



The Children's Services Council of Palm Beach County (CSC) is pleased to provide the Revised Fiscal Year 2013 - 2014 General Administrative Fiscal Guidelines. The effective date of these Fiscal Guidelines is October 1, 2013.

These Guidelines are offered to CSC Funded Providers as a tool to be referenced in the execution of contracts with the CSC. The Fiscal Guidelines, by reference, are incorporated in the CSC standard contract language as an integral part of its Conditions of Award; thereby requiring all CSC Funded Providers become familiar with the stated Guidelines.

The following additions were made to the guidelines since the release of the 2011/2012 Fiscal Guidelines in February 2012:

- 1) Page #2 – Inserted Agency's written policies to be approved by governing board.
- 2) Page #2 – Inserted judgment must be applied.
- 3) Page #7, letter e – Inserted employee has been continuously working in program(s) funded by CSC.
- 4) Pages #7, letter e – Inserted CSC will only reimburse separation costs to Providers with existing board policy.
- 5) Page #8, letter ii – Inserted CSC will not reimburse severance when a reduction in force will affect the viability of the program.
- 6) Page #14, letter c – Inserted CSC will reimburse up to a maximum of 15% for indirect costs.
- 7) Page #14, number 4 – Inserted CSC will not reimburse the cost of prepaid expenses where prepayment is unnecessary such as gift cards.
- 8) Page #15, letter b – Inserted Capital equipment requests are only permitted for start-up programs or an expansion of a program.
- 9) Page # 21, letter g – The CSC logo must be displayed on vehicles purchased with CSC funds.

Please be advised that judgment must be applied in the interpretation and application of these Fiscal Guidelines as it is not the intent that the Fiscal Guidelines will address every fiscal scenario.

To facilitate its use, these Fiscal Guidelines will be located on the CSC Website at www.cscpsc.org; on SAMIS under the tab Fiscal Documents; and will be sent by electronic mail (e-mail) to all Providers who have submitted a 2013-2014 budget. Copies of the Fiscal Guidelines may also be obtained by contacting your Children's Services Council Budget Specialist at (561) 740-7000.

Sincerely,

Bill Cosgrove
Chief Financial Officer



**Fiscal Guidelines
For
CSC Funded Programs**

FY 2013/2014

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Administrative Guidelines for CSC Programs – Fiscal

Children’s Services Council of Palm Beach County (CSC) recognizes and respects each agency’s policies and procedures.

A budget represents the fiscal plan for a program. CSC expects the budget submitted to CSC to support the policies and procedures of the agency submitting the proposed budget. It is expected that the agency’s written policies be approved by their governing board prior to contracting with CSC.

The Council may take an action in a given contract period which may take precedence over these guidelines for that year.

Please be advised that judgment must be applied in the interpretation and application of these Fiscal Guidelines as it is not the intent that the Fiscal Guidelines will address every fiscal scenario.

Goals of the Fiscal Guidelines

- A. To establish mutually understood guidelines for the fiscal management of CSC funds. CSC funds are defined as funding received by a program through its contract with CSC regardless of whether or not the funding originates with CSC or with another funder whose funds flow through CSC and then to the Provider.
- B. To help Providers develop their budgets and operate their programs according to sound fiscal management principles.
- C. To minimize disallowances of Provider expenditures.

General Guidelines

A. Seeking CSC Budget Specialist Advice – Technical Assistance

CSC Budget Specialist’s advice should be solicited throughout the year regarding allowable CSC budget items and expenditures. When a Request for Proposal (RFP) process is underway, restrictions may apply. For example, answers to Provider questions regarding the RFP generally are posted on CSC’s website so that all applicants have access to the questions and answers.

B. Budgets

1. CSC expects initial budgets to be detailed and to itemize all anticipated expenditures (including anticipated salary increases by approved position).

2. All budgets submitted to the CSC must include the most recent quarterly income statement, balance sheet, and statement of cash flows for the requesting agency, as was submitted to its Board of Directors (BOD).

C. Approved Budget Changes

Any budget changes must be submitted and approved through SAMIS or an authorized alternative method.

D. CSC Payments

1. CSC will reimburse the Provider up to the contracted budget amount based upon the approved budget. CSC reimburses based on actual expenditures. Expenditures in excess of the contracted budget will not be reimbursed by CSC. If the total budget allocation is not spent, the balance reverts to CSC at the end of the budget period for reallocation to children's programs in the subsequent budget period.
2. CSC reserves the right to disallow any expenditure that is considered inappropriate for the program it funds even if it falls within the expenditure limitations placed on the cost categories. CSC generally will not fund or reimburse the following:
 - a. The purchase of real property and/or renovations (permanent improvements to the property or site preparations).
 - b. Medical equipment, services or treatment.
 - c. Mortgage payments, interest payments, financing agreements or long-term vehicle leases.
 - d. Staff entertainment expenses.
 - e. Alcoholic beverages.
 - f. Late fees or financing fees (for example: credit card late fees, late fees from lease agreements or on a standard bill).
 - g. Florida state sales tax on purchases made.
 - h. Expenses that are incurred outside of the budget period being billed for reimbursement (including costs relative to implementation of new programming).
3. CSC reserves the right to disallow costs for which the agency cannot provide appropriate supporting documentation. (See list on page 16 of 26).
4. Expenditures must be billed for reimbursement in the budget period in which the expense is incurred. Expenses crossing budget periods must be prorated.
5. Cost Reimbursement Contracts

