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**Fiscal Guidelines
For
CTAC Funded Programs
FY 2024/2025**

Effective Date: October 1, 2024

Introduction

The Children's Trust of Alachua County (CTAC) is pleased to provide the Fiscal Guidelines for CTAC Funded Programs (Fiscal Guidelines or Guidelines) revised for Fiscal Year 2024-2025. The effective date of these Fiscal Guidelines is October 1st, 2024.

These Guidelines are offered to CTAC Funded Providers (Providers) as a tool to be referenced in the execution of contracts with CTAC. All references to "Agency" and/or "Provider" are used interchangeably and refer to the CTAC funded entity. The Fiscal Guidelines, by reference, are incorporated in the CTAC standard contract language as an integral part of its General Conditions, thereby requiring all Providers to adhere to the stated Guidelines.

CTAC requires Providers who subcontract service delivery to incorporate these Fiscal Guidelines into their subcontractor agreements.

To facilitate its use, these Fiscal Guidelines are located on the CTAC website. Copies of the Fiscal Guidelines may also be obtained by contacting CTAC directly.

Goals of the Fiscal Guidelines

- To establish mutually understood guidelines for the fiscal management of CTAC funds. This term is defined as funding received by a program through its contract with CTAC regardless of which entity or entities the funding originates from so long as, ultimately, the funds flow through CTAC and then to the Provider.
- To help Providers develop their budgets, the fiscal plan for a program, and operate their programs according to sound fiscal management principles.
- To minimize disallowances of Provider expenditures.

Please be advised that the Guidelines are written primarily for cost reimbursement contracts. Common sense and ethical 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. The Trust may take action in a given contract period which may take precedence over these Guidelines for that year.

Use of SAMIS for Fiscal Data Submission

SAMIS is the web-based reporting system developed to increase the efficiency of program related and financial data between CTAC and its funded Providers. All funded Providers are to use the SAMIS system. Program budgets and any subsequent amendments are to be submitted to CTAC in SAMIS and are to be balanced. Therefore, total CTAC budgeted program expenses are equal to the total CTAC program allocations. Advance requests and all expenses are to be billed to CTAC using the SAMIS system in the budget period in which the expense and/or event occurs. 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.

Budgets

A budget represents the total fiscal plan for a program. CTAC expects the budget submitted to CTAC will support the policies and procedures of the agency submitting the proposed budget. It is expected that the agency's written policies be approved by its governing board prior to contracting with CTAC, subject to any subsequent governing board-approved changes.

CTAC expects initial budgets to be detailed and to itemize all anticipated expenditures, including anticipated salary increases by approved position.

Provider Expenditures (Reimbursements, Disallowances, Unit Costs)

Reimbursements

CTAC reimburses using one of two methodologies: unit cost and cost reimbursement.

Unit Cost / Cost per Session Contracts

CTAC will reimburse the Provider based on the actual number of units (sessions) 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 CTAC contract. Providers must maintain documentation that supports the unit(s) of service provided.

Cost Reimbursement Contracts

CTAC will reimburse the Provider up to the contracted budget amount based upon the approved budget. CTAC reimburses based on actual program-related expenditures. Expenditures unrelated to program services or found to be more than the contract budget will not be approved for reimbursement by CTAC.

Expenditures must be requested for reimbursement in the fiscal year in which the expense is incurred except for those expenses identified to be pre-paid as set forth in the Specific Guidelines section, Pre-paid Expenses. Otherwise, expenses that cross CTAC budget periods must be prorated.

Payment Frequency

The payment of CTAC funds will occur pursuant to the terms of the contract for allowable expenditures.

Due Date

The Provider requests reimbursement through submission of a monthly invoice by the 15th of each month unless another date is set forth in the program's contract. Whenever there is a request for reimbursement of a greater than usual monthly expense, an explanatory note in the SAMIS reimbursement narrative is required.

Disallowable Expenditures

CTAC 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. CTAC generally will not fund or reimburse the following:

- The purchase of real property (i.e., land, building, etc.).
- Capital Assets (i.e., automobiles, equipment, major appliances).
- Capital improvements, an addition or change that 1) increases a property's value, 2) increases its useful life, or 3) adapts it (or a component of the property) to new uses. For example, renovations, the addition of a room, installing new windows, roof, floors, HVAC, electrical, or plumbing system.
- Mortgage payments, nor rent to affiliated or controlled organizations, interest payments, financing agreements, or long-term vehicle leases.
- Staff entertainment expenses.
- Alcoholic beverages.
- Late fees or financing fees (e.g., credit card late fees, late fees from lease agreements, or on a standard bill).
- Any State sales tax on purchases made.
- Expenses incurred outside of the budget period for reimbursement (including costs relative to the implementation of new programming).
- Automobile allowances to staff employed in its funded programs.
- Bonuses or similar incentives paid to staff employed in its funded programs.
- Accrued vacation, sick time payouts, and payment of wages in lieu of notice except upon separation from employment as provided for in the personnel policies and procedures of the program.
- The use of CTAC funds for Lobbying as it relates to Providers or any of its subcontractors.

