transfer of grant-purchased property from one office to another, or from one location to another within the Coalition, by updating the new physical location on the Master Property Inventory List and Property Tag Assignment Form (Attachments A & B).
LOST OR STOLEN GRANT-PURCHASED PROPERTY

Upon completion of the physical inventory or other discovery, the custodian will reconcile inventory records as appropriate:

- The custodian will compare the data listed on the inventory forms with the individual property records.
- The custodian will investigate noted differences such as location, condition, and custodian and correct as appropriate.
- The custodian will relocate the item to its assigned location and custodian in the individual property record.
- The custodian must promptly report to management items not located during the inventory process for thorough investigation.
- If the investigation determines that someone stole or may have stolen the item, the custodian will update the individual property record at the time of determination, and file a report with the appropriate law enforcement agency describing the missing item and circumstances surrounding its disappearance.

DISPOSITION OF EQUIPMENT

Based on Section 274.055, Florida Statutes and Rule 69I-73.005, FAC, when original or replacement equipment acquired under a grant, sub-grant or contract is no longer needed for the original purpose of early learning programs, disposition of the equipment will be made as follow by the Coalition:

1. Items of equipment with an acquisition cost of less than $1,000 will be retained, sold or otherwise disposed of with no further obligation to OEL.

2. Items of equipment with an acquisition cost of $1,000 or more and a useful life of one year or more may be retained or sold and OEL shall have the right to an amount calculated by multiplying the current market value or proceeds from sale by OEL’s share of the equipment’s original costs.

3. Funds from such sales/disposals will be treated as other SR and/or VPK program income.

If the Coalition has no need for equipment items with a current market value less than $5,000, the custodian will perform the following tasks:

- The Coalition will follow its disposition policy consistent with Sections 274.05, 274.06, and 274.07, F.S. and Rule 69I-73.005, F.A.C.

- The custodian will complete the Surplus Property Form and forward to the CFO for review.

- The CFO prepares the action item with supporting documents and presents it to the Finance Committee and the Board of Director’s for approval.

- After Board approval, the custodian will record the following information on the individual property record for each item.
(a) Date of disposition.
(b) Authority for disposition (resolution of the governing body properly recorded in the minutes as Section 274.07, F.S., requires).
(c) Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded).
(d) Identity of the employee(s) witnessing the disposition, if cannibalized (e.g., the process of dismantling portions or components of a property item to repair, replace, upgrade, or extend the useful life of other property items), scrapped, or destroyed.
(e) For items disposed of, a notation identifying any related transactions (e.g., receipt for sale of the item, insurance recovery, trade-in).
(f) For property certified as surplus, reference to documentation evidencing that the Coalition disposed of such property in the manner Section 274.05 or 274.06, F.S., requires.

If the custodian identifies for disposal equipment items with a current market value of more than $5,000, such equipment items will be processed in accordance with 2 CFR § 200.313(e)(2), Equipment, with the assistance of and prior written approval from OEL.

**PRIORITY OF DISPOSITION**

When original or replacement tangible personal property acquired under a grant or sub-grant is no longer needed for the original project or program, the custodian will use the tangible personal property in connection with its other federally-sponsored activities, if any, in the following order of priority:

(1) Programs, projects, or activities the HHS awarding agency sponsors;

(2) Programs, projects, or activities other HHS awarding agencies sponsor; then

(3) Programs, projects, or activities other federal agencies sponsor.

**SURPLUS COMPUTER HARD DRIVE DISPOSAL (AKA CLEANSING OR DATA WIPING) PROCESSES**

Security controls have been established by the Coalition to protect the confidentiality, integrity, and availability of data and IT resources relative to equipment items to be disposed. These controls related to the surplus computer hard drives are intended to minimize the risk the coalition information may be compromised (details on IT policy).

**TRANSFER OF PROPERTY RECORDS**

The Coalition will transfer to a disposed property file, upon disposition of the item, the individual property record for each item of which the Coalition lawfully disposes.