- a. Payment of CSC funds will occur on a cost reimbursement basis unless another reimbursement methodology, such as unit cost reimbursement, has been agreed to on a monthly basis for expenditures incurred pursuant to the terms of the contract.
 - b. For cost reimbursement contracts, the Provider requests reimbursement through submission of a monthly claim by the tenth of the month following that for which expenditures are claimed. In general, except for specific line items, monthly reimbursement requests should be approximately 1/12 of the annual contract amount for the CSC program. Whenever there is a request for reimbursement of a greater than usual monthly expense, an explanatory note in the SAMIS reimbursement narrative is required.
6. Unit Cost Contracts
- For unit cost contracts, CSC will pay the Provider based on the actual number of units provided up to the capacity limits for the program, as defined in the contract. Providers will be required to adhere to the specific Unit Cost terms or requirements as defined by their approved budgets, and contained within their CSC contract. Providers must maintain documentation that supports the provision of unit(s).

E. Advance Funding

1. Providers may submit an advance request for up to 45 days of personnel costs only, except in cases of program start-up. The amount received under this type of advance will be recovered in equal amounts during the budget period or in equal amounts during the last three months of the budget period.
2. A request for advance funding at a time other than at the beginning of the contract may be considered if extenuating circumstances exist, and must be submitted with a written hardship request.
3. Any request for advance funding must be accompanied by the most recent quarterly income statement, balance sheet, and statement of cash flows for the requesting agency, as was submitted to its Board of Directors (BOD).

F. Accelerated Draw Down of Funds

1. CSC does not allow accelerated drawdown of funds to accommodate:
 - a. Unplanned salary increases.
 - b. Loss of other or supplemental program funding.
2. Accelerated drawdown of CSC funds to accommodate the timing of an agency's contribution to the program may be approved. However, if under expenditures occur

related to the purpose of the accelerated drawdown, an adjustment to future reimbursements must be made within the same budget period.

G. Use of SAMIS for Fiscal Data Submission

1. SAMIS (Services Activities Management Information System) is the web-based reporting system developed to increase the efficiency of the program and financial data transfer between CSC and its funded Providers. All funded Providers are to use the SAMIS system unless specifically authorized to use an alternative method of reporting.
2. Program budgets are to be submitted to CSC in SAMIS, unless specifically authorized to use an alternative method of reporting, and are to be balanced. Therefore, total CSC budgeted program expenses are equal to the total CSC program revenues.
3. All expenses are to be billed to CSC using the SAMIS system, unless specifically authorized to use an alternative method of reporting, in the budget period in which the expense and/or event occurs.
4. Whenever there is a request for reimbursement of an unusual or infrequent nature, add an explanatory note in the SAMIS reimbursement narrative for further clarification.
5. The Provider can reference the SAMIS Manual at <https://www.samiscsc.org>. SAMIS Help Desk: CSC has a full-time staff member available. Call (561) 740-7000.

H. Funds Raised as a Result of CSC Funds

Funds raised as a result of CSC-funded programs' fund-raising or development positions are expected to flow proportionately back into the CSC funded program or system of care and reflected in the budget. If unanticipated funds that are applicable to the CSC program are raised during the budget period, a budget amendment is required.

I. Final Expenditure Report

1. Programs are expected to submit in SAMIS, no later than within 30 calendar days after the contract ends, a final expenditure report, including all billable items related to the contract. Expenses not reported in the final expenditure report will not be reimbursed by CSC.
2. All disallowances or adjustments identified by the contract close-out audit that occurs whenever a contract is terminated, must be in the final expenditure reimbursement request. Final reimbursement will not be approved for payment until the close-out audit is finalized, except in those cases where the agency has other ongoing programs.

J. Budget Line Item/Cost Category Overages

Programs have the authority to overspend a cost category by a specific percentage depending on the category as described in the specific guidelines without prior authorization from CSC as long as the budget total remains the same and the items causing the over expenditure have been identified in the contracted budget. These over expenditures must be documented in the narrative section of the appropriate month(s) reimbursement request to create an audit trail.

K. Late Submissions of Requests for Reimbursement

The following policy will apply concerning requests for reimbursement:

- a. A third late request for reimbursement within a rolling 12-month period will be subject to a 5% penalty. Reimbursement submissions are due the 10th of each month unless another date is set forth in the program’s contract. This penalty shall be deducted by the CSC Budget Specialist from the reimbursement submission, similar to penalties for late submission of certification documents (currently known as 5% penalties). The CSC Program Officer will notify the program’s Executive Director or CEO in writing that the penalty is being deducted from the reimbursement. CSC’s Program Review Committee (PRC) will be advised of such penalties applied in the form of an “FYI” item.
- b. In the event of a fourth late invoice submission in a rolling 12-month period, staff will, with the Provider, develop a “Performance Improvement” or “Corrective Action Plan” [with varying levels] which will also be presented to PRC as an “FYI” item. In the event that the plan for the action steps is not satisfactorily completed, the program will come before the PRC for action under a “Corrective Action Plan”.