CTAC reserves the right to disallow costs, regardless of dollar value, for which the agency cannot provide appropriate supporting documentation.

Timely Submissions Policy

Ensuring consistent invoice submission and reimbursement is a priority for CTAC and Providers. CTAC expects Providers to submit monthly invoices for reimbursement, zero-dollar invoices, and advanced funding invoices by the due date. CTAC will monitor invoicing monthly and contact Providers who have not submitted an invoice for more than 30 days.

Advanced Funding

Providers may submit an advance request in SAMIS for up to three months (25%) of program costs only after execution of a signed agreement and full repayment of previously issued advances, if any. Advanced funding requests must include a summary of planned expenditures by month in the advance funding request. All advances must be invoiced timely the month following expenditures. Advanced funding must be fully repaid (invoiced) before additional payment is approved.

Accelerated Draw Down of Funds

CTAC does not allow accelerated drawdown of funds to (1) accommodate unplanned salary increases or (2) loss of other or supplemental program funding.

Funds Raised as a Result of CTAC Funds

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

Revenue Received for CTAC-Funded Programs

If a Provider receives revenues or tax credits for the purpose of covering the same expenses that CTAC would otherwise reimburse the Provider, this will result in the Provider receiving duplicate funding for the same expense, and if also reimbursed by CTAC, CTAC would disallow the expenses. The Provider should return to CTAC any payments for which they have received revenue or tax credits from another source.

Final Reimbursement Request

Programs are expected to submit in SAMIS, no later than 15 calendar days after the contract ends, a final expenditure report that includes all billable items related to the contract. Expenses not reported in the final reimbursement request will not be reimbursed by CTAC.

Specific Guidelines

The information contained in this section provides guidance for line items and cost categories that are commonly subject to questions and/or to disallowances as it relates to personnel, operating expenses, and credit card use.

Personnel

Salaries

Salaries represent a critical and substantial portion of the program budgets funded by CTAC. CTAC expects the program to be able to demonstrate that the percentage of a salary that CTAC supports corresponds to the amount of time dedicated by the employee to the CTAC program or the portion of the CTAC program funded over the course of a budget period. For that reason, salary changes require consultation with CTAC 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.

Salary Pay Period

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 CTAC.

Salary Accruals

Salary cannot cross CTAC'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.

Billable Staff Positions

All billable positions and the name associated with the position must be entered into SAMIS and must be updated throughout the budget period in a timely manner. Positions not identified in the CTAC contracted budget are not to be charged to CTAC. 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.

Salary Increases

Salary increases may be built into the allocation amounts at the beginning of the annual contract renewal process. Pre-planned salary increases for CTAC-funded positions must be reflected in the salary for each position that is included in the approved CTAC line-item budget.

CTAC requires the draft budget to be submitted with any salary increases adjusted to reflect the date of the increase. For example, if a 3% salary increase for a position represents \$1,000 for the full contract year (typically 12 months, beginning October 1st),

but the salary increase is not effective until April 1st, the budget should reflect only \$500 for that position, and not the full \$1,000. (This also applies to the timing of fringe benefits.) Additionally, CTAC will only fund salary increases once every 12 months per position. It is our expectation that each position will increase at approximately the same time as the previous year.

Once the draft budget is submitted with salary increases that reflect your policies and procedures relating to fringe, retirement, healthcare etc. and the timing noted above is accounted for, this amount will represent the pool of dollars available for all salary increases for the fiscal year. The pool may be distributed as deemed appropriate, but the pool cannot be exceeded.

Overtime

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 contract 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.

Bonuses

CTAC will not reimburse for the payment of bonuses or similar incentives to staff employed in its funded programs.

Temporary Employees

Costs associated with temporary employees are an allowable expense and are to be identified in the contract budget and/or budget amendment. Programs requiring continuous coverage for vacation and/or extended 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, to avoid disallowances for these expenses.

Fringe Benefits

The Provider must maintain individual employee's records of benefits paid per employee per pay period. Fringe benefit dollars are reimbursed for actual fringe benefits purchased. Fringe benefit dollars must be billed in the appropriate category. For example, health insurance cannot be billed to the worker's compensation line item. CTAC 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. The percentage of fringe benefits that CTAC reimburses should not exceed the budgeted percentage of salary reimbursed for each position.

Leased Employee

Providers using a leased employee arrangement (for any employee whose compensation, in whole or in part, is funded by CTAC) must report the arrangement to CTAC. Providers are responsible for:

1. Making timely payments to the employee leasing company.
2. Ensuring that all government withholdings are made by the employee leasing entity and paid as required by law.
3. 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.
4. Maintaining supporting documentation. (i.e. an annual attestation letter from the employee leasing company).
5. Ensuring that the requirements set forth in these "Fiscal Guidelines" regarding personnel are followed.