**RETENTION OF RECORDS**

The Coalition will maintain all accounts, records and other supporting documentation related to the acquisition and disposal of each tangible personal property item throughout the life of the property item and for a minimum of five (5) years following the property item’s disposal or until the resolution of any investigation, litigation, audit or claim, whichever occurs last.
RESPONSIBILITIES
It is the responsibility of the Coalition to establish and implement policies and procedures for ensuring that all these laws, regulations, and rules are appropriately adhered to. It is the responsibility of the Coalition staff to be knowledgeable about the federal and state requirements, as well as local policies and procedures, and to ensure that all applicable laws, regulations, rules, policies, and procedures are appropriately implemented.

Failure to abide by these federal and state requirements can result in auditing or monitoring exceptions, and it may negatively impact the ability of the Coalition to meet its program goals and objectives.

ATTACHMENTS
Attachment A: Property Tag Assignment Form
Attachment B: Master Property Inventory Form
Attachment C: Surplus Property Form
Attachment D: Surplus Property Affidavit
Attachment E: Staff Responsibilities
### Property Tag Assignment Form

**Number:** _____________

<table>
<thead>
<tr>
<th>Coalition/Contracted Entity:</th>
<th>Designated Custodian:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>Address:</td>
</tr>
<tr>
<td>Phone:</td>
<td>Phone:</td>
</tr>
<tr>
<td>Fax:</td>
<td>Fax:</td>
</tr>
</tbody>
</table>

Affix attached tag(s) to the front of the item(s) listed below. Complete every blank space for each item below. Sign at bottom of form indicating that all information provided is correct and that the tag(s) have been affixed. Attach a copy of the PO, Check or Invoice/Receipt for items listed.

<table>
<thead>
<tr>
<th>Coalition Tag #</th>
<th>PO or Check #</th>
<th>Full Street Address of Location of Property</th>
<th>City</th>
<th>Description of Item (Include Name, Make, Manufacture &amp; Model #)</th>
<th>Serial Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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I CERTIFY THE TAGS LISTED ABOVE HAVE BEEN AFFIXED TO THE PROPERTY DESCRIBED AND THAT ALL ABOVE INFORMATION IS CORRECT.

**Signature**

**Printed Name**

**Phone#**

**Date**

---

OEL-Revised 07/01/2015
Florida Department of Education  
Office of Early Learning  
Master Property Inventory Form  
Page ___________ of ___________

Coalition/Contracted Entity:  
_________________________________________________________________________ Date: _________________

ORG Code: ___________________________ Custodian: _____________________________
Phone: _____________________________

<table>
<thead>
<tr>
<th>Tag #</th>
<th>Location</th>
<th>Description (include name, make, model # and manufacturer)</th>
<th>Initials</th>
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<tr>
<th>Serial Number</th>
<th>Unit Acquisition Cost</th>
<th>Date of Acquisition</th>
<th>Federal Award Number</th>
<th>% of Federal Participation</th>
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<tr>
<th>Current Condition</th>
<th>Disposition Information (when property is disposed)</th>
</tr>
</thead>
</table>
| ☐ Excellent ☐ Good
☐ Fair ☐ Poor |

| ☐ Transferred ☐ Stolen ☐ Lost
☐ Surplus |
| Sales Price | Date of Disposal |
| O R | Fair Market Value & Method |

Notes: ______________________________________________________

Coalition/Entity Signature         Date  
_________________________________________________________________________/_______________

OEL – 07/01/2015
Florida Department of Education  
Office of Early Learning  
Surplus Property Form

TO: __________________________  From:    _________________________________   PAGE: _______

__________________________  __________________________________
__________________________  __________________________________

DATE: ______

<table>
<thead>
<tr>
<th>ID Tag #</th>
<th>Description of Property ( w/name, make, model # and manufacturer)</th>
<th>Physical Location of Property Being Made Surplus</th>
<th>Condition*</th>
<th>Serial Number</th>
<th>Comments</th>
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</thead>
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</tbody>
</table>

ADDRESS:

CUSTODIAN DELEGATE:

TELEPHONE NUMBER:

SUNCOM NUMBER:

FAX NUMBER:

*CONDITION OF PROPERTY:  E = EXCELLENT; G = GOOD; F = FAIR; P = POOR;

I HEREBY CERTIFY THIS PROPERTY AS SURPLUS.