Specific Guidelines

A. Personnel

1. Salaries

- a. Salary pay periods may be weekly; bi-weekly; semi-monthly; or monthly; supporting documentation must be maintained which includes but is not limited to a payroll register, an employee listing by position, an employee listing by start date and the number of eligible pay periods for each position being funded by CSC.
- b. Salary cannot cross CSC’s contract periods, and WILL require the agency to accrue the final payroll (or portion of days crossing the contract period) during the last month of the contract period, where applicable.

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- c. All billable positions and the name associated with the position must be entered into the SAMIS Position Management Module (PMM). PMM must be updated throughout the budget period in a timely manner.
- d. Salaries represent a critical and substantial portion of the program budgets funded by CSC. CSC expects the program to be able to demonstrate that the percentage of a salary that CSC supports corresponds to the amount of time dedicated by the employee to the CSC program or the portion of the CSC program funded over the course of a budget period. For that reason, salary changes require consultation with CSC staff prior to submitting a budget revision for approval. Failure to do so may result in a disallowance even if there are dollars remaining in the budget.
- e. Separation costs (Severance, Vacation payout, etc.)
CSC may reimburse for costs due an employee at separation of employment from the agency based on the length of time the employee has been continuously working in program(s) funded by CSC. Request for authorization for such expense must be submitted to the CSC Budget Specialist for approval. Approved requests may require a SAMIS budget revision. The reimbursement will be determined by calculating a percentage that is determined by dividing the number of months the employee has been continuously employed in CSC program(s) by the total number of months employed by the agency. If the employee has been employed in the CSC program(s) longer than the total number of months employed by the agency, the percentage will be 100%. This percentage will be applied against the costs related to the separation to determine how much is allocable to the CSC funded program(s). The CSC percentage of the employee’s costs allocated to the program(s) would then be applied to the amount resulting from the previous calculation. CSC will only reimburse separation costs to Providers that have an existing board approved policy governing employee separation, and developed prior to notification that the CSC program will be terminating.

CSC will cap separation costs to individual employees at the following levels:

Table 1 (One (1) year of service equals one (1) year of continuous service, except in the case of absence due to FMLA.)

Years of Service *	Rate
Less than one year	2 weeks

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One Year but less than 3 years	4 weeks
Three years but less than 5 years	6 weeks
Five years but less than 7 years	8 weeks
Over 7 years	10 weeks

- i. CSC will only reimburse severance pay (CSC Contract Termination or Reduction in Force) due to an individual employed in a CSC funded program at separation of employment from an agency if the separation occurs immediately following the termination of a CSC contract.
- ii. CSC will not reimburse severance when a reduction in force will affect the viability of the program.
- iii. CSC will only reimburse severance to Providers which have an existing board approved severance policy prior to notification that the CSC program will be terminating.
- iv. If the cost of severance pay is not available through under expenditures elsewhere in the program's budget, additional funds cannot be requested from CSC. If the severance payment requires a budget revision, the revision must be submitted through SAMIS prior to the end of the budget period. Prior approval of severance payments must be obtained in writing from the CSC Program Officer and Budget Specialist.
- v. The agency must report severance pay to the Florida Department of Economic Opportunity, and may impact the date of eligibility for unemployment benefits.
- vi. The amount of CSC's reimbursement for severance to an employee will be determined by calculating a percentage that is determined by dividing the number of months the employee has been employed in the CSC program by the total number of months employed by the agency. This percentage will be applied against the severance payment to determine how much is allocable to the CSC funded program. The CSC percentage of the employee's costs allocated to the program would then be applied to the amount resulting from the previous calculation. Consult with your CSC Budget Specialist for a severance and vacation payout calculation example and template.
- vii. Accrued vacation and sick time payouts will be paid only upon separation from employment using the formula provided in Table 1. For instance if the staff is

leaving the CSC funded program but continues employment with the agency, no accrued leave time would be paid.

- f. Overtime pay to non-exempt employees is an allowable expense in accordance with the Fair Labor Standards Act (FLSA) and any other applicable federal, state or local guidelines. Such expenses are to be incorporated into the contracted budget and any changes are to be submitted in the budget revision. It is the program's responsibility to ensure compliance with FLSA and any other applicable federal, state or local laws and regulations.
- g. Costs associated with temporary employees are an allowable expense and are to be identified in the contracted budget and/or budget revision. Programs requiring continuous coverage for vacation and/or absences are expected to budget for such contingencies. An audit trail must be maintained for temporary employees, such as ensuring the name of the person substituting is identified in the reimbursement, in order to avoid disallowances for these expenses.
- h. Positions not identified in the CSC contracted budget are not to be charged to CSC.
- i. In circumstances where there is a contingent salary amount associated with a position based upon an employee's ability to generate additional funds for the agency/program, CSC will reimburse the approved percentage of the actual salary paid up to the amount approved in the CSC budget. Any funds raised in excess of the amount required to meet the position's budgeted salary should flow back into the CSC program.
- j. Lump Sum Payments – In Lieu of COLA or Merit
 - i. During periods of "tough economic times" (typically no more than two consecutive years), CSC may allow for the payment of lump sum amounts representing "merit" or "COLA" to staff employed in its funded programs. These lump sum payments will include amounts being paid to employees that have demonstrated high performance and for retention purposes and will not include lump sum payments paid as a means of recruiting an individual for employment by an agency.
 - ii. CSC will announce to funded Providers when it is supporting the use of its funds for lump sum payments in lieu of merit or COLA increases. Such payments would be a one-time expense in the CSC funded program's budget and would not result in increasing a position's salary. CSC will pay the same percentage of