Pre-paid Expenses

Pre-paid expenses are payments by the Providers in advance of goods and/or services being delivered and/or for use in the future. Common examples include rent, annual insurance, gift cards, program supplies, and office supplies.

CTAC will not reimburse the cost of purchasing items such as gift cards, program supplies, or office supplies, for example, for use in the next budget period. CTAC expects purchases made during the fiscal year to be consumed within that same period; therefore, pre-paid expenses are not encouraged at or near the end of the CTAC budget period.

Gift Card Administration Guidelines

If a Provider requests a budget allowance for Gift Cards, the following guidelines must be met:

- The Provider is required to keep a tracking mechanism for gift cards given to clients.
- Individual gift card denominations cannot exceed \$50.00.
- Gift cards can only be purchased for specific establishments, for example: Wawa, Publix, etc.
- Visa, Mastercard, or AMEX gift cards will not be reimbursed.
- CTAC will not pay for gift card activation or other related fees.

Gift Card Reimbursement

- CTAC will reimburse gift cards for the month the cards are provided to the client.
- The SAMIS ID number or name of the Provider is required.

- A copy of the front and back of the gift cards given to the client is required.
- Provide the reason why the client is receiving the gift card.
- Provide the original purchase receipt for the gift cards with your reimbursement request.

Frequent Topics of Discussion

The budget items addressed below in this section are frequent topics of discussion. CTAC's intent is to provide guidance in the most general sense; however, these Guidelines will not cover every scenario.

Mileage

The CTAC standard is to reimburse for mileage and not travel stipends or allowances. The IRS mileage rate in effect at the time the CTAC program budget is prepared will be used and will not be increased in January when it is typical for the IRS to increase rates, subject to the following provisions:

- If the IRS establishes lower rates during the fiscal period, the rates established will automatically be lowered to those established by the IRS.
- If a CTAC funded agency's mileage reimbursement rate is lower than that of the maximum CTAC allowed rate, then reimbursement will be capped at the agency's rate established by its policy.
- Requests for travel stipends or allowances may be submitted during budget development, including a rationale for the request and the calculation to determine the amount.

Food and 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, it is a necessary part of the program, and there is a documented list of attendees.

- **Delivery Tips:** A reasonable flat fee is reimbursable for the delivery service provided and/or the size of the order, not to exceed \$10.
- Reimbursable tips for table service should not exceed 20%. For larger annual events or ceremonies, contact your Contract Manager.

Indirect Cost (IDC) Allocation

IDCs are 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. 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

The indirect cost rate is established through initial negotiations of the budget and completion of the indirect cost worksheet. The indirect cost rate that is agreed upon is not subject to revision during the budget period.

CTAC will reimburse up to a maximum of 15% for indirect costs. Providers are required to maintain up-to-date information showing how the amount being requested for indirect costs is calculated.

Capital

Capital equipment includes items that have a useful life of one year or more and costs more than \$500 (generally furniture and equipment) and does not include vehicles, infrastructure, security equipment, or the purchase of real property and/or renovations (permanent improvements to the property or site preparations). Funds budgeted for such one-time purchases (e.g., equipment) in each budget period are not included in the CTAC forecast of an annual budget for consideration in subsequent budget periods.

Generally, capital requests are only permitted for start-up/installation programs or because of an expansion of the program. Providers are obligated to manage capital items to ensure they are accounted for and remain in good repair. Capital purchased with CTAC funds in a program no longer being funded by CTAC must be returned if requested.

Credit Card Use

Purchases

Credit card use for personal purchases, even in those cases where the CTAC funded program employee reimburses the agency for the item(s) purchased, is prohibited.

Receipts

All credit card purchases made by agency personnel for the operation of CTAC funded programs and reimbursed by CTAC must have adequate supporting documentation attached to the receipt. Supporting documentation must include itemized purchases corresponding with the total purchase price. The expense is considered "paid" at the point of purchase.

Supporting Documentation

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

- Credit Card Purchases - Itemized receipt along with a signature approved copy of purchase authorization.
- 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.
- Worker's Compensation & Unemployment Insurance - rate agreement, employees covered, invoice with time covered or proof of self-insurance if applicable.
- General Ledger - documentation showing transaction detail within the accounting system.
- Operating Expenses - documentation reflecting cost allocation methodology for expenses that are allocated to different programs/locations and contracts.
- Training - Include the date(s) of service/training on all applicable expenses. In the instance where an employee of a CTAC funded program is being compensated by CTAC for providing training, a documented leave of absence must exist.
- Mileage – report from/to including the number of miles, reimbursement rate, and approval.
- Telephone expenses - telephone bill(s) and a list of which CTAC funded employees are included in the expense (includes employees who are not funded through the budget but do work for that contract).
- Equipment Rental - invoices and/or contract and a list of which administrative and/or program site(s) the expense is applied to.
- Professional Fees - provide the contract/agreement and related invoices with service Providers.
- Capital - invoices and listing (by date of purchase) of all equipment purchased with funds provided by CTAC.
- Check Request Form - signed by preparer and approver.