SUBMITTING CUSTODIAN SIGNATURE: ____________________________________________

OEL – 07/01/2015
Florida Department of Education
Office of Early Learning
Surplus Property Affidavit

Coalition/Contracted Entity: ____________________________________________

located at _____________________________________________, Florida, disposed of

‘surplus items’ as attached in the following manner:

☐ Local Landfill     ☐ Dumpster     ☐ Donated to: ______________________

☐ State Contract Vendor

☐ Other (Specify): ______________________on ________________________

______________________________  ____________
Signature                        Date

Witness:

______________________________  ____________
Signature                        Date

______________________________
Printed Name

______________________________  ____________
Signature                        Date

______________________________
Printed Name

OEL 07/01/2015 (Revised)
ATTACHMENT E

Staff Responsibilities:

**Custodian:** The person or Coalition entitled to lawful custody of tangible personal property:

1. The Coalition’s Monitoring & Compliance Specialist shall act as *Custodian*.

**Custodian Delegate(s):** The person(s) acting under the supervision of the custodian to whom the custodian has delegated the custody of property, and from whom the custodian receives custody receipts.

The following Coalition staff is designated as *Custodian Delegates* due to the location and responsibility of equipment:

1. IT Coordinator
2. Facilities Technician
3. Director of Quality Initiatives
4. Supervisor of Professional Development
5. Program Supervisor-Screening & Intervention
Early Learning Coalition of Pinellas County, Inc.
July 21, 2016

Subject: 2016 Supplemental Sliding Fee Schedule

BACKGROUND

The Child Care Development Block Grant (CCDBG) Act of 2014 establishes a 12-month eligibility period for school readiness (SR) families. The State is required to demonstrate that each child who receives assistance will be considered to meet all eligibility requirements for such assistance and will receive such assistance, for not less than 12 months before the State re-determines the eligibility of the child, regardless of changes in income (as long as income does not exceed the federal threshold of 85 percent of State Median Income (SMI)). Parents must notify the Coalition within 10 days after any change in employment/education status, or of change in income/family size.

The Coalition does not have authority to terminate enrollment based on a family not reporting timely. The supplemental sliding fee scale shall be applied for new enrollments and upon re-determination on and after July 1, 2016 for families with an income greater than 200 percent for the FPL.

Attached is the supplemental sliding fee scale.

PROPOSED COALITION ACTION

To approve the Supplemental 2016 Sliding Fee Schedule for implementation on July 1, 2016 in accordance with the OEL instructions.

Approval

Chair Signature

Date

Supporting Documents: Proposed 2016 Supplemental Sliding Fee Schedule
### Sliding Fee Scale for Coalition

**Effective date**: July 1, 2016

---

**Florida's Office of Early Learning**

**SUPPLEMENTAL SLIDING FEE SCHEDULE**

#### DAILY FEE

<table>
<thead>
<tr>
<th>Annual Gross Income</th>
<th>Number of persons in Family</th>
</tr>
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<tbody>
<tr>
<td>$23,761</td>
<td>1</td>
</tr>
<tr>
<td>$32,041</td>
<td>2</td>
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<tr>
<td>$40,320</td>
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<td>$65,161</td>
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<td>$73,461</td>
<td>7</td>
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</table>

**SMI Source Data**: 2016 Federal Fiscal Year from Low Income Home Energy Assistance Program (LIHEAP) 2016 Poverty Level (FPL) effective January 25, 2016

Parents receiving hourly care pay up to the part-time fee.

Note: 10% Parent Fee was calculated using 260 days.

Refer to 6M-4.400, F.A.C.