a lump sum payment that it does of a position's salary. The payment of lump sum payments should be universal at the agency level and not favor "executives".

- iii. The agency must demonstrate how the funds for the lump sum payment are available in the program's budget. Request for the payment of the lump sum payment is to be submitted to the CSC Budget Specialist through the SAMIS system – with appropriate supporting narrative. All requests (prior to being placed on the SAMIS reimbursement) must be communicated in writing to the CSC Budget Specialist, and will be reviewed by the CSC Program Officer and CSC Budget Specialist assigned to the program who will recommend denial or approval of the request to the CSC CFO (to ensure consistency). If the CSC CFO approves the recommendations submitted, the CSC Budget Specialist assigned to the program will communicate the decision to the agency's staff.
- iv. The criteria used for the approval of a lump sum payment for either COLA or merit will be as follows:
 - CSC is approving lump sum COLA and merit payments for the period covered by the request.
 - The request fits within the CSC allocation for the program for the period to which the request applies.
 - The direct services provided by the program will not be negatively impacted by the re-allocation of funds to cover the lump sum payment.
 - The request is clearly not an attempt to use up unexpended funds prior to the end of the budget period.

k. Lump Sum Payments - Other

Lump sum payments to employees - CSC supports the use of its funding for lump sum payments made to employees in its funded programs if the payment is made as a result of a merit increase to an employee whose salary plus the merit increase will result in the employee's salary being in excess of the agency's salary range for the position. The amount by which the salary and merit increase will be disbursed will be as follows:

- i. The employee's salary will be increased by the amount of the merit that brings the annual salary to the top of the range for the position. This salary will

become the new annual salary for the position and the salary will be distributed through the agency's regular payroll cycles.

- ii. The amount by which the merit increase causes the salary to exceed the range for the position may be disbursed in a lump sum payment to the employee.
- l. Pre-planned merit increases for CSC-funded positions must be reflected in the salary for each position that is included in the approved CSC line item budget.
- m. Merit increases, inclusive of lump sum distributions, must not cause the actual salary for the position to exceed the approved budget for the position by more than 5% of the approved budget for the position.
- n. Providers may be required to provide the salary ranges for their various classes of employees and documentation that the payment was made in accordance with this policy.
- o. Quality Enhancement payments – Payments received through CSC's Quality Counts - Palm Beach County's Quality Rating Improvement System are considered to be stipends paid to the ultimate recipient as a reward for attaining and or maintaining a level of quality. The only stipulation that CSC places on the use of these funds is that the recipient be able to demonstrate how the funds were used to enhance the program in such a way that it contributes to the quality of the overall program.
- p. CSC will not reimburse for:
 - i. The payment of bonuses to staff employed in its funded programs.
 - ii. Accrued vacation and sick time payouts except upon separation from employment as provided for in the personnel policies and procedures of the program. For instance if the staff is leaving the CSC funded program but continues employment with the agency, no accrued leave time would be paid.

2. Fringe Benefits

- a. Agency must maintain individual employee's records of benefits paid per employee.
- b. Fringe Benefit dollars are reimbursed for actual fringe benefits purchased. The use of CSC funds for cash payments in lieu of fringe benefits is not an allowable expense.
- c. Fringe Benefit dollars must be billed in the appropriate line item. For example, health insurance cannot be billed to the worker's compensation line item. CSC requires Providers to maintain (as part of their financial records) a breakdown of each fringe benefit and the percentage or amount applied for each employee, as

well as verification of payment for each benefit (by category), for each pay period or as applicable.

- d. The percentage of fringe benefits that CSC reimburses should not exceed the budgeted percentage of salary reimbursed for each position.
- e. Overspending the Personnel Cost Category (Salaries and Fringe Benefits): Programs may overspend the personnel cost category by up to 10% without prior approval by CSC provided that:
 - i. The increase in salary for any position within the salaries line item may not exceed 5% of the original salary approved in the budget. The total budgeted salary line item amount must not be exceeded.
 - ii. Adequate provision is made within the personnel cost category to accommodate any increased fringe benefits (proportionately) associated with the increased salary.
 - iii. There are funds available in the overall budget to meet the over expenditure in the personnel cost category and the over expenditure in other cost categories will not adversely affect the performance of the services agreed upon in the contract.
 - iv. An over expenditure in any position in the salary line item does not bind CSC to fund the position(s) at the same rate of pay or increased rate for any future contract period.
 - v. If the line item for a position is increased using other revenue and not CSC dollars, permission from CSC is not required; however, CSC needs to be informed through the budget revision indicating the change in percentage CSC is paying for.
 - vi. All budgetary changes should be communicated to the CSC Budget Specialist prior to the effective date of the change.