Changes to the Contract Budget

CTAC expects Providers to regularly review, track, and project expenditures within categories to ensure the budget, which represents the fiscal plan for the program, is still relevant. Providers should initiate discussions to request a budget amendment with CTAC staff no later than July 31st.

Budgeted expenses are intended to be directly related to the program's ability to achieve the results in which CTAC has invested. Any budget revisions should, therefore, not change the nature of the program. If capacity is increased because of a budget revision, increased performance will be expected. To minimize the risk of an expenditure being disallowed, Providers are required to submit a CTAC budget revision through SAMIS incorporating the authorized change.

CTAC expects its Contract Manager to be consulted regarding any potential budget change to a cost category. 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.

The budget revision is required under the following circumstances:

- Providers who received approval for a change to the program budget must complete the budget revision via SAMIS and incorporate those prior approved changes in the formal budget revision.
- A budget revision should also be completed by Providers anticipating expenditures above amounts in any cost category.
- Any adjustments to a contracted line item that is necessary to reflect actual expenditure patterns.

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 no later than July 31st.

All approved changes to the budget supersede the last approved budget within the CTAC contract. The formal, approved budget and any approved requests for revisions will be reviewed as part of any audit.

CTAC will reimburse only up to the maximum amount specified in the contract. No revisions to a program budget submitted after the end of the contract will be approved.

Questions CTAC staff will ask prior to responding to the request include but are not limited to:

- How will the change help the program achieve the results in which CTAC has invested?
- Is the change tied directly and integrally to the program's ability to achieve its contracted results?
- Will the change allow the program to end the year with a balanced budget?
- When the budget is annualized for the subsequent year, are additional funds required to support the change?
- Are there other resources or ways the programmatic need can be met without increasing the program's annualized budget?

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

Conditions to be Observed Throughout the Contract

Cash Flow Shortage Notification

The Provider agrees to notify CTAC of any anticipated cash flow shortage situations within two business days of becoming aware of such a situation.

Notification of Excess Revenue

If any fees are generated by CTAC funded programs more than the amount budgeted, the Provider will notify their Contract Manager of the excess revenues and plans to expend such fees. All fees generated by the CTAC funded program will be recorded in a separate revenue account.

The Provider agrees to prioritize the use of excess fees in the following order:

1. Increase the number of clients attending the program within licensed capacity, if licensing is applicable.
2. Purchase those items which would be considered "enhancements" to the service being provided to improve the quality of the program.
3. Reduce CTAC's funding by the amount of the excess fees received.
4. Any combination of items 1-3.

Notification of Compromised Computer Systems

Notify the CTAC Contract Manager within 24 hours if Provider learns that any of its computer systems have been compromised (e.g., email network hacked).

User Access Termination

Providers must terminate access to SAMIS or notify the CTAC of the need to terminate access immediately (and in no event later than 24 hours) of the date of termination of a staff person's employment.

Minimum Fiscal Requirements for Funded Programs

The Provider is required to maintain books, records, and documents in accordance with generally accepted accounting procedures and practices. The requirements apply whether the Provider employs its own accounting staff or sub-contracts with a third-party vendor. The minimal fiscal requirements are:

- a. Maintain General Ledger.
- b. Maintain Payroll Ledger.
- c. Retain monthly bank statements and ensure timely approved reconciliations in accordance with the Provider's policies.

- d. Submit Fiscal Year-End Financial Statements inclusive of Revenues and Expenses, Balance Sheet, and Statement of Cash Flows.
- e. Maintain Chart of Accounts.
- f. Maintain revenue and expenses cost allocation worksheets.
- g. Track physical inventory if CTAC funded.
- h. Prepare IRS 941 report quarterly (be able to show 941 forms and bank statements 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.)
- i. Ensure that an independent audit, along with IRS Form 990, is completed on an annual basis, if applicable.
- j. Prepare W-2 forms for each employee annually by January 31st of the subsequent year.
- k. Prepare and distribute IRS Form 1099 in accordance with IRS guidelines.
- l. Prepare employer's quarterly tax report in accordance with IRS guidelines.
- m. Prepare monthly reimbursement requests. Enter these requests in the SAMIS system and maintain supporting documentation.
- n. Present financial statements and other fiscal matters at the Agency Board Meetings.
- o. Notify CTAC of anticipated agency cash shortages.