3. Leased Employee

Funded Providers using a leased employee arrangement (for any employee whose compensation, in whole or in part, is funded by CSC) shall report the arrangement to CSC. Funded Providers shall be responsible for:

- i. Making timely payments to the employee leasing company.
- ii. Ensuring that all government withholdings are made by the employee leasing entity and paid as required by law.

- iii. Ensuring that all deductions from employees' gross earnings are paid by the employee leasing company to the entity for the purpose for which the deduction was made.
- iv. Maintaining supporting documentation of a. and b. (i.e. an annual attestation letter from the employee leasing company).
- v. Ensuring that the requirements set forth in these "Fiscal Guidelines" regarding personnel are followed.

B. Operating Expenses

1. Travel

Defined as the cost associated with CSC-funded employees traveling for agency related business. Travel should be listed out by individual position and should specify if travel budget includes personnel whose wages are not reimbursed by CSC. The rates are based on agency's rate up to the funder's allowable rate not to exceed the current CSC reimbursable rate effective October 1st of each year. See IRS Topic 511 – Business Travel Expenses for further information.

- a. Mileage – The IRS mileage rate in effect at the time the budget is prepared will be used, subject to the following provisions: i) In the event that the IRS establishes lower rates during the fiscal period, the rates established will automatically be lowered to those established by the IRS and the Provider will be notified. ii) In unusual circumstances, the CSC Chief Executive Officer may increase mileage rates, but not to exceed the then-current IRS rate each year. For more information, please visit www.irs.gov and search for mileage.
- b. Meals – The per diem rate for meals (pro-rated equally for each meal) will be the CSC reimbursable rate which is the IRS standard "M&IE" rate for all locations within the continental United States, without taking into account specific higher-cost locations (as set forth in IRS Publication 1542 or its successor). If the approved per diem rate is being used, receipts/documentation for meals will not be required for reimbursement. Otherwise, receipts and supporting documentation are required for all travel related expenses to be accepted as an approved expense.

2. Food Service

This item represents the reasonable and necessary costs of food where there is a business purpose for a documented activity the clients are involved in and it is a necessary part of the program.

3. Indirect Cost Allocation

- a. The costs that cannot be identified with a program but are necessary for the general operation of the organization. When any indirect cost activities can be reasonably identified as a direct part of a specific program, the expenses should be charged to the program and not be part of the indirect cost calculation.
- b. An agency's indirect cost rate can be used to allocate a percentage of services and can include, but not limited to:
 - Legal services
 - Accounting
 - Auditing
 - Office management
 - Executive direction
 - Administrative support
- c. The indirect cost rate is established through initial negotiations of the budget and completion of the indirect cost worksheet (See <https://www.samiscsc.org>). The indirect cost rate that is agreed upon is not subject to revision during the course of the budget period. CSC will reimburse up to a maximum of 15% for indirect costs.
 - If Providers have their own state/federal indirect cost rate, CSC will pay the lesser of the state/federal rate and the CSC maximum rate.
 - Indirect costs will not exceed CSC's own federally approved rate for agreements with universities or other academic institutions and may be waived only by a vote of the Council. Funded Providers are required to maintain up to date information showing how the amount being requested for indirect costs are calculated.

4. Pre-paid Expenses

Prepaid expenses are payments by the Providers in advance of goods or services being delivered. Common examples of prepaid expenses include conferences, rent and insurance. CSC will not reimburse the cost of purchasing items such as gift cards for use in the next budget period.

a. Conference/Registration/Travel

In-state and out-of-state conference expenses must be related to the current budget period. Meetings relevant to an agency's activities, staff and volunteer trainings, and related travel expenses, registration fees, etc. will typically be reimbursed at the time the bill is paid if the payment or expense and the event take place in the same budget period. If the expenses are incurred in one budget period and the event occurs in the next, the travel-related expenses (registrations, airfare, hotel accommodations, etc.) cannot be billed to CSC until the event occurs. If an agency prepays such expenses they should budget for them in the correct budget period.

b. Insurance and independent audit (annual costs)

CSC will reimburse these annual costs in the budget period the expense is incurred and paid and the costs do not need to be considered prepaid or pro-rated between budget periods. Payment of the annual cost of these types of expenses will be paid for once in a twelve month period.

5. Capital Fund

a. Capital equipment includes items which have a useful life of one year or more and costs in excess of \$500 (generally furniture and equipment), and does not include infrastructure or the purchase of real property and/or renovations (permanent improvements to the property or site preparations).

b. Capital equipment requests are only permitted for start-up programs and/or as a result of an expansion of the program.

c. Funds budgeted for such one-time purchases (e.g. equipment) in a given budget period are not included in the CSC forecast of an annual budget for consideration in subsequent budget periods.

d. Requests for IT equipment and peripherals may also be submitted through the Continuous Improvement Initiative for requests other than for start-up programs and/or as a result of an expansion of the program. The application is available on the CSC website at www.cscpsc.org.

e. Capital equipment purchased less than one year prior to the program no longer being funded by CSC will be either returned to CSC or the cash value, determined by the depreciated value, of the equipment purchased will be returned to CSC.

6. Credit Card Use

- a. Purchases – Credit card use for personal purchases, even in those cases where the CSC funded program employee reimburses the agency for the item(s) purchased, is prohibited.
- b. Receipts – All credit card purchases made by agency personnel for operation of CSC funded programs and reimbursed by CSC must have adequate supporting documentation attached to the receipt. Supporting documentation must include itemized purchases corresponding with total purchase price. The expense is considered “paid” at the point of purchase.

7. Supporting Documentation

Adequate supporting documentation showing proof of payment should include but not be limited to:

- a. Credit Card Purchases - Itemized receipt along with signature approved copy of purchase authorization.
- b. Client/Participant “assistance”, including stipends - Hard copy record with Gift/Cash card # and dollar amount, participant name or other verifiable ID #, signature of issuing agency staff and client/participant, and date issued.
- c. Worker's Compensation & Unemployment Insurance - rate agreement, employees covered, invoice with time period covered or proof of self-insurance if applicable.
- d. Operating Expenses - documentation reflecting cost allocation methodology for expenses that are allocated to different programs/locations and contracts.
- e. Training - Include the date(s) of service/training on all applicable expenses. In the instance where an employee of a CSC funded program is being compensated by CSC for providing training, a documented leave of absence must exist.
- f. Mileage - report/form to include the amount of miles and reimbursement rate.
- g. Telephone expenses – telephone bill(s) and a list of which CSC funded employees are included in the expense (especially if employees are not funded through the budget but do work for that contract).
- h. Equipment Rental – invoices and/or contract and a list of which administrative and/or program site(s) the expense is applied to.
- i. Professional Fees - provide the contract/agreement and related invoices with service Providers.

- j. Inventory – invoices and listing (by date of purchase) of all equipment purchased with funds provided by CSC.
- k. Check Request Form - signed by preparer and approver.

8. Changes to the Contracted Budget

- a. Budgeted expenses are intended to be directly related to the program’s ability to achieve the results in which the Council has invested. Any budget revisions, should, therefore, not change the nature of the program. If capacity is increased as a result of a budget revision, increased performance will be expected. In order to minimize the risk of an expenditure being disallowed, Providers are required to submit a CSC budget revision through SAMIS incorporating the authorized change.
- b. CSC expects the CSC Budget Specialist to be consulted regarding any potential budget change to a cost category over the 10% rule (operating and personnel expenses with the exception of the 5% rule governing salaries and FICA noted in the previous fringe benefits section). Budget changes for the current budget period that may increase the following budget period’s allocation request may be authorized. If authorized, CSC is not committed to funding that increase in the following budget period.
- c. CSC expects changes to program income to be equally offset by corresponding changes in expenses and to be reflected in the annual budget revision.
- d. Restructuring of positions or adding positions during the year may only occur with the authorization from CSC staff. Salary increases or the addition of a position solely as a means of using up lapsed funds will not be authorized by CSC staff.
- e. Questions CSC staff will ask prior to responding to the request include but are not limited to:
 - i. How will the change help the program achieve the results in which the Council has invested?
 - ii. Is the change tied directly and integrally to the program’s ability to achieve its contracted results?
 - iii. Will the change allow the program to end the year with a balanced budget?
 - iv. When the budget is annualized for the subsequent year, are additional funds required to support the change?
 - v. Are there other resources or ways the programmatic need can be met without increasing the program’s annualized budget?

- vi. What can CSC staff do to help the Provider locate additional resources to accommodate the change if it cannot be supported in the subsequent year?

9. Budget Revision/Budget Amendment

A revision to the budget is to be accomplished in the following manner:

- a. CSC initiates the annual budget revision process for its funded programs. CSC will notify Providers when the budget revision is due. This revision is considered to be the budget revision. The budget revision is required under the following circumstances:
 - i. Providers who received approval for a change to the program budget prior to March of a contract period must complete the budget revision via SAMIS and incorporate those prior approved changes in the formal budget revision.
 - ii. A budget revision should also be completed by Providers anticipating expenditures in excess of 10% above amounts in any cost category.
 - iii. Any adjustments to a contracted line item that is necessary to reflect actual expenditure patterns.
- b. CSC is not obligated to approve items requested in a budget revision and may require justification for each change.
- c. Approval will not be entertained for a revision which involves an increase in dollars over the original contract amount.
- d. The approved budget staffing structure for salaries may not be revised during the budget period unless one of the following conditions applies:
 - i. A change in the “Exhibit B” requires the addition of a position(s).
 - ii. A change in the “Exhibit B” requires the deletion of a position(s).
 - iii. The performance of a function is converted from being performed by a Provider staff person to being performed by an independent contractor.
- e. If during the budget revision process, it is determined that the program does not have a valid reason for the movement of unexpended funds, the amount of those funds will result in a budget amendment reducing the contract by the total of those funds.
- f. If a program requests a change in a salary, CSC will examine the impact upon the following budget period’s budget. If the change requires an increase in the program budget, CSC is not committed to funding the change in the following budget period.

- g. Budget revisions for the budget period are to be submitted to CSC based on CSC's initiation of the annual budget revision process. All budget changes are to be reflected through the budget revision process. CSC recognizes, however, that programs may face unusual conditions which would prompt an additional budget adjustment after the annual revision. Changes to the budget after the revision has been approved should be kept to a minimum to address extenuating circumstances and are to be submitted via SAMIS by the 15th of the month prior to the last month of the budget period. Circumstances prompting such a request include:
 - i. A salary for a position is being increased.
 - ii. Expenditures in a cost category are going to exceed 10% of the approved amount.
 - iii. It becomes necessary to use funds for expenses other than those described in the CSC budget narrative.
- h. If the CSC contracted budget does not identify a line item or cost category for a desired expense, a budget revision is to be submitted to CSC for authorization. All approved changes to the budget supersede the last approved budget within the CSC contract. The formal approved budget and any approved requests for revisions will be reviewed as part of the audit.
- i. CSC will reimburse only up to the maximum amount specified in the contract.
- j. No revisions to a program budget submitted after the end of the contract will be approved.

10. Late Submission of Documentation

- a. The CSC contract contains provisions for reporting fiscal and program information and for submitting current copies of certain documents to be retained on file with CSC and/or any other entities identified in the CSC contract (as applicable).
- b. If due dates are not adhered to, a penalty may result. CSC's Late Submission of Documentation provisions documented in the contract includes the following:
 - i. A **bound original copy** of the annual audit complete with Management Letter - which must comply with GAGAS (Yellow Book or OMB A-133 Single Audit standards. (As defined by levels of agency funding and as specified by the Federal OMB threshold.) The CSC will also accept (*in lieu of the bound original copy*), an electronic copy (preferably PDF) of the completed Audited Financial Statements for any of its funded Providers, with the single provision being that

electronic copy is sent **directly** from the Auditor (CPA) or Audit Firm completing the audit engagement for the Provider. If the annual audit is received without the Management Letter, the audit will be considered late. If a Management Letter was not issued, notification from the audit firm is required. All audited financial statements (based on the above stipulations) must be submitted within the timeframe specified and to the entity identified in the CSC contract.

- ii. The Board approved unaudited quarterly financial statements inclusive of the income statement, balance sheet, and statement of cash flows for the requesting Provider must be submitted to the CSC within ten days of the Board meeting.
 - iii. Monthly Reimbursements
 - iv. Liability and theft insurance
 - v. Auto insurance if capital equipment or vehicle was purchased with CSC funds
 - vi. Fire Inspection (if applicable)
 - vii. License to operate the agency or program, if applicable
- c. There are specific time frames within which this information is to be received by CSC, and/or the entity identified in the CSC contract. These time frames have either been communicated through the contract document itself or this set of fiscal guidelines. If the documents (for reimbursements, see below) are not submitted by the due date, a 5% late penalty will be applied to the latest invoice submission. The penalty will then be brought to the attention of the Council's Program Review Committee at that month's meeting.
- d. Reimbursement requests are due to CSC through SAMIS, unless specifically authorized to use an alternative method of reporting. Reimbursement requests are due by the 10th of each month, unless specifically authorized by CSC. A program with three late invoice submissions within a rolling 12-month period will incur a 5% penalty (applied to the latest invoice submission). The penalty will then be brought to the attention of the Council's Program Review Committee at that month's meeting.
- e. Providers are asked to let the CSC Program Officer assigned to their program know if an audit, certification file document, or requested data submission will be late. If an extension is requested and approved by CSC, the Provider will receive a written form of notification establishing an extended due date by which the outstanding

information is to be received by CSC. If the extended due date is not complied with, the penalty will be assessed.

- f. The penalty for late submission will be 5% of the reimbursement request each month and will be imposed once the due date is missed. At the CSC Program Review Committee's (PRC) discretion, a \$10.00 per day penalty may be added to the 5% penalty for items not submitted within 60 days of the original due date.

11. Disposing of Capital Items Purchased with CSC Funds

- a. For the purpose of this guideline, "purchased with CSC funds" is defined as capital expenses paid in full using CSC funds.
- b. Capital items are those items valued at \$500.00 or more, which have been purchased with CSC funds, reported and reimbursed as capital expenses under contract with CSC or through CSC's Continuous Improvement Initiative. It includes items purchased from the date the program was first funded by CSC through the date that CSC no longer provides funding for the program.
- c. Vehicles: CSC supports the use of its funds for new vehicle purchases only. For vehicles that were purchased new with CSC funds and have been in operation for 36 months or less at the time CSC ceases to fund the program, the Provider will be given the option to either return the vehicle to CSC or pay to CSC the cash equivalent of the value of the vehicle. The cash value of the vehicle will be determined using a 48 month useful life and a straight line depreciation method. Formula: Cash Value = CSC purchase price less CSC purchase price divided by 48 months times the number of months since the vehicle was purchased.
- d. If the vehicle has been in operation between 37 and 48 months, CSC will request that the cash value of the vehicle, as calculated in letter c above, be returned to CSC and the vehicle be retained by the Provider.
- e. If the vehicle is over 48 months old, the Provider will retain the vehicle without cash settlement.
- f. All vehicles purchased with CSC funds should be in the Provider name with Children's Services Council listed as the 1st lien holder. Children's Services Council will retain a copy of the title until the period of the security interest expires.
- g. The CSC logo must be displayed on the outside of the vehicle.
- h. CSC purchased Equipment

- i. Equipment purchased less than one year prior to the program no longer being funded by CSC will be either returned to CSC or the cash value, determined by the depreciated value, of the equipment purchased will be returned to CSC.

12. Conditions to be Observed throughout the Contract

- a. The Provider agrees to notify CSC of any anticipated cash shortages within 24 hours of the receipt of that information.
- b. If any fees are generated by the Council's funded program in excess of the amount budgeted, the Provider will notify the Council staff of the excess revenues and plans to expend such fees. The Provider agrees to prioritize the use of excess fees in the following order:
 - i. Increase the number of clients attending the program within licensed capacity.
 - ii. Purchase those items which would be considered "enhancements" to the service being provided in order to improve the quality of the program.
 - iii. Reduce the Council's funding by the amount of the excess fees received.
 - iv. All fees generated by the Council funded program will be recorded in a separate revenue account.

13. Minimum Fiscal Requirements for Funded Programs

- a. The Provider is required to maintain books, records and documents in accordance with generally accepted accounting procedures and practices. The minimal fiscal requirements are outlined below:
- b. Maintain General Ledger
- c. Maintain Payroll Ledger
- d. Retain monthly bank statements and ensure timely approved reconciliations in accordance with the Provider's policies.
- e. Prepare Monthly Financial Statements inclusive of Revenues and Expenses and Balance Sheet and Statement of Cash Flows
- f. Maintain Chart of Accounts
- g. Maintain revenue and expenses cost allocation worksheets
- h. Track physical inventory if CSC funded
- i. Prepare IRS 941 report quarterly (be able to show 941 forms and bank statement to verify payments have been made. If a sub-contractor does this on behalf of the Provider, the Provider needs to obtain a letter verifying that the payments have been made through the most recent payroll date.)

- j. Ensure that an independent audit, along with IRS Form 990, is completed on an annual basis.
- k. The CSC requires all audited financial statements must be submitted within the timeframe specified and to the entity identified in the CSC contract. The document can be hand delivered or submitted via any acceptable US mail system. The CSC will also accept (*in lieu of the bound original copy*), an electronic copy (preferably PDF) of the completed Audited Financial Statements for any of its funded Providers, with the single provision being that electronic copy is sent **directly** from the Auditor (CPA) or Audit Firm completing the audit engagement for the Provider. The e-copy would require some prior approval/agreement between the Provider and the audit firm to release that information to its funders.
- l. Prepare W-2 forms for each employee annually by January 31 of subsequent year.
- m. Prepare and distribute IRS Form 1099 in accordance with IRS guidelines.
- n. Prepare employer's quarterly tax report in accordance with IRS guidelines.
- o. Prepare monthly reimbursement requests. Enter these requests in the SAMIS system, unless specifically authorized to use an alternative method of reporting, and maintain supporting documentation.
- p. Present financial statements and other fiscal matters at the Agency Board Meetings.
- q. Notify CSC of anticipated agency cash shortages.
- r. The Board approved unaudited quarterly financial statements inclusive of the income statement, balance sheet, and statement of cash flows for the requesting Provider must be submitted to the CSC within ten days of the Board meeting. If the board meeting has not taken place by the last day of the month following the end of the quarter, please submit your quarterly financial statements by the last day of the month, and then submit the Board approved financials the day following your board meeting.
- s. The above requirements apply whether the Provider employs its own accounting staff or sub-contracts with a third party vendor.

NOTE: Only one set of financial statements needs to be submitted per Provider.

14. Additional Information

- a. If a program sunsets (i.e. is not renewed for an additional contract period) or the contract ends before the original contract date, CSC will conduct a close-out audit of the program before the final reimbursement check can be released.

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- b. Stale-dated checks: The Provider will be advised to review and follow the State of Florida Unclaimed Property Reporting and Remitting requirements in Chapter 717, Florida Statutes and Chapter 69I-20, Florida Administrative Code. An example would be if the Provider writes a check for goods or services they have received and the check is never cashed, the Provider has an obligation after 5 years to forward the funds to the State as “unclaimed property.” The CSC expects Providers to make a determination from the payee regarding checks that are outstanding for 180 days or more (or the timeframe specified in the Provider’s policy, whichever is less). The Provider should determine if a stop payment should be placed on the outstanding check and the check should be re-issued.
- c. CSC expects all Providers including those that subcontract service delivery to follow the tenets of these Fiscal Guidelines.
- d. CSC expects all Providers who subcontract service deliver to incorporate these Fiscal Guidelines into their subcontractor agreements. See the CSC Lead Contracting Agency Administrative Guide for further instructions. The Provider ***must adhere to its own fiscal guidelines and accounting policies and procedures